Finance & Judiciary Committee Meeting
MINUTES
November 15th, 2010
5:00 p.m.

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

Roll call: Ben Kessler, Rick Weber

Others Present: Mayor Brennan, Bill Harvey, Beecher Hale, Mark Masser, Jed Morison and Gary Qualmann.

Review of Minutes: None

Presentation and/or Special Guests: None

Mr. Kessler stated they have new budget and it is different from September.

Mr. Qualmann stated since the budget dated July 27th, was distributed Mr. Hale has put together a new budget with a difference of $12,000,000 in appropriations versus the $11,303,000 which is the general fund. Mr. Qualmann stated the single largest item of $559,000 relates to the debt service on the police bonds. Mr. Qualmann stated the city borrowed approximately $700,000 more than expended so there is $700,000 in the account which can be used for any other capital improvements to the police station.

Mr. Harvey asked if the amount would be closer to $500,000 or $700,000?

Mr. Morison asked if the money had to spent for debt service.

Mr. Qualmann stated it can be used on any capital improvements at the police station and cannot be spent on any other debt only if it relates to the police bonds. Mr. Hale has taken $559,000 of debt service that is scheduled for payment in 2011 and lowered the budget for 2011 by the $559,000. Mr. Qualmann stated the question that Mr. Harvey has raised is will it be $559,000 or will it be $700,000. As of today it will be $700,000. Mr. Qualmann stated he just found out late this afternoon that it was suggested that they use the money to pay the interest and not pay the principal on the bond. There is a conference call scheduled with the attorney from the bond council. Mr. Qualmann stated of the $559,000 that $275,000 is principal which leaves the interest at $274,000. If only the interest is paid the operating will go up $275,000 next year.

Mr. Masser asked why the service salary and wages are up.

Mr. Qualmann stated this does not represent the 10% reduction scenario that the department heads talked about.

Mr. Kessler stated a big chunk is the recreation fund transfer. Mr. Price has a larger recreation fund although not as much is being transferred this year. Mr. Kessler stated assuming that the $1,256,000 of the extra police bonds fund is used toward debt service. Mr. Kessler discussed examples of how Chief Rhinehart was looking into cutting his budget regarding overtime, utilities and building maintenance which was part of his 10% cut but he did not cut his budget 10%. These are changes that were discussed. Mr. Price at the recreation department is the same, lower numbers were discussed but it does not count as 10%. There was discussion among the council members regarding the police department and the recreation department. Mr. Kessler discussed the $82,000 - $92,000 capital difference is with the police equipment. Mr. Harvey stated the police department still wants three cruisers and extra equipment. Mr. Hale stated that $50,000 was removed from the recreation budget and Mr. Qualmann stated the reason for that was they could get by without it. Mr. Kessler stated they would explain the debt service regarding the police station when Mr. McClelland arrived.

Mr. Harvey stated the budget is basically flat from last year, most of these budgets are salaries, also the tuition reimbursement which is citywide and the special needs membership which is the recreationdepartment, Mr. Kessler asked about the salary and wages. Mr. Hale stated there is always a little higher of a budget than is spent and proceeded to explain about the forecasted budget. Mr. Hale stated he does not budget on what was spent this year, he starts new every year.

Mr. Weber asked about the $7,000.00 in tuition reimbursement. Mayor Brennan stated that the $7,000.00 tuition reimbursement is for Debbie and the police department. The employees are using quite a bit of the reimbursement. The cap is $3,000.00 per employee and this will take it to $4,500.00. Mr. Morison stated it appears to him that the Mayor has done a good job with his budget. Mayor Brennan stated they might not need the money in special needs but he has to put it in. Mr. Harvey stated there a lot of expenses throughout the budget like that.

Mr. Hale stated there is not much fluctuation in the city attorney expenses. Mr. Hale stated regarding Rita they had a lot of expenses with their new program called ReTax and that expense was distributed to the cities. The fluctuation with audit fees is because it is a bi-annual audit and this year Mr. Harvey stated the audit will include the ARRA money.

