Finance & Judiciary Committee Meeting
MINUTES
February 23, 2010
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, Mark Masser, President McClelland, Jed Morison, Chief Rinehart, Gary Qualmann.

Review of Minutes: February 9th, 2010 – **Approved.**

Proposed Budget Schedule – Mr. Kessler had previously distributed a proposed budget schedule for Council's review. Mr. Morison stated he thought it was a good idea. Mayor Brennan said the suggested date of June for a preliminary budget was attainable on the administrations behalf. Mr. Masser stated that there will be figures that will not be available until closer to the end of the year so flexibility will be needed. He said those figures will have to be incorporated at the end of the year in order to proceed with an actual analysis.

Mr. Kessler said he would like to see a forecast included in the annual budget process assuming moderate inflation in order to view where the City will be in three to four years. President McClelland reminded Council that based on estate taxes; the forecast certainly could change at any time. He does agree that a budget timeline is a good idea.

Mr. Hale said he would be able to create three different scenarios for the projections including same growth, better growth and less growth. He is also working on some different formats for the budget to perhaps make it a more useable version.

President McClelland inquired about the State of the City Address. Mayor Brennan stated he has scheduled this for March 16th. Mr. Weber asked about the timeline to review health insurance options. Mayor Brennan said he will have some definite figures on the insurance plan to evaluate mid-April. Mr. Morison said he thinks this would be a good time to start discussions on this matter due to enrollment requirements and communication with the employees in the event there are any changes. Mr. Sharp noted that it is difficult to get the renewal rates from the carrier prior to the end of the year. Mr. Morison added that any changes with the Federal government may also play a part in the decision. Mr. Sharp said it would be four years before any changes by the Federal government would actually be implemented.

Presentation and/or Special Guests: Mr. Harvey said he is planning on moving ahead with the street projects. There will be 10 streets going out to bid. G&G Concrete was the lowest bid for the sidewalk and handicap ramps. Mr. Harvey's proposal is to borrow the funds to continue working on the streets while interest rates are low. He distributed

copies of two articles which discuss the public pension funds and low rates along with an article about municipalities filing bankruptcy. He said it will be harder down the road for municipalities to borrow money. The research that he has conducted indicates that interest rates will be rising in the future and it will be more costly to borrow funds. His opinion is the City needs to continue to go forward and work on the streets.

Mr. Kessler said he personally was not thinking about the implications involved and is hesitant on borrowing funds for the street projects. Mr. Kessler asked the other members to share their thoughts on the matter.

Mr. Morison said he thinks it makes sense to go forward while the rates are low.

Mr. Sharp said the Federal government is starting to increase the discount rates offered to the banks which indicates that rates will be rising to borrow funds. He has spoken with several residents and the streets are a big concern. He would like to reserve his final opinion until after winter when it will be better to evaluate the streets and damage caused but currently is looking toward proceeding with the work.

Mr. Masser said the streets are a priority and said it is a safety issue. He thinks the City should proceed with the street work and by taking a step backwards would be hypocritical.

Mr. Qualmann stated $860,000 annually is not dedicated yet to the debt service. He said $3 million budgeted for the streets would be about $220,000. We have spent $450,000 out of the $860,000. The City would use half of the fund over the past two years. President McClelland asked if this is a 20 year obligation and Mr. Qualmann confirmed yes. Mr. Hale broke it out into gas, $214,000; state tax $75,000 and county tax of $45,000. Mr. Hale said these funds were used for operating expenses as well, not just the street fund. These funds are not used for street resurfacing. Mr. Harvey confirmed that salt is not purchased out of this fund but there are some equipment purchases.

Mayor Brennan stated he would like to continue with the street work for another year and then revisit the issue.

Mr. Lampke said the City is in the 7th year of a 10th year street improvement program. He suggest that Council wait and stand back to conduct further fact finding. He suggested that EMH&T be hired to evaluate where the money needs to be spent. He would like to see an updated report since it was January 2002 when the street levy was originally introduced.

Mr. Harvey said the most recent EMH&T survey was conducted in 2005. He has been working with a consultant who previously worked for EMH&T and it has saved the City a considerable amount of money. Mayor Brennan said the last survey from EMH&T had a cost range of $82,000 - $90,000 for the study.

Mr. Weber said he is in favor of borrowing the funds and thinks the City should continue working on the streets for one more year. Mr. Morison agreed and said the City should act while the rates are down and the construction costs are good.

Mr. Qualmann said once the funds are borrowed, the City has up to 2 or 3 years before they are required to use the funds. If the City bonds 6 mil, we actually save on fees and interest rates in lieu of two separate 3 mil bonds.

Ordinances & Resolutions –

Third Readings.
Ordinance 06-10 to establish the rate of pay for the Part Time Police Communications Technology Officer at $25.75 per hour, introduced by Mr. Kessler, (Introduced on January 26, 2010) – **Previously approved.**

Second Readings.
Ordinance 07-10 to certify special assessments for the various sites where the work was not done by the owner after being ordered by the City in accordance with Bexley Code Section 1490.15(b)(4)A or Bexley Code Section 1492.04(b)(1), and it was necessary for the City to do the work and assess the owner, introduced by Mr. Kessler, (Introduced on February 9, 2010) **Previously approved.**

Ordinance 08-10 to create a part-time custodian/building maintenance technician for the Bexley Police Department, introduced by Mr. Kessler, (Introduced on February 9, 2010)- **Tabled**

Chief Rinehart and the Mayor have agreed to pursue other directions.

Ordinance 09-10 to amend Bexley Codified Ordinance 262.02, to allow the Police Executive Assistant certain benefits to commensurate with the practices defined in the collective bargaining agreement for other non-sworn police personnel, introduced by Mr. Kessler, (Introduced on February 9, 2010) **Previously approved**

First Readings.
Ordinance 12-10 to appropriate $10,000.00 from the Street Maintenance Fund for the purpose of paying overtime for the remainder of 2010, introduced by Mr. Kessler, (Introduced on February 23, 2010)

Mr. Harvey said he needs the appropriation in order to meet overtime requirements as necessary.

New Business: Mr. Hale discussed information on the 3.4 mill levy. Mr. Hale distributed information which demonstrated the breakdowns of a renewal levy and a replacement levy. The original levy from 1975 can be renewed so the City will continue

receiving the same amount that it has since the original levy. A replacement levy would result in additional funds for the City.

Mr. Qualmann explained that 1 mil = $460,000 annually. Mr. Hale said if the levy renewal is not approved by the November ballot, it is his understanding that the cash will stop this year. Mr. Morison said it is too late to place the issue on the primary this year.

Mr. Weber expressed concern that either way, we will be competing with the school. Mayor Brennan suggested that the City ask for the "renewal" not the "replacement" because that would be status quo for the residents and not additional funds. He said this approach would be the best for the residents and the school system. He said if the City goes for more money and lose, we have also impacted the school's levy. President McClelland asked about the possibility of creating a "modified" amount. Mr. Hale said that could be an option. Mr. Masser said this subject needs a lot more discussions before we can even consider the subject.

Mr. Morison said a decision will need to be made by Council no later than June in order to be placed on the ballot. Mr. Morison asked the Finance Director and Auditor to research into whether or not we are legally permitted to ask for a "replacement" back to the original mil amount of 1975. Mr. Hale said he had a "casual" conversation concerning commercial versus residential but will double check on the legality. He said he will ask for something in writing to confirm whether or not a "renewal" on the original amount from 1975 is permitted.

Old Business: None.

Executive Session: Mr. Kessler made a motion to go into Executive Session pursuant to section 223.03 (d).

Adjourned: 7:00 p.m.