

**Finance & Judiciary Committee Meeting**

**MINUTES**

**October 12th, 2010**

**5:45 p.m.**

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

**Roll Call:** Ben Kessler, Rick Weber.

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

**Review of Minutes:** September 28th, 2010- **Approved**

**Presentation and/or Special Guests:** None.

- I. **Discussion of trash collection rate changes:** Mr. Harvey explained this Ordinance passes the increase from Rumpke to the residents. Mr. Harvey said SWACO has raised their tipping fee \$3.00 per ton. There will be another \$3.00 increase in 2012 that is a pass through on the contract. There is also a fuel surcharge with a 5 year lock. The seniors were getting an 85% discount that was frozen for years. Mr. Harvey said it will still be a \$12.00 discount once we go to the 2011 rates. It will go from \$49.50 to \$61.50 so basically \$4.00 a month less than Rumpke's discount. These rates apply to those under 65 years of age. The City is currently subsidizing the 65 and over rate. Mr. Morison said it may not be as gradual as we would like, but once it is there, we could pass along the increase. He said it equates to 10% or \$1.50 a month. Mr. Masser asked how the City knew if someone was 65 years or older? Mr. Harvey said they are required to physically come into City Hall and we make a copy of their driver's license to ensure they are also Ohio residents. Mr. Kessler said this Ordinance is a pure pass through of the increase the City of Bexley is receiving.
- II. **Discussion of renewal water rates:** Mr. Harvey explained the Ordinance pertaining to water rate renewals is a continuation of the increase phase previously discussed in order to prevent the City from subsidizing any residents' rates, including seniors. Mr. Weber said he would like to go on record that he is against the increase for the senior citizens. Mr. Morison said he thinks the increase is consistent with last years plan and proposal for phasing the increase over a number of years. Mr. Weber said he did not remember this amount of increase going up 24%. Mr. Kessler said the City needs to bring up the rates in order for the City to cease subsidizing bills. Mr. Weber asked what the options are for this increase because he thinks it is too high. Mr. Harvey said the City needs to collect 1.2 million a year. Somehow we need to get to that number. Mr. Masser said the rates were so out of sync before and we have already agreed on this increase as part of a phase in rate over a certain number of years. Mr. Masser

said the City really doesn't know then if all of the eligible people are participating. Mr. Harvey said that was correct and to be honest, for \$1.50 a month discount, some seniors don't want to be bothered with coming into City Hall. Mr. Weber said he was not in agreement with raising rates. He would not expect a senior to be able to pay this increase. Mr. Harvey said the 24% comes to approximately \$1.00 a week. Those individuals under 65 years of age will be paying a higher rate. Mr. Weber said Council makes a lot of exceptions but he doesn't want it to go this increase even if it is part of a three year cycle plan. He wouldn't approve any amount in double digits. He is all for catching up on the rates but not through the seniors.

Mr. Lampke stated he wanted to make sure the City is being aggressive with both water and sewer lines being replaced in the City, whatever the cost. They are getting very old. Mr. Harvey said there is a water/sewer fund already in place. One issue is the water meters are now reaching the end of their 10/11 year life span. They actually run out of power and batteries are not replaceable. One Council member stated it was their impression when they purchased the meters that the batteries could be replaced. It was approximately a \$600,000 project. Mr. Harvey said the specialized meters send a signal to the Water Department regarding the usage. Mr. Harvey said this replacement should probably take place in the next 2-5 years. He was informed they had to be a replacement. Mr. Morison asked about people with hardship circumstances, lower income levels, etc. Mr. Masser stated a lot of seniors are not only able but willing to pay the regular amount. In some instances, they may be better off than the 30 year olds that live in Bexley. Mr. Kessler said in his opinion, it is more confusing the longer the differences in rates are dragged out. We will continue to discuss the issue and certainly note Mr. Weber's objections.

Mr. Kessler reminded Council the Department Heads are providing Council with information and this is an educational process for them to get a better understanding.