Mr. Masser stated it was mentioned to him that another community backed out of Rita and does the city do an analysis every year to see whether it is best to do it in house.

Mr. Hale stated he and Mr. Qualmann had discussed this and feels that in order to save money this could cause a negative impact on the revenue due to lack of service, information to the residents and legal expertise. Mr. Hale stated Rita processes a lot of payments and that would hard for them to do. There was more discussion regarding Rita among the council members, Mr. Hale and Mr. Qualmann.

Mr. Kessler asked if there would be any savings on payroll and if they have looked at the cost to have a company such as Paychecks process the payroll.

Mr. Qualmann stated part of the issue is they already have an accounting system SSI and the time it takes the auditors office to get all of the timecards together and process them. Mr. Qualmann stated it might save a little time but there would be a third party fee and there is more flexibility if the payroll is done in house. Mr. Sharp asked if the city had a lot of weekly employees. Mr. Qualmann answered yes and that one request would be to pay all employees every two weeks or twice a month to simplify things.

Mr. Hale stated the AFSCME contract would be an issue. There was additional discussion among the council members regarding weekly and bi-weekly payroll and the time that would be saved if all employees were paid bi-weekly. Mr. Sharp stated it would also save postage and bank fees.

Mr. Kessler asked if that was the $17,000.00 bank fee.

Mr. Hale stated the $17,000.00 bank fee is for credit card fees.

Mr. Morison asked if the city charged extra for using credit cards.

Mr. Hale answered no. Tthe recreation department, water department and police department accept credit cards.

Mr. Kessler asked if the city had received a quote on payroll.

Mr. Harvey stated the cost would be $14,000.00 to $15,000.00 a year to process the payroll including the weekly.

Mr. Hale stated a few hours could be saved on processing W-2's.

Mr. Weber asked how much time was devoted to payroll.

Mr. Hale stated 20% to 30%.

Mr. Harvey stated the city attorney budget is basically the same. Included in the budget is the retainer for Mr. Chodosh, the Franklin County Municipal Court fees and the litigation estimate because there are times when Mr. Chodosh must pay for the things he cannot do. In 2009 only $5,000.00 was spent so that could be cut. This is an estimate of extra legal expenses outside of Mr. Chodosh's expenses.

Mr. Kessler asked why the 2010 budget was $58,000 up from 2009's budget of $45,000 and asked if Mr. Chodosh bills on an hourly basis.

Mr. Harvey stated that Mr. Chodosh has a retainer and that the city pays a monthly fee for anything additional outside the retainer.

Mr. Kessler asked if the health benefits are paid separate.

Mr. Hale stated the city attorney and the city auditor are given health benefits.

Mr. McClelland asked what separates the retainer items.

Mr. Harvey stated it is based on their agreement and Mr. Harvey gave an example regarding Mayor's Court.

Mr. Masser asked who audits the bills.

Mr. Harvey stated the Mayor audits the bills.

Mayor Brennan stated he audits the bills and on occasion may have a question but stated the bills are pretty standard and Mayor Brennan gave examples of some bills.

Mr. Harvey stated civil service includes the human resource contract and special counsel. The civil service budget has been cut from $85,000 in 2010 to $63,000 in 2011.

Mr. Kessler asked about the $14,000 in operating expenses from 2010.

Mr. Harvey stated it is for council expenses such as overtime.

Mr. Hale stated it also is for police exams.

Mr. Harvey stated Mayors Court is for Ruby's salary, prosecutor contract Ray Malarski and supplies and is basically where it was last year.

Mr. McClelland asked if Lou Chodosh handles Mayors Court.

Mr. Harvey stated yes.

Mayor Brennan stated Marinda is being cross trained for Ruby's office. Mayor Brennan stated Ruby and her husband could retire anytime and Ruby is a wealth of knowledge.

Mr. Harvey stated an example of the disaster and emergency details are the warning sirens. Mr. Harvey stated City Hall expenditures are basically the same except the budget has been cut by $25,000. Mr. Harvey stated the Service Department budget includes salaries, uniforms allowance and the big item is the street maintenance fund transfer which is up from $325,000 to $430,000. Mr. Harvey stated the salary includes himself, Anne. The increase is the extra person he has added to the service department for training position. Also the other position in the street department is the reason for the increase of $25,000. There was discussion about salary and wages and Mr. Harvey stated they would discuss it in executive sessions.

