

Finance & Judiciary Committee Meeting
MINUTES
November 16, 2010
6:00 p.m.

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

Roll Call: All present

Presentation and/or Special Guest: None

City Auditor's report of budget forecast
Synopsis and review of departmental budgets
Preliminary discussion regarding appropriate changes to the 2011 budget

Ordinances and Resolutions:

Third Readings:

None

Ordinance 43-10 to amend certain provisions in the Bexley City Code, Section 262.02(c)(12)(A), sick leave; Section 262.02(c)(13)(B), tuition reimbursement; and to delete Section 262.02(e)1, holiday pay for part-time employees, introduced by Mr. Morison (Introduced on November 9, 2010).

Mr. Morison stated it was agreed to put the ordinance on the agenda under service. This ordinance relates to sick leave, tuition reimbursement and holiday pay for part-time employees. Mr. Harvey is going to speak regarding these issues.

Mr. Harvey stated there are two or three changes relating to this ordinance. The first section is to clarify that only full-time employees are eligible for sick leave. This was discussed a year or two ago. Mr. Chodosh discovered the ordinance did not look properly worded. To make it clear it is being suggested that the wording be changed to state sick leave is only for full-time employees. Section 2, of the Bexley City Code talks about tuition reimbursement and the current policy for tuition reimbursement states employees can get reimbursed for up to \$3,000 a year and this is approximately a 10 year ordinance. The city has a couple of employees that currently take advantage of the reimbursement program and the employee has to wait to take classes the following year until they can get another \$3,000 reimbursement. It is being suggested to raise the amount to \$4,500 a year. Mr. Harvey stated council still has complete budgetary control.

Mr. Masser asked for an example of the classes being taken, is it for the better of the city or for the better of the person.

Mr. Harvey stated that Debbie is taking a math course and a statistics course and Mr. Harvey is not certain what the third course was.

Mr. Chodosh stated it is related to her improving herself and improving her ability to deal with issues.

Mr. Harvey stated these are college level courses.

Chief Rinehart stated the FOP bargaining unit reimbursement is \$4,000.00.

There was further discussion among council members and Mr. Harvey regarding issues with tuition reimbursement and how to solve any issues if they arise. Mr. Morison stated there are ways to prioritize and discussed changing the amount to \$4,000.00. Mr. Harvey stated any tuition reimbursement is presented to him.

Mr. Harvey stated Section 3 in the ordinance states that part-time, seasonal employees and temporary employees are eligible for holiday pay if they work the day before and the day after a holiday. Mr. Harvey stated he does not believe that is necessary in today's environment and does not feel they need to be paid and he is suggesting they change that.

Mr. Sharp stated he does not have a problem with the temporary and seasonal employees. The State of Ohio recently had a provision that requires all employers to pay for sick time and part-time employees.

Mr. Masser asked if legally the city can do it.

Mayor Brennan stated a few examples of some seasonal employees who called in sick ahead of time knowing they had sick time.

Mr. Harvey stated as of today the city has no permanent part-time employees.

Mr. Sharp stated he would like to strike the word part-time.

The discussion continued regarding permanent part-time and union positions. Currently AFSCME has no part-time employees.

Mr. Morison stated he asked Mr. Harvey if any employees currently will be affected by this and was told no because this ordinance will not go into affect until next year.

Discussion continued regarding part-time employees, permanent part-time employees and seasonal employees. The discussion also continued regarding whether any of these positions were union positions and Mr. Harvey stated no they were not.

Mr. Harvey stated currently we have two seasonal employees, one that is hired for a couple of months to help during leaf season and the other employee is helping Mark Moore in the Parks Department. The only part-time person is currently working for the Recreation Department and Mike Price has agreed that the market does not demand that employee to be paid this benefit.

Mr. Sharp stated there has been a lot of discussion regarding part-time employees and stated he pro-rates his part-time employees and feels they work all year.

Mr. Morison asked can the city pay a 25 hour employee sick leave and how do you define that.

Mr. Harvey stated he does not have a problem paying part-time employees except he does not feel the city needs to. Mr. Harvey is trying to figure out a way to reduce some costs since council is telling him the city is over paying their employees.

Chief Rinehart stated he has one part-time employee that he hired and he a skill set and he cannot be replaced.

Mayor Brennan stated they learned that employees were being paid for these benefits and then filing unemployment. The city can save \$200,000 and the four part-time employees the city had are now gone.

Mr. Morison stated he feels all members are in favor, Mr. Masser, Mr. Weber and Mr. Kessler stated they were all in favor. Mr. Morison stated he would recommend approval at the next meeting with the amendments.