### **III. Departmental budget presentations:**

#### **a. Overview by Bill Harvey – Service Director –**

Mr. Harvey said he would like to give a brief overview on the ways to cut costs before the Directors begin with their presentation. Mr. Harvey distributed a hand out of his power point presentation. He said the first page shows the total general funds listed for the administration. The administration has no control over this area. The second page shows the Debt Services and Fire Contract expenditures. Page 3 showed the expenditures from 2007 being decreased over a five year period. Another example of reducing cost is having the IT department produce documents in-house vs. outside printing companies. The IT department recently produced the Recreation brochure which saved \$5,000 - \$6,000. We have worked together more as departments and eliminated staff which has had an overall effect of employee costs such as payroll being less than 2007.

President McClelland said this information certainly shows that we have been very wise controlling costs and certainly helps justifying our levy. He said he would not feel comfortable asking for support of a levy if the City had not been as prudent as they are with keeping costs down. Mr. Kessler said although the administration has done an excellent job controlling costs, ultimately, expenditures will still outpace our income. Mr. Harvey said the administration has cut costs in several departments which have not resulted in fewer services for the City.

- b. **Technology Department – Russ Halsey**- Mr. Halsey said he is the Network Manager for the City – including Recreation, Police and City Hall. This encompasses cell phones, cell phone lines, network communications, all software maintenance (accounting, police dept. etc.). Most of these are fixed costs. Mr. Halsey demonstrated on his power point that 17% of his budget is for phones (includes 2 network PI's); cooper mandated fire alarms, long distance for the best rate. We use the same vendors as Dublin and other surrounding areas and he is always shopping to make sure we are getting the best rate for the City. Another section demonstrated the intranet access and cable. He said there is one connection at each site. There is one ISP bill with Time Warner. He pointed out the fixed cost portion includes re-evaluating to replace and/or update systems. Mr. Halsey said copies are another item from his budget. Although the City is striving to go paperless as possible, we have reduced our cost to black and white copies for .01 cents and color copies for .06 cents. He said even at Kinko's it is hard to get under .20 a sheet in most instances. He said he printed the Recreation Brochure internally on the high format printer which also has capabilities of printing blue prints, cans and electronic transfers. One of the Council members asked how many copiers were currently located in City Hall. Mr. Halsey said there is one in the Mayor's office, one in the Water department and one in Building department. Mr. Halsey said he maintains the hardware, computers, monitors which usually have a 4-5 year life span along with the infrastructure. He also maintains the security system which is kept in the main basement with access control. The consumable section includes key boards, salaries and overtime. These costs are not paid out of each department's budgets but from the IT budget. Mr. Kessler said that is the idea for an IT department, they are there to support the other departments. Mr. Halsey said the last section on his page reflects the smallest portion of his budget which reflects his departments "true" expenditures. The remainder of the amount is owned by other departments and has been reduced from \$365,000 to \$340,000. He is on call 24/7 with the police department. Mr. Kessler asked Mr. Halsey where he would cut his budget if he had to trim it. Mr. Halsey said the Key Finance Company lease is almost up and he will be able to eliminate that specific cost. Mr. Harvey said Mr. Halsey reviews the cell phone plans all the time. Mr. Halsey said his budget does not have any padding at all and is already down to bare

bones with no wiggle room. Mr. Masser said Mr. Halsey is obviously doing a good job keeping costs down. He said he thinks the key is to watch the overtime line item and be very careful in that area. Mr. Halsey said he tries to take comp time versus overtime pay which saves the City money. He said he is more than willing to work with Mr. Kessler to explore any other alternatives in regards to the reduction of costs.