Mr. Sharp stated he was confused about the street maintenance transfer. Mr. Harvey explained the need for the larger transfer. Mr. Qualmann stated that on page 34 there are two line items which are up. Mr. Sharp stated his question is based on the line items operating expenses and repair/maintenance. Mr. Harvey stated he will look at those line items and Mr. Hale had asked for a reduction. The discussion continued regarding lowering these items possibly $30,000 from repair/maintenance and $60,000 from operating expenses.

Mr. Masser stated in 2009 only $72,000 was spent.

Mayor Brennan stated there was $50,000 to $75,000 spent on asphalt and would like to do alleys next spring.

Mr. Kessler asked how many employees they have coming out of salary and wages?

Mr. Harvey stated different employees are paid out of different accounts. Mr. Harvey stated some employees are paid out of the water fund some out of the sewer fund and are paid out of these funds because they are self funding.

Mr. McClelland stated that $20,000 in the overtime fund between 2009 and 2010 is high.

Mr. Harvey stated last year they lowered the overtime budget and he will talk to Mr. Hale regarding the numbers. If we were to get a storm between now and the end of the year that forecast will go up. Mr. Harvey stated if we get snow with four employees that number could go up.

Mr. Kessler stated he trusted the Mayor's administration on everything especially the overtime.

Mr. Sharp asked if there was a reason that fuel has been budgeted for two years.

Mr. Harvey stated fuel is normally put someplace else and it is not always fuel it might be what they need for the back hoes and he could possibly take some of it out. Mr. Harvey stated he will look into the two items and get back with council.

Mr. Kessler asked if the city was planning on purchasing or leasing a back hoe.

Mr. Harvey answered no.

Mr. McClelland stated they have talked about this subject in previous years but would it make sense to co-op with other cities regarding back hoes.

Mr. Harvey stated the city uses two back hoes a day and both back hoes were out today. They are used for tree planting, water lines and to dig up the street. Mr. Harvey stated we do borrow equipment from City of Whitehall but not very often and tend to rent equipment.

Mr. Kessler asked if the clothing allowance is laundered clothing.

Mr. Harvey answered no. In the contract the employees get $500.00 per person clothing allowance. The employees do not have to use it but most of them do. It can be used for jackets or boots. The checks are not given to the employees they bring in the receipts.

Mr. Sharp asked if that is why clothing allowance was budgeted for $26,000 but only spent $8,500.

Mr. Harvey stated that is part of it, but all of the employees will come in next month when they realize they still have clothing allowance money left to spend. Mr. Harvey stated this year they have to buy uniforms and that is included in these numbers.
He also stated city hall expenses are basically salaried employees and utilities for the building and are down from $275,000 to $250,000. The numbers are basically the same as last year other than the utilities and Mr. Harvey will look at the forecasted numbers.

Mr. McClelland asked if the city hall utility budget includes the police station

Mr. Harvey stated the police department is separate.

Mr. Kessler asked if the utilities are being maintained at the former police station to keep the pipes from bursting.

Mr. Harvey answered yes, they use it for storage and to work out. Mr. Harvey stated the city garage budget has been raised a little for small equipment and things like that. The gas assurance was a $1,000 last year it went up because of an inspection that needed to done.

Mr. Weber asked if the garage rental is the warehouse space.

Mr. Harvey answered yes and this number could be high, it should be closer to $15,000.

Mayor Brennan stated there was a huge increase and were pretty much ordered to move within 30 days. There was discussion among the council members regarding the new warehouse and the items stored there.

Mr. McClelland stated the repair and maintenance fund was $32,000 in 2009 and the 2011 budget is $66,000.

Mr. Harvey stated that number can probably be dropped down.

Mr. Weber asked what is being spent on the new warehouse?

Mr. Harvey stated $1,000 plus utilities and the city was previously paying $1,800. The new warehouse has a one year lease.

