

MINUTES

COUNCIL-MANAGER BRIEFING

November 22, 2010

The Council-Manager Briefing was called to order by Mayor Ronald A. D'Epifanio at 6:00 p.m. at the Fairfield Municipal Building, 5350 Pleasant Avenue. The following Councilmembers were present: Tim Meyers, Mitch Rhodus, Mike Oler, Mike Snyder, and Terry Senger. Staff present: Arthur Pizzano, Mary Hopton, Dennis Stuckey, Angie Johns, Don Bennett, Dave Butsch, John Clemmons, Ben Mann, Tim Bachman, Greg Kathman, Dave Crouch, and Carol Mayhall.

Budget Overview

Finance Director Mary Hopton explained for 2010 as a year end review, revenues have seen an overall decrease both from state funding as well as charges for services. She explained tax revenues are actually a little above projections, however, if you take out the anomaly estimated payment received from one business, to do an apples to apples comparison, we are pretty much a flat level as long as revenues do not fall before the end of the year. Ms. Hopton explained we should be right where we need to be, which was four percent down from the previous year. She discussed expenditures for the general fund is reduced by 5.2%. She commented reappropriations throughout the year depending on what fund they come from change these bottom figures. She explained the budget process takes about three and a half months and is a collaborative effort between administration, senior staff, and managers. Ms. Hopton stated this year the target was a two percent reduction in non-personnel costs because of union negotiations next year. She explained we are still in an economic recession and everything is tied essentially to housing and jobs, so once everything levels itself out including retail and stabilizes, it will take about 18 months for the City to start to see a benefit from the leveling out. She further explained within this budget, tax revenues are projected to decrease two percent and for the year 2011 the overall revenues decrease one percent to 64.7 million. Ms. Hopton explained part of that is due to the administration fund charge backs with the special revenue and enterprise funds. She discussed the same goes for expenditures in which the fund charge backs for some departments, made the departmental budgets look a lot higher than they were operationally. Ms. Hopton discussed some of the ten million dollars taken out for the Bypass 4 project were taxable bonds and some were exempt bonds. She explained the fund balance is all the cash balances at the end of the year. Mayor D'Epifanio commented there will be a lot of funding cut from Columbus. Ms. Hopton explained she has projected some, but it depends on what they decide to cut. She discussed that 86% of our debt, which is 39 million is from long term debt and includes the Bypass project. Ms. Hopton commented one thing included in the debt calculation is our portion for Exit 39 Winton/Gilmore. She briefly discussed the bond rating, which was reaffirmed as Aa2 in June 2010 with the Bypass project. She explained Moody's focused on our fiscal responsibility, our diverse tax base despite the fact that 15% comes from one industry. She explained five million is the key number for the general fund for the reserve. She further explained departmental budgets overall decreased over three percent and without the charge backs its about 1.3 million dollars in the departmental budgets alone that was trimmed out of the budget. Ms. Hopton stated that was other items, not personnel. She discussed the fire levy fund, which is based on two revenue streams property taxes for the fire/EMS levy and EMS billing, which have seen a decrease largely due to the property taxes. Ms. Hopton discussed the water revenue projected decrease of 1.1 percent largely due to other income such as interest. She discussed expenditures which were down 1.2 percent, but when you add the charge backs it increases. She explained revenue is projected to increase for the sewer fund due to a rate increase scheduled to go in effect in 2011 and also the adjustments on the agenda for the summer irrigation credit. She stated expenditures are expected to have a one percent decrease including the charge backs. Ms. Hopton discussed a 2.6% increase for the Recreation Facilities Fund that is the Golf and Aquatic Center combined. She commented for expenditures, 4.6% was trimmed from their budget combined from non-personnel items. She explained the General Fund does have to subsidize this debt payment. Ms. Hopton discussed that last year rates on debt were reviewed.

Administration

Ms. Hopton discussed the overall decrease from Mayor & Council is 5.1%. Council discussed the travel and training line item. Mayor D'Epifanio suggested a two year moratorium on all travel. Council briefly discussed this item and decided to further discuss at the next meeting when all of Council will be present. Ms. Hopton stated for Administration there is an overall decrease of 1.3 percent. Law Director John Clemmons stressed that basically this budget amount is the same amount that has been appropriated for at least three years and his rates have not changed since 2007. He discussed the changes to his business arrangement including Mr. Wolterman picking up the prosecution work after Mr. Froelke's death in May. Ms. Hopton explained for Human Resources there was a reduction in travel and training and education. City Manager Arthur Pizzano commented overall since 2009, in the travel and training accounts and their aggregates they are actually down 40%.

