

MINUTES

COUNCIL-MANAGER BRIEFING

DECEMBER 5, 2011

Mayor Ronald A. D'Epifanio called the Council-Manager Briefing to order at 6:00 p.m. at the Fairfield Municipal Building, 5350 Pleasant Avenue. The following Councilmembers were present: Tim Meyers, Tim Abbott, Mike Oler, Mitch Rhodus, Mike Snyder, and Terry Senger. Council-elect present: Jeff Holtegel, and Debbie Pennington. Staff present: John Clemmons, Mary Hopton, Angie Jolivette, Dave Crouch, Art Pizzano, Tim Bachman, Mark Wendling, Mike Dickey, and Ben Strickler.

Review of 2012 Operating Budget

General Overview

Finance Director Mary Hopton displayed and briefly discussed a chart depicting Income Tax Revenue from 1997 to the estimate for 2012. She reminded Council of the 2011 anomaly payment for business profits. She explained there is still a risk depending on how next year goes that a sizeable refund will need to be given back. She stated the revenue breakdown for Income Tax accounts for 72% of the General Fund. She explained it is broken down into three parts: withholding for employers that is holding steady, business profit which is fluctuating and residents are holding steady as well. She commented the Southwest Ohio Tax Administrators Group Meeting was held today to brief six State Representatives on the impact central tax collection by the State would have on the cities. She stated there is legislation being prepared to be introduced in January by administration and the House of Representatives. She discussed the representatives are hearing more about the uniformity issues regarding tax codes. She stated not all the issues discussed are revenue neutral. City Manager Art Pizzano commented there is an item on the Agenda tonight dealing with this in terms of the City's position. Mrs. Hopton clarified as far as the city opposing the concept of central collection. She briefly discussed the issues with central collection including timing of payments, collectibility, once a month disbursements, and the fact that it will not save us anything.

Mrs. Hopton displayed a graph for the General Fund and discussed revenues, expenditures and fund balance projecting \$5.6 million by the end of 2012. She discussed the General Fund had a 4.1% decrease in revenues, which is almost 4% below 2010 and expenditures has a decrease of 7.7%, which is .5% below actual 2010 spending. She explained there are no raises or change in benefits for 2011 and 2012, but personnel costs will remain flat for the next two years. Mr. Pizzano commented it will actually be below flat due to additional reductions from attritions.

Council & Mayor

Mrs. Hopton stated this is the eleventh largest budget and there was a slight increase due to the salary structure put in place in 2009 and a small health care change within Council's budget. She further stated the Mayor's budget remained fairly flat. Mayor D'Epifanio briefly discussed a lot of the discretionary funds are for travel and dinners that are attended. He noted he cut another 4% out of his budget for giveaways.

Administration

Mrs. Hopton stated Administration is the tenth largest budget and includes City Manager, Human Resources and the Law Director. She commented the overall decrease for the departmental budget is 1.0% with a decrease in personnel costs and advertising costs within the Human Resources because we are not filling positions and not having to advertise and offer Civil Service exams. She stated the costs for the law firm services remain the same. Law Director John Clemmons responded to Councilmember Rhodus' question that the use of another law firm is rarely done and would only be when there is a conflict.

Development Services

Mrs. Hopton stated Development Services the ninth largest departmental budget includes Planning and Economic Development and Building and Zoning Inspection. She further stated they had an overall decrease of 9.2% for other professional services, printing, dues travel and training and funds available for the Home Expo and attrition of vacant positions. Development Services Director Tim Bachman commented it is belt tightening and doing the same job with less people.