- c. **Building Department – Kathy Rose** - Ms. Rose distributed a copy of her budget to Council. She said from 2008 to 2010, the Building Department has an overall reduction in costs of 35%. She said the current forecasted budget is \$435,000 for 2011 and with her noted changes, it could be reduced another \$15,000 to \$419,000. She said a lot of her reductions reflect the fact that she has reduced the outside contractor's line item. She handles a lot of those cases and feels comfortable doing so without incurring additional costs. Ms. Rose said they have been able to reduce costs while maintaining the same high level of quality services for the residents. In the past, only 60% of the impact fee was passed along to the resident. Currently, they are passing along 100% of those fees. Mr. Kessler questioned the numbers showing the increase in revenue up from 2008. Ms. Rose said there is still a lot of remodeling being done in Bexley and a lot of good housing stock. Mr. Harvey explained that over half of those fees are returned to the City. Ms. Rose said she also has staff that is participating in cross-training for other departments which also comes from her budget. Ms. Rose said she would need to hire outside contractors if for example there were 14 inspections that needed to be done in one day. Mr. Qualmann stated the expenses are weighted to make the costs go back up so if you take that part out of the picture and look at it, \$429,000 might be a little high and it really isn't fair to Ms. Rose. Ms. Rose said the actual numbers for this year would bring me to \$271,000. Mr. Masser said it is for this reason that he has fought so hard to request the "actual" numbers before starting on the budgeting process. Mr. Kessler asked if the line items include the money being returned, what expectations do you think would result? Mr. Qualmann said it would be more Ordinances for appropriations. Mr. Harvey said some entities have the "spend it or lose it" mentality. The City's philosophy is very clearly "don't spend it and return it back". Mayor Brennan reinforces this philosophy each week at the Director's meeting. It is a reasonable expectation that you try not to spend it and have something to return. Mr. Kessler asked Ms. Rose what would happen if you were asked to trim your budget by ten percent. Mr. Lampke suggested possibly not a cut but an increase in fees. Ms. Rose said she might be able to take it from the contractors' line item. Mr. Weber asked if any other communities pass along the fees at 100%. Ms. Rose said she was not sure. Mr. Weber said it appears that activity has increased but he doesn't understand why the revenue has only increased by \$3,000? President McClelland asked when the last time the fees were evaluated? Ms. Rose said it has been five years since they were evaluated.

Mr. Qualmann said the increase in fees by 20% would be \$40,000 and that would be a 10% reduction. Mr. Kessler said perhaps an increase in permits along with a reduction in the outside contractors would be a positive step. Mr. Masser said the actual numbers may skew the budget. You really need to see the actual numbers before making adjustments. Mr. Kessler asked Mr. Qualmann if it would be possible to have the actual figures soon. Mr. Qualmann said he would suggest we get the October actuals and go back and ask at that point once there is only two months left. Mr. Masser thanked Mr. Qualmann and said that would be very beneficial.

Due to the time – Mr. Langner’s presentation and Mr. Price’s presentation was delayed to the end of the Council meeting.

### **Ordinances & Resolutions – No Discussion**

#### **Third Readings.**

**Ordinance 37-10** authorizing the transfer of \$83,728.70 from the Road, Alley and Sidewalk Fund to the Bond Retirement Fund and to appropriate \$83,728.70 from the Bond Retirement Fund and to appropriate \$17,149.25 from the Water Fund (total appropriation of \$100,877.95) for the purpose of paying 2010 debt service on General Obligations Bonds issued June 24, 2010, introduced by Mr. Kessler (Introduced on September 14, 2010)

**Ordinance 39-10** to appropriate \$25,000 from the unencumbered General Fund for the purpose of paying income tax collection fees for the remainder of 2010, introduced by Mr. Kessler (Introduced on September 14, 2010)

#### **Second Readings.**

**Ordinance 41-10** to amend Sections 1060.10 and 1060.105 of the Codified Ordinances of the City of Bexley to increase the rate for the collection and disposal of garbage, trash and brush within the City, and to declare an emergency, introduced by Mr. Kessler, (Introduced on September 28, 2010)

#### **First Readings.**

**Ordinance 42-10** authorizing a loan in the amount of \$72,798 from the unencumbered General Fund to the American Recovery and Reinvestment Act (ARRA) Fund to be paid back in full upon completion of the project, introduced by Mr. Kessler, (Introduced on October 12, 2010)

**New Business:** None.

**Old Business:** None.

**Adjourned 6:55 p.m.**