

MINUTES

COUNCIL-MANAGER BRIEFING

NOVEMBER 28, 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: Judd, Mike Snyder, Terry Senger, Tim Meyers, Tim Abbott, Mike Oler and Mitch Rhodus. Council-elect present: Jeff Holtegel, and Debbie Pennington. Staff present: Angie Jolivette, John Clemmons, Dave Butsch, Eddie Roberts, Judge Joyce Campbell, Don Bennett, Art Pizzano, Mary Hopton, Mark Wendling, Jim Bell, Greg Kathman, Dave Crouch, Carol Mayhall, Tim Bachman and Jim Bell.

Review of 2012 Operating Budget

General Overview

Finance Director Mary Hopton discussed the proposed utility rate adjustments, which are incrementally phased in over five years to allow for long term financial planning for infrastructure, and what it means to a typical residential user. The average over a five year period for a minimum user is \$.89; for an average user is \$1.79; and a high user is \$2.78 per month. For a one inch meter, which is the majority of the commercial customers, over five years the minimum user would see a \$2.02 increase per month, the average user would see a \$9.50 increase per month and a high user would see a \$17.38 per month increase. Ms. Hopton clarified the amounts are an average over five years. Ms. Hopton discussed the increase goes to the Water and Sewer Revenue Fund with the majority towards operations and as rate increases are implemented the surcharge is for capital infrastructure. She explained they are trying to make sure they meet the debt threshold as well as allow for new capital needs in the future. Mr. Pizzano explained the need to reimburse the City by the utility for their overhead. Councilmember Abbott commented one of the key things for aging infrastructure like the water main break on Route 4 is how many businesses were impacted and how much of their revenue was lost. Mr. Pizzano explained now that most of the new infrastructure is done, the emphasis needs to shift from new construction to maintaining what we have as the system begins to age and to unfunded mandates from the Federal Government. Mrs. Hopton discussed the debt rating for water and sewer that has not met certain criteria on coverage and the concern if the City would need to go out for future debt or for a road project it will indirectly impact our overall bond rating as well because the City has the ability to change rates. She discussed how the water and sewer rates impact the General Fund. Staff discussed the changes are systematic not one time plugs. Mrs. Hopton discussed General Fund balance for the last several years, which has gone down. This year an 11.9 million dollar gap is being filled by reserves and towards the end of 2012 it will be close to the five million dollar reserve with charge backs and solid waste subsidy already included. She discussed the General Fund Revenues for next year noting the \$465,000 loss in state funding, \$275,000 decrease in local income tax and a decrease in most other revenues due to economic conditions. She stated for expenditures the departmental budgets were decreased as well as fund subsidies. She discussed revenues have increased and expenditures have decreased for the Fire Levy Fund, which is a special revenue fund. Mrs. Hopton explained revenues have decreased and expenditures have decreased for the Recreation Facilities Fund, which is the Aquatic and Golf Centers. The fund balance remains close to zero because there is debt for the pool. She explained the Recreational Activities Fund is an enterprise fund supported by user fees, which has a balance of about \$600,000. She discussed for 2012 program leader will come out of this fund instead of the General Fund. Mrs. Hopton gave an overview of the overall departmental budgets, which had a \$600,000 expenditure drop between all the departments. Mr. Pizzano explained the Public Utilities Department is up due to the charge backs, which are helping the General Fund.

Fire Department

Mrs. Hopton explained the Fire Levy Fund supports the Fire Department, which is the third largest departmental budget in the City. For revenues there is an increase in EMS billing due to the fee to process reduced from 8% to 6.5%. Mrs. Hopton stated as foreclosures have gone down, property tax delinquencies have gone down. She explained for expenditures there is attrition of personnel and travel and training. Chief Don Bennett discussed staffing adjustments which have been made to reduce overtime including using part-time personnel to meet minimum staffing when needed and conducting training online while on duty to reduce travel and overtime. Chief Bennett discussed the extensive work on the EMS, which has resulted in an increase on average of 8% in EMS billing. He discussed problems with HSA payments and the changes to the Medicare payment process. Mrs. Hopton displayed the 2011 YTD budget with the 2012 budget for the Fire Department.

Parks and Recreation Department

Mrs. Hopton stated the Parks and Recreation Department comes out of the General Fund, Recreation Facilities and Recreation Activities Fund and is the fifth largest departmental budget. Revenues for Administration, Park Maintenance, Marsh Fishing Lake and the Community Arts Center all come into and are paid out of the General Fund. She further stated the Aquatic Center, Golf Operations and Maintenance are paid out of the Recreation Facilities and when needed the General Fund will supplement. She discussed expenditures which include efficiency, use of overtime and service adjustments, attrition of positions from the General Fund in Parks Maintenance to the Wastewater Enterprise Fund and aligning the cost center and revenue center with programs at the Community Arts Center. Parks and Recreation Director Jim Bell discussed the service adjustments including the chipping program, smart mowing at Golf Courses, and contracting for mowing of smaller areas. He discussed changes that will be made to the Golf Course crew schedules to reduce overtime, moving programmer positions out of the General Fund, and using a cost recovery system

for programs. Mrs. Hopton displayed a graph of the 2011 YTD budget and 2012 proposed budget for the divisions within Parks Department including Administration, Park Maintenance, Marsh Fishing Lake, Community Arts Center, Aquatic Center, Golf Operations, and Golf Maintenance. She stated the Community Arts Center is subsidized around \$400,000.

Public Works

Mrs. Hopton stated Public Works is the fourth largest departmental budget and the revenues for Administration, Construction Services and Municipal Building are all supported by the General Fund. Street and Transportation is supported by motor vehicle taxes, gