Finance & Judiciary Committee Meeting
MINUTES
September 27th, 2011
6:00 p.m.

Members: Ben Kessler, Chair, Richard Sharp, Rick Weber

Roll Call: All present.

Others Present: Mayor Brennan, Lou Chodosh, Beecher Hale, Bill Harvey, Bruce Langner, Mark Masser, President McClelland, Jed Morison, Mike Price, Gary Qualmann, Chief Rinehart and Kathy Rose.

Review of Minutes: September 13, 2011- **Approved with Changes**

Presentation and/or Special Guests: None

Discussion regarding Mayor's expense reduction proposals.

Mayor Brennan distributed copies of a Press Release that outlined past savings over the last four years and his plan to reduce the operating budget.

1. Landscape contract with Brickman – Mayor Brennan said he is checking into possibly reducing the amount of work and re-negotiating some of the terms. Mr. Masser asked when the contract would be ended. Mayor Brennan said it is scheduled to terminate at the end of next year, but thinks some changes could be negotiated.
2. Recreation business expenditures - The recreation department will be receiving a decrease in their budget of $60,000 for the year 2012. Mr. Morison said that decrease in the budget may result in higher fees for the residents for programs. Mr. Harvey said they will obviously be looking for ways to increase the revenue whether through tickets to the pool, program advertising, etc.
3. Service Work – Mayor Brennan said they have a facade remodeling program and will be decreasing those programs next year. Mr. Morison said the Service Department was already pro-active in reducing three positions and confirmed there are no replacement plans for those positions. Mr. Harvey said that was correct. Mr. Hale said that will affect the budget for 2011 and that amount will not go into 2012. Mr. Morison stated this will be projected savings for the City, not only for the wages but for the benefits as well.
4. Benefit and staffing changes – Some of these projected changes will require changes to the collective bargaining contract. It would apply savings through

the employee benefit programs along with staff reductions. Mr. Kessler said some employees are not members of a collective bargaining unit, and they will proceed with these changes for 2012 for this area of employees. The insurance program can be changed in January with the intention next year to eliminate or reduce some of the benefits. Mr. Weber said these changes would reflect a savings of $200,000 from the service people. Mr. Morison said we obviously need to take a serious look at these cuts. Mr. Kessler said he realizes that it is not ideal but at least it would provide similar services by and large, similar services to residents would not be affected.

Mr. Kessler stated he applauds the Administration for the work they have done on preparing this plan to reduce the budget. President McClelland said Mr. Kessler, Rick Weber and Mark Masser should be applauded as well for pushing reductions in the operating expenses.

Comments from the audience:

Steve Keyes, 206 N. Drexel - Mr. Keyes asked what the Service Department included. Mr. Harvey said the Service Department impacts everything we do. He said one of the employees was a supervisor and the additional two were regular workers. He said we used to have three groups with four mean each working on leaf pick up as an example. It will take us longer to pick up the leaves throughout Bexley because we have reduced from 12 employees to 7 employees.

Lee Nathans, 55 S. Remington – Will the Police Department be diminished? Mr. Harvey said there are no plans today to eliminate any police officers. Mr. Nathans asked about the investigative detectives? Mr. Harvey said he was not able to respond to the question. Mr. Kessler stated they were not able to discuss sensitive information pertaining to personnel issues.

Mr. Keyes asked when the collective contracts would be available for negotiations. Mr. Harvey said the FOP contract will end this year. The Communications union contract involves the dispatchers, parking officers and animal control. The AFSCME contract with the Service workers will not end until next year. The remaining employees are not union.

Mr. Nathans asked if the funds for negotiations have already been budgeted for each year. Mr. Chodosh said these funds are set aside every year and usually not used until contract negotiations actually take place.

David Madison, Parkview Arms, Parkview Avenue – Mr. Madison asked what employee benefits are you considering reducing or eliminating? Mr. Harvey replied the benefits would include vacation time, longevity pay, wellness pay and perhaps a percentage toward their health care. These will all be evaluated by category. Mr. Madison asked if this had been done or is it still in the talking stage. Mr. Harvey said the non-unionized employees will have these changes go into effect by the end of the year. It is safe to say

these changes will be made. Mr. Kessler said they were unable to discuss the specifics as to the changes but if they can't be achieved, we will have to achieve the savings elsewhere. In other words, we would have to examine other opportunities.

Mr. Madison asked if any more Service Department employees would be eliminated in 2012. Mr. Harvey said no. Mr. Kessler said it is not as crystal clear as we had hoped. We can't put an exact number on the savings due to collective bargaining. He said some additional positions may be looked at as well as three possible retirements in order to achieve what we want. We will be examining all options and achievable cuts to obtain without affecting the services provided to the residents.

Mr. Morison said both the administration and the council members have done a good job being as specific as possible and hopefully this will avoid more drastic cuts. This can be attributable to the leadership of the Finance Committee.

Mr. Madison asked what the figure was they are trying to obtain. Mr. Kessler said they need $930,000 in savings for 2012. If we accomplish this in addition to Issue 24 passing, we would have a balanced budget for five years. Mr. Kessler added they are aware the police department is down one officer and that position will be restored.

Mr. Madison said we are down three Service Department workers so is that something we can sell when speaking with other residents? Mr. Keyes said the plan is to not replace them. Mr. Weber said if the cash cannot be expended – "unused" appropriations would also be applied to this figure. Mr. Kessler said this could affect leaf removal, snow, maintenance and moving. Bexley has to have better use for these funds.

Mr. Madison asked if the number of dollars of $930,000 plus savings? Mr. Kessler said yes.

Mr. Chodosh said the administration was instructed to get into strict negotiations to put the dollar amount in the budget because it is a negotiation issue.

Mr. Masser said whoever becomes the new Mayor or Council members will have to get to the $604,000 number. The supervisors are listed in the 2012 budget, or will it still be if Issue 24 doesn't pass? Mr. Masser said it may result in drastic cuts. This is a real challenge. The administration needs to give a number and make the necessary cuts to reach that figure.

President McClelland said he did not think Resolution 19 should be suspended and adopted. He believes it should go through the three reading process.

Mr. Sharp said Resolution 19 shows the fortitude of Council members to the residents to go forward and be on record for both the cuts and the approval of the levy issue.

Mr. Weber said it was decided at the last Council meeting that now is the appropriate time to take this action. He said it might be a little tardy, but we need to do it. He is in

full favor. Mr. Kessler said he believes the administration in good faith and honest effort will help the City's deficit.

Voice vote taken, all in favor from the committee.

Discussion of 2009 and 2010 Audited Financial Statements and related management letter.

Mr. Qualmann said he had distributed the report earlier to all Council members via email. He said the audited financial draft statements (once officially issued) should be put on the web site. He said it was the first time recently that a "State" auditor office had conducted the audit versus a private auditing company. He did have some responses to the Management letter and did email those as well. One of the recommendations was to have the Finance Committee act more like an "audit" committee.

We have been distributing the financial report on a monthly basis and will continue to do so. They recommended expanding this report to include all the other non-general funds. They encouraged us to elevate our numbers on the supplemental and suggested we need to make sure not to overspend. They recommend these numbers be reviewed by the Finance Committee and us presenting them in front of Council on a monthly basis.

Mr. Kessler said the management letter gives Council members some specific information for the finances and alluded to what procedures we may want to adopt. President McClelland asked if there was a specific report to assist with that process. Mr. Qualmann said he thinks so. One of their suggestions was to change the name of the Finance Committee to "Audit" Committee. They also recommended that the Finance Committee meet with the Auditor prior to the audit.

Mr. Morison asked if Mr. Qualmann was pleased with the report. Mr. Qualmann said there were one or two issues emphasizing form over substance. Mr. Sharp said the first one in the management letter; "budget stabilization reserve plan" indicates it should not be included in the ending year cash reserves. Is the rainy day fund listed in our cash reserves at the end of the year? Mr. Qualmann answered no. The million dollars Rainy Day fund is not included, however the County lists it on the report to the County Auditor.

Mr. Sharp said perhaps adding a footnote to the statements similar to the ones on the street fund and to show the rainy day fund is not included.

The State Auditor promotes a more complete view on bank appropriations. They want to see it total up to all investment funds. Mr. Kessler asked if the remaining dodge ball or winter melody funds were cleaned up. Mr. Hale said they still need to appropriate what we have spent before we can close those out.

Ordinances & Resolutions –

Third Readings.

Ordinance 32-11 is to amend Ordinance 117-08 to revise the method of payment for unused vacation pay for the Service Director, introduced by Mr. Kessler (Introduced on July 26, 2011)

Mr. Kessler said this Ordinance would allow the roll over of vacation days not used by Mr. Harvey. Mr. Kessler said due to the circumstances and conditions, he would be in favor of this Ordinance. Mr. Sharp suggested amending the Ordinance to specify a "roll maximum" to be "ten unused vacation days for 2011 to be moved to 2012" and eliminate the "per year" wording in order not to set a precedent. Finance members agreed to make the amendment at the time it is presented to City Council. **Vote 6-0 – Approved for Passage**

Second Readings.

Ordinance 35-11 to appropriate $12,375.00 from the Tax Increment Financing Fund (36-170-51320) for the purpose of paying for expenses related to right-of-way improvements in the Main Street TIF District to One Dawson Place, LLC, from TIF revenues received in 2009, introduced by Mr. Kessler, (Introduced on September 13, 2011). **No Action**

Ordinance 36-11 to transfer $1,246.82 from the Tax Increment Financing Fund 36 to the Bexley Beautification Fund 20, introduced by Mr. Kessler, (Introduced on September 13, 2011). **No Action**

Resolution 18-11 accepting the amounts and rates as determined by the Budget Commission and authorizing the necessary tax levies and certifying them to the County Auditor, introduced by Mr. Kessler, (Introduced on September 13, 2011).

Mr. Hale said the County sends documentation to the City in order for us to confirm they are sending us the correct rate. This is passed twice a year. Mr. Sharp asked about the difference in last year's amount and this year's amount.

First Readings.

Ordinance 37-11 to revise the Codified Ordinances by adopting current replacement pages and declaring an emergency, introduced by Mr. Kessler, (Introduced on September 27, 2011)

Ordinance 38-11 to approve modifications to the labor contract between the City and the American Federation of State County and Municipal Employees (AFSCME) effective, January 1, 2011, as contained in the Memorandum of

Understanding attached hereto, introduced by Mr. Kessler, (Introduced on September 27, 2011)

Mr. Hale said he would like to suspend the three reading rule and adopt. This modifies AFSCME contract with the personnel action form and this would formalize it. Mr. Kessler said this matter will be discussed in further detail at City Council.

Ordinance 39-11 to appropriate $20,000.00 from the Tax Increment Financing Fund (36-170-51320) for the purpose of paying for MSI Design to develop the Main Street Guidelines, Part II, which includes a plan for spending TIF funds in the Main Street District, introduced by Mr. Kessler, (Introduced on September 27, 2011)

No Action

New Business: Mr. Harvey said the America in Bloom group that works with Bexley every spring is holding a national conference in Washington, D.C. where the awards will be presented. Representatives from cities all over the United States will be in attendance.

We anticipate receiving an award and would like to send Mark Moore to the event. Mr. Harvey said since the trip is out of state, he is required to have City Council's permission to attend. He is estimating the cost would be a total of $1,000 for the cost of the trip. Mr. Kessler said Mark is very passionate about this work. President McClelland stated Mark does work very hard on this project.

Mr. Weber said he thinks with the public's concerns currently it would be a very inappropriate time to send Mr. Moore on an out of town trip. Mr. Morison asked if the City had tried to find a sponsor to pay for the trip. Mr. Sharp said he knows the Public Tree and Garden Committee would encourage us to send a representative. Mr. Masser said for the record, his vote will be "no". Unless it is money spent toward safety, he will be voting "no". This is certainly no reflection on Mr. Moore or the outstanding job he does for the City.

Mr. Harvey said there were public donations available that would cover the cost of the trip. We just need Council's permission for him to travel to the meeting out of state. We can send him down in the work truck if we need to for transportation. During the discussion it was resolved that Mark Moore would be attending this event solely on private funds and no City money would be involved. **Vote 6-0 – APPROVED**

Ms. Jones made a comment from the audience concerning the mileage of the truck and perhaps locating a small vehicle for Mr. Moore to travel in. Mr. Harvey said he would check and see what he could do.

Old Business: None

Adjourned 7:00 p.m.