Finance & Judiciary Committee Meeting Agenda
November 30th, 2010
5:30 p.m.

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

Roll Call: All Present.

Others Present: Mayor Brennan, Lou Chodosh, Beecher Hale, Mark Masser, President McClelland, Jed Morison, Mike Price, Chief Rinehart, Gary Qualmann

Presentation and/or Special Guests: None.

Preliminary discussion regarding appropriate changes to the 2011 budget.

Mr. Kessler distributed a revised list of proposed cuts. The first line item referred to a reduction in capital budget of $105,000 which would involve not replacing the bucket truck in the Service Department.

The second proposed cut was regarding no pay increase for non-contract employees. Mayor Brennan said he did have an objection to this cut and would like to discuss it further in Executive Session.

Another item discussed involved the Service Dpt. and eliminating the funds for cross-training in the Water Department. Mayor Brennan was opposed to this cut as well.

Mr. Kessler suggested placing all minutes in "audio" format to eliminate someone attending the meeting to take minutes and then later transcribe the same. His suggestion was to go to digital minutes.

Mr. Kessler said some of these line items are high in comparison to other Cities. He also had three or four suggestions on cutting the I.T. Department expenditures. He would like to have some of the members meet with Mr. Halsey to discover ways to cut the costs.

Mr. Qualmann said the city has a 1.5 deficit and it is handle a little differently than in the past. He said the State funding could be reduced or eliminated which is $700,000 of income which is in jeopardy. These cuts could go into effect in June. Now is a good time to think about what changes could be made.

Mr. Kessler said after meeting with the department heads it appears that a 10% reduction across the board would affect services that would be lost to the residents. This list is a compromise to help maintain those services.

Mr. Morison said the pay increase issue is something that needs to be discussed with the Mayor. President McClelland said every year we talk about reductions and work hard to

cut line items and the result is only a $40,000 reduction. We have a large debt and he is in support of Ben's list and any possible cuts. President McClelland stated that Mr. Kessler is not only talking the talk but walking the walk. These are tough decisions but ones that need to be made. Mayor Brennan said there are three line items that he is the most concerned with including the street light funds. He said they have been working hard to currently replace street lights that are not functioning properly on Francis. He said this could be a safety issue. He is also concerned with the change to only "audio" minutes as all comments will be publically listed and everyone will have to state their names before speaking each time, etc. There are draw backs to the audio only minutes. He also feels very strongly about the pay increases for the non-union employees as well as cutting the training line item. He said the service staff is not like the police staff where you go to the next name on the list. He needs individuals to be properly trained prior to long term employees retiring.

Mr. Qualmann said the technology department had a lot of unspent funds. He said the numbers are based on an estimate only at this point. Mr. Hale said the past history of unappropriated funds was not included in the budget for the next year. Mr. Morison said he would recommend any items the Mayor would approve. He thinks this would be a good compromise.

Mr. Sharp asked if the Council's pay was off the list. The Mayor said his salary is capped for five (5) years. Mr. Sharp asked the Council's pay was included in the budget and whether or not there was a reduction as well. It would be important for Council members to take a reduction if we are not passing along increases to some of the employees. Mr. Masser said he is voluntarily taking a 10% cut in the pay he receives for City Council. Mr. Kessler agreed this would be important if we are going to take a look the employees pay. Mr. Chodosh read Section 31 from the Charter which stated "no officer or elected employees salary can be diminished."

Mr. Masser suggested looking at ways to increase the revenue versus reductions or cuts. Mr. Kessler said increasing the revenue will not affect the budget for 2011. Mr. Masser said if City Council looks at increasing the income tax for Bexley it would affect the budget.

Mr. Kessler asked how many non-union employees there were. Mr. Hale answered 26 employees. Mr. Kessler said he was open to discussion and had hoped other Council members had some ideas as well. He said even with the real estate taxes being raised, what if it is defeated at the ballot? Looking at the history it is true we have reduced expenditures within the last few years by reducing the payroll by 10%; health care expenses reduced along with consultant fees. Mr. Kessler said this credit certainly belongs to Mayor Brennan.