Mr. Kessler stated that he realized that last night they did not discuss the enterprise funds, on Page 46 in the water fund there is a balance carried of \$508,000 and asked if this was related to the gap funding.

Mr. Harvey stated this covers water related expenses and this was discussed a month ago and the meter reading devices will need replaced. This fund can either be built up over time or the residents can be assessed.

Mr. Kessler and Mr. Hale discussed the numbers in the sewer fund on Page 50.

Mr. Harvey stated there is an ordinance to increase in the water and sewer rates.

Mr. Sharp stated he looked into the rates at other suburbs and he is torn about raising the water and sewer rates and stated Mr. Harvey gave him a schedule of the cost over the next four years from the City of Columbus regarding the EPA.

Mr. Harvey stated this is not just to build up cost for the EPA, but will also have \$600,000 to \$700,000 to replace the readers over the next few years.

Mr. Sharp stated he is more inclined to charge the residents as their meters are replaced.

Mr. Kessler asked if this is because the batteries run out.

Mr. Harvey answered yes. The units will need to be replaced and he stated the units are in the 10 year plus range. Mr. Harvey stated the replacement cost is \$110.00 to \$120.00 per unit. The units are starting to fail and the company representative has stated they will need to be replaced.

There was discussion regarding the costs and replacement of the meter transmission units

Mr. Harvey stated this is not just EPA cost this is also the normal water system cost.

Mr. Kessler stated on Page 52 there is a line item for sewer studies and asked if this is the EPA sewer study.

Mr. Harvey answered yes and they have already started it this year.

Mr. Kessler stated there is a sewer improvement plan that was there last year and was not used.

Mr. Harvey stated that is because he does not know when they are actually going to make those repairs and he is doing everything he can to postpone those repairs unless it is critical.

Mr. Kessler stated the swimming pool fund is carrying a balance of about \$130,000 to \$140,000 and the overall budget is relatively small.

Mr. Masser stated it is the unforeseen that concerns him.

There was discussion among the council members regarding the pool fund.

Mr. Kessler stated the police pension fund on Page 56 carries a sizeable fund balance.

Mr. Hale explained the need for the fund balance relating to the cash basis and negative gap basis.

Mr. Qualmann stated the five year forecast is updated from yesterday. The update on the second page is on the unspent appropriation. The debt service is \$1,030,000 and yesterday this was reduced by \$559,000 and that relates to the police building. It has been changed to \$284,000 on the advice of the bond tax attorney who advised to only use the excess proceeds to pay interest and not principal. Rather than the revenue under expenditures of \$1,231,000 it is now \$956,000 so the deficit has been increased by the amount that has to be used out of the transfer from the general fund to the debt service fund. Mr. Qualmann stated on Page 44 there is a copy of the bond retirement fund with

the new item of \$284,000 for the police station proceeds. Mr. Qualmann handed out the controllable and non-controllable information.

Mr. Kessler stated this is helpful in showing them and illustrating it to the members.

Mr. Qualmann stated most of the items listed here are non-controllable and it is debatable what is controllable and non-controllable. Mr. Qualmann stated getting into the wages and benefits those are controllable. If personnel were eliminated he feels they are at a certain service level and these should be maintained. Mr. Qualmann continued discussing the budget appropriations for 2011.

Discussion continued on forecast spending and the deficit in 2009 and there was discussion regarding appropriations.

Mr. Morison asked if there has been any recent checks on the local government funds, there is a lot of discussion about revenue sources and expenses.

Mr. Qualmann stated that this has been factored into the five year plan and the earliest this would happen would be July 1, 2011 when the next budget starts. Mr. Qualmann discussed line items for the best case scenario and the least case scenario. For the income tax numbers he is using 2% going forward. Discussion continued on the last 11 years of income tax defining year by year. Mr. Qualmann stated the most important is the estate tax. Mr. Qualmann continued to discuss the 2011 budget and estate taxes. The debt summary was passed out at this time. Mr. Qualmann stated that he and Mr. Hale had conversations with Lori at Rita and they are trying to track down different alternatives and he thinks that an income tax increase needs to be considered. If the increase went to 2 1/2% and had a credit cap the 80% and 2 1/2% would generate almost \$1,500,000 increase. Mr. Qualmann continued to discuss the different scenarios with different percentage numbers and what type of increase would be needed. The city has added a very significant amount of debt, the street resurfacing, the police station and the pool.

Old Business: None

Adjourned 6:59 p.m.