Mr. Qualmann asked if seasonal employees were included in this account.

Mr. Harvey stated there are seasonal's in Mark Moore's parks account and Mr. Harvey stated there was only one seasonal last year. When asked why there are no seasonal employees budgeted for next year Mr. Harvey stated they would discuss that in executive session. The Parks Department is basically the same and he believes they will have spent the money this year to be able to fully plant the city by next spring. Turf maintenance is contracted with Brickman for about $135,000 to $140,000 and the budget from 2010 was $175,000 to $165,000. Brickman agreed to renew the contract and pick up some extra work and renew the contract at no increase so the city exercised the options for the next two years. Mr. Harvey continued to discuss the contract and gave council examples of the additional work Brickman has agreed to do including if the work at Jeffrey Mansion and overseeing the contract, along with the work along Cassady Ave. Council members continued to discuss the work that Brickman does and they discussed the number of employees that used to do the work. Mr. Harvey stated the problem with the city employees doing the work would be the equipment that the city no longer has.

Mr. Kessler asked if the city had ever talked to Brickman regarding the leave collection and what they would charge.

Mr. Harvey answered no.

Mr. Masser asked how many times the leaves are picked up.

Mr. Harvey stated this year the city will probably pick up leaves four times but it is typically three.

Mr. Masser asked Mr. Harvey if he know what the cost is to make a run to pick up leaves.

Mr. Harvey answered no and there has not been overtime this year. There is one seasonal that is working on leaves. Mr. Harvey stated they typically work overtime two days

during the year and would guess they will work two days this year on Saturdays. They will have nine employees, four pieces of equipment plus trucks and four leave blowers.

Mr. Masser stated if the city is trying to trim things why pick up leaves, why not pick them up twice as he has stated in the past.

Mr. Harvey stated he does not disagree but the city gets calls every year asking when are we going to start picking up leaves and why did we stop so early because so many leaves fall earlier and some fall later. Mr. Harvey stated the biggest issue he has is there is no personnel savings and the reality is it is the same guys that if it rains tomorrow and cannot pick up leaves they will be working in the garage or plowing snow.

Mr. McClelland stated there is an issue with having leaves in the gutter or in the tree lawn.

Mr. Harvey stated those are legitimate issues and he is not sure he can eliminate the leave pick-up. There are two things that happen, the leaves die and the city gets calls. The leaves get in the gutter and on the last trip they pick up leaves in the tree lawn and then they have to clean the sewers. If the city had someone else pick up leaves Mr. Harvey is not sure there would be enough of a savings.

Mr. Masser asked if he could get information on whether all communities pick up leaves and do all communities pick up leaves three or four times. Mr. Masser stated he would be very surprised if they did.

Mr. Harvey stated Gahanna charges $50.00 and they pick up leaves three times.

Mr. Kessler stated the City of Bexley does not have the same amount of trees as other communities as he feels the tree commission should pay for the leave pick up.

Mr. Harvey stated the city picks up 400 to 500 truck loads and he is certain if he went to Rumpke and asked them to pick up our leaves they would renegotiate our contract. The discussion continued regarding leave pick up and the numbers of employees it takes to pick them up.

Mr. Harvey stated regarding the Street Lighting budget the city gets a utility bill to maintain the lights. This is also part of salaries that is allocated to this account for four garage employees. Mr. Harvey stated this is for street lights and traffic lights. There was also discussion regarding the energy efficient light bulbs.

Mr. Harvey stated the Health Department budget is mainly for the Franklin County Health contract. They do the mosquito spraying and that number might go up and are still negotiating. If it does go up he will come back for more money. It is calculated per amount per resident at about $85,000.

Mr. Kessler asked what does Franklin County do?

Mr. Harvey stated Franklin County sprays for mosquitoes and inspects our restaurants. The mosquito contract is a spraying contract it is not monitoring. The health department contract is monitoring, they put out traps and do a weekly report. There was discussion regarding the mosquito spraying including the number of spraying and the health commission position. Mr. Weber stated the Franklin county health contract does have some mosquito spraying treatment in it. Mr. Harvey stated there has been two or three meetings over the past several months and he feels there is going to be a big increase and at that point the city will need to decide what to do. There was further discussion on the contract for mosquito spraying.