Mayor Brennan said by next fall, we will have a good handle by February on the inheritance tax; union negotiations, etc. By removing any pay increase for the non-union employees, you are only talking $60,000 a year total which equates to less than .5% of

the total budget. He does not think the impact on moral and taking a singular section of employees' increases would make the amount of reduction in the budget worthwhile.

He also said he will be having some long term employees retiring within the next couple of years and he needs the training allowance in order to have someone back up those individuals. It is imperative to be prepared once those employees retire.

Mr. Kessler said the economy is currently tight for everyone and a lot of the Bexley residents are getting pay freezes as well. He said the increases each year have a built-in compounding rate. He said City Council needed to take control over these issues and changes.

President McClelland made a motion to adjourn to Executive Session. Motion was seconded and voice vote taken.

Executive Session pursuant to 223.03(a) 6:20 p.m.

Executive Session ended and meeting reconvened at 6:45 p.m.

Mr. Kessler said the Mayor wants to keep the trainee budget line and it does seem like the wise thing to do, particularly in connection with the Water department. Mr. Kessler said he would be in favor of adding this item back into the budget.

Mayor Brennan asked about the minutes for the meeting. Mr. Kessler said he thought the audio minutes would be acceptable it is just a change in philosophy when speaking at meetings. Mr. Sharp said he understands that the savings would be the cost of having a person present to take notes and record in addition to the transcribing of the minutes. He did have concerns about the possibility of having to change locations and having the proper equipment. Mr. Kessler said he did not think it would be an issue with the recorder.

He said he thinks there is a more cost effective way to handle the IT Department. Mr. Weber said there is a very delicate balance between the Technology Committee and he believes some of the members do not feel they are being utilized as much as perhaps they could be. Mayor Brennan said a meeting could be set up with a few of the members, Mr. Kessler and Mr. Halsey to further research possible options.

Mr. Morison suggested perhaps there are other alternatives as well such as refinancing. Mr. Kessler said it was agreed to not pursue changes to the non-union employees pay salaries. They agreed it would not be fair to single out a particular group of employees.

Mr. Weber asked about the government funding and if it is cut by the new Governor, how soon would it actually go into effect? Mr. Morison said July 1st would the effective date so we would not have six months in 2011. The General Assembly has to decide what action they are going to take and we won't know the impact of those changes on the budget. He said 20% of the legislature is new so there will be a huge learning curve. The

State has an 8.7 deficit which is one times the funding used in last budget (including stimulus funds).

Mr. Sharp asked whether or not the Grant Funding was a "requirement". Mr. Kessler said he believed it was "optional" in our offering but we will need to discuss that further with Mr. Langner.

Mr. Kessler said one of the line items included the Bexley Historical Society (utilities and repairs to the property). He thinks the City needs to ask them to pay the utilities and help with the repair costs.

Mr. Qualmann distributed a 5 year projection form that had been updated. He showed how the current 1.568 deficit will be 2.2 million in 2012. The revenue must be increased next year or the City will be out of cash in 2012.

Mr. Kessler asked about receiving a revised budget based on their conversations this evening. Mr. Qualmann said it would be prepared and ready to vote on at the next meeting on December 7th.

Ordinances and Resolutions: Not read or reviewed

Third Readings.

Ordinance 46-10 to authorize appropriations for the calendar year beginning January 1, 2011, introduced by Mr. Kessler, (Introduced on November 9, 2010).

Second Readings.

Ordinance 47-10 to establish rates for all salaried, part time and casual employees of the City of Bexley, effective as of January 1, 2011, introduced by Mr. Kessler (Introduced on November 16, 2010).

First Readings.

Ordinance 50-10 to appropriate $5,500 from the Mayor's Court computer fund to pay for Mayor's Court software support for 2011, introduced by Mr. Kessler, (introduced on December 7, 2010)

New Business: None

Old Business: None

Adjourned 8:00 p.m.