Development Services

Ms. Hopton discussed Development Services saw an overall decrease of 2.3%. She explained a lot of what they reduced is software, professional services, printing, travel and training and an inspector position. Development Services Director Tim Bachman discussed they have decreased their expenditures through restructuring of duties by not replacing the position with the retirement of Janet Matala. He explained in terms of service levels we are where we were last year. Mr. Pizzano discussed Brian Rose who was a Building Inspector has been promoted to fill the position of Facilities/Fleet Manager. Mr. Bachman explained they will likely not fill the inspector position. He explained there has been cross training and we have some that are HVAC certified.

Finance

Ms. Hopton explained overall Finance had a decrease of 4.7%, with cuts to travel and training and education. She discussed changes due to changes to the high deductible health plan. She explained Income Tax changes to tax software, and printing and reproduction to reduce costs. Ms. Hopton explained Utilities is funded out of Water, Sewer and Solid Waste, not the General Fund. She discussed decreases in wages, travel and training and printing and reproduction. She discussed decreases included travel and training, professional services, software maintenance, and computer supplies. Ms. Hopton briefly discussed many employees have switched to the high deductible plan, which in the long run saves the City and the employee money. Mayor D'Epifanio stated the Mayor and Council do not receive insurance benefits.

Fire

Ms. Hopton stated for Fire Suppression and Emergency Medical Services, there is a 2.3% decrease overall. She explained decreases include a significant amount switched to the high deductible plan, reductions in travel and training, reduction in utilities communications, and professional services. Fire Chief Don Bennett discussed an elimination of fleet maintenance in EMS, which has been combined with the fleet maintenance under the fire to prevent items being inadvertently charged to the wrong account. He discussed the significant reduction of travel and training due to a switch to Kaplan University web based training and continuing education required for re-certification that has been done in house and through webinars. Chief Bennett explained Deputy Chief Glenn has indicated he will retire at the first of the year and they do not plan to fill that position.

General Services

Ms. Hopton explained anything that does not go to a specific department will come out of this budget. She stated this fund does include a subsidy to the solid waste fund. She explained the decrease was partially offset by the amount of refunds. She explained the first payment for the JEDD capital contribution payment is 2011. She explained the JEDD is off from projections. Mr. Bachman explained at year five, we open the books and see what we spent versus what we paid in and if there is a delta there where we are less than what we brought in then there is a payback from West Chester at year ten. Ms. Hopton explained in the budget there is \$40,000 for grants, last year it was \$65,000 for the grant program. Ms. Hopton discussed this year we have five applicants, including two new ones for Big Brothers/Big Sisters and Civitan. She stated the proposals are \$85,500. She discussed options based on percentages in the past. She suggested Partners in Prime - \$22,000, Community Foundation - \$11,000, Summer Theater - \$4,600, Big Brothers/Big Sisters - \$1,200 and Civitan - \$1,200. Councilmember Rhodus stated the Civitan will not be a yearly one, they struggle with membership and sponsor handicap leagues and have suffered vandalism. He discussed their need for an alarm system to take care of vandalism. Councilmember Meyers discussed his concern with the lack of control for the revenue streams, which you cannot forecast. He stated he would like to see what another 1%, not personnel, would look like. He further commented on the travel and training, he thinks it should be restricted only to certifications. He applauded Art and the whole team for not automatically filling positions. Councilmember Oler discussed looking for little insignificant areas that can be trimmed. Councilmember Rhodus encouraged further reductions in printing. Ms. Hopton explained there is still a cost to that because there is a limited amount of server space. Councilmember Rhodus stated he is against a moratorium on travel and discussed ideas that are generated at conferences. Ms. Hopton explained more can be trimmed out of departmental, but some of the other she cannot trim; to get the overall budget to go down further the only way to do that is personnel. Councilmember Meyers discussed a delay factor to readjust, he would like to see models on getting that \$400,000 cash reserve to go north and Council and staff discussed. Councilmember Senger suggested coming back in two weeks with additional recommendations, but he does not want to put a number on it. Councilmember Snyder stated he like the idea of going back to the drawing boards and coming back with additional reductions. Councilmember Senger commented he is curious how many cell phones are issued throughout the city and how many are truly needed and if there is anything we can do to reduce that.

Adjournment

The Council/Manager Briefing adjourned at 6:49 p.m.

Respectfully Submitted,

Angela Johns
Clerk of Council