Mr. Harvey stated the grant expenditure detail has been cut a little. The only item that he feels is important for the city to maintain is Friends of Alum Creek. The city gets credit for subsidizing them to the EPA for some of the things the city is required to do.

Mr. Kessler stated they do not have a staff anymore so what are their expenses.

Mr. Harvey stated he does not know their expenses but they obviously have operating expenses to pay for and clean up expenses. Mr. Harvey stated the EPA consultant the city hired feels it is very important to support it and the rest are more charitable. There was further discussion on the difference between 2009 and 2010's budget. Mr. Harvey stated this is the first year the city has given cash to BCA. Mr. Harvey asked if the decision is to keep the budget at $15,000. Mr. McClelland stated he would opt for the $15,000 and Mr. Masser agreed. Council continued the discussion and agreed to keep the budget at $15,000.

Mr. Harvey stated the Boards and Commissions Expenditures budget is mainly clerical support like the minutes. Mr. Harvey stated he cut some of the items back a little.

Mr. Kessler asked if the city looked into audible minutes for the meetings only.

Mr. Harvey stated that would be up to council, he does not know the answer to that. Mr. Harvey discussed the benefits and disadvantages of going to audible minutes. The council members discussed being able to put audible minutes on the web-site but is not sure if that is something that council members would all be in agreement on. Mr. Harvey stated that he has been asked to hear the tape after the minutes have been approved and the tapes should probably be destroyed.

Mr. Kessler stated he feels it would be easier for residents to interpreter the true meaning of the statement if they took the time and listened. The audible file can be put on any web site. Mr. Kessler stated the city is spending at least $14,000 a year taking minutes.

Mr. Harvey stated one of the problems transcribing minutes is if the person is not there and transcribing the minutes from hearing it on a tape.

Mr. Harvey stated the leed program in the Miscellaneous Expenditure is no longer used and he moved onto Capital Expenditures. The only item here is the service department equipment which is $100,000 for the boiler. Mr. Harvey stated he is not going to do the boiler this year but he wanted to advise council the cost could be higher in 2011 when the boiler is replaced. Mr. Harvey stated he will spend $200,000 a year replacing major pieces of equipment whether it is purchased or leased is not decided yet.

Mr. Kessler asked what the advantage is of not having capital expenditures in the budget at all.

Mr. Masser stated it is much aggravation not knowing how much money they would need to spend in the general fund so they split the money out and took a percentage of the income tax and set that aside for capital improvements and asked for the Mayor and administration to give council a number. They use that number to spend on capital improvements. The philosophy was when capital improvements were considered in the general fund whatever money they had was spent. Mr. Masser stated he believes it should be a separate item and should be set aside out of the general fund. There was discussion among the council members, Mr. Harvey and Mr. Hale regarding how capital improvements were spent in the past.

Mr. Kessler stated he likes the idea of capital improvements being case by case but would like to hear other council member opinion as opposed to not outlining it in advance. Mr. Kessler stated what he sees is there is $100,000 for a boiler and opposed to putting the money away.

Mr. Masser stated the last auditor wanted to take a percentage of the estate tax and put it aside and use it for capital improvements and Mr. Masser stated he was against that. Mr. Kessler and Mr. Masser continued discussing the funding for capital improvement.

Mr. Kessler stated he does not have a problem with putting the boiler in the budget but he does for having an unknown $105,000 in capital improvements without having a plan for it.

Mr. Harvey stated he has not identified yet this year what trucks he is going to replace. It could be a back hoe or a sewer truck or maybe two pick up trucks. Mr. Harvey stated he will either be able identify it or he will take it out but he wants to keep the $100,000 for the boiler. Mr. Harvey stated he would like council to understand he believes they are going to need $200,000 worth of equipment to replace what they have.

Council made a motion to go into executive session pursuant to Section 223.03. Motion seconded by Mr. McClelland.

Meeting was adjourned at 7:25 p.m.