General Services

Mrs. Hopton explained this is a catch-all budget for the General Fund and includes general liability insurance, audit services and income tax refunds and generalized items that do not belong to one specific area. She discussed the focus on efficiency including fund transfers to support other funds such as Solid Waste, Public Works Department Street crew, at times fleet and the Recreation Facilities Fund. Mr. Pizzano discussed the newsletter printing being reduced from quarterly to three times a year. Mr. Pizzano briefly discussed the reduction of \$10,000 from the Fourth of July celebration. Mrs. Hopton explained the grant requests totaled \$57,500 and the allocation available is \$43,800, which is the same as last year. She proposed a breakdown of the allocation among the organizations based upon last year's allocations. Mayor D'Epifanio asked that Council keep in mind the employees have all taken a freeze in pay for two years. Council discussed the various organizations, how many are they serving in Fairfield. Councilmember Abbott commented we have come a long way in cutting the pot of dollars down over the last few years, there are key organizations here and

we need to get more strategic about what is benefiting Fairfield. Councilmember Senger suggested that this year be a transition year and if we are not granting money next year we should not solicit requests. Council discussed the various allocation options and total amount. Council decided to allocate a total of \$35,000 and distribute it as follows: \$15,000 to Partners in Prime, \$10,000 to Fairfield Community Foundation, \$4,500 Summer Community Theater, \$5,500 Hamilton-Fairfield Symphony Orchestra and \$0 for Big Brothers/Big Sisters.

Council recessed to the Regular City Council Meeting at 6:59 PM.

Council reconvened this meeting at 7:32 PM.

Finance

Mrs. Hopton stated the Finance Department is the seventh largest departmental budget and includes Finance Administration/Accounting, Income Tax, Utility Operations and Information Technology. She explained the overall decrease is 2.8% due to attrition of positions, reduced software, printing and reproduction, other professional services and travel and training. She further explained utility operations is currently split between Water, Sewer and Solid Waste in an effort to alleviate the solid waste subsidy part of that is also alleviating a chargeback for the utility, 10% of the operation for the billing is going back to solid waste. She explained Water and Sewer for 2012 and on cover the cost for utility operation for billing and Solid Waste would just be for the fee passed from Rumpke. She explained Utilities is largest due to Butler County Water and Sewer (BCWS), in which we bill for BCWS for a portion of the City and we then run that back to Butler County.

Police

Mrs. Hopton stated the Police Department is the largest departmental budget and includes Police, the Justice Center and several special revenue funds. She explained the overall decrease of 2.9% is due to attrition of personnel, recruitment costs are down, travel and training reductions, maintenance of equipment, capital and non-capital equipment, and supplies. Police Chief Mike Dickey commented finance costs are down about 2%, but the real impact is that they are dropping about 18% out of travel and other supplies. Mr. Pizzano discussed that departments were asked to cut overtime by 10%, which for the Police Department was over \$50,000. Police Chief Dickey commented any future reductions will probably have to come from positions that are not filled. Chief Dickey explained the D.A.R.E. Program and the S.R.O. will be in the schools, but the extra stuff like handouts and reinforcers are cut. He discussed the reduction in the grant from the State for these officers. Councilmember-elect Holtegel asked about police over-time for events such as Hero's Ride. Chief Dickey explained some of the costs eliminated in the past were for detail work for motorcycle rides. He stated the Hero's Ride is done with on-duty personnel. Councilmember-elect Holtegel asked if there was any provision in the contract to prohibit them from volunteering. Chief Dickey stated no, if someone wanted to work it, they would not object to it, but the target is to do it with people who are working. He further discussed K-9 sweeps at the schools will be done on-duty. Mr. Pizzano stated to the question that was raised relative to basic essential safety, he has no reason to believe they will compromise that in any way significant or insignificant. He discussed the three types of services offered by uniformed personnel, special type services like special events or auxiliary services, proactive enforcement, and reactive. He further explained we are not into those three at this point with this budget, we will be able to do reactive, proactive and most of the special services. He asked Council to keep that model in mind with the budgets for the next couple years because basic crime fighting is not compromised, but there may be some whittling away of some of those other lower areas. Councilmember Oler discussed that Council and the Chief need to continue monitoring how money is being spent including the little costs that might add up to a large amount.

Mrs. Hopton discussed for the entire City budget, the revenue increase of 1.8%, or just under \$66 million dollars and the expenditures increase of .8% to about \$64.5 million. The overall departmental budget for operations decreased an average of 2.6% and does not include the Capital Improvement Budget. She stated the public hearing and appropriation Ordinance will be on the Agenda next week.

Adjournment

Council/Manager Briefing adjourned at 7:47 p.m.

Respectfully Submitted,

Angela Jolivette
Clerk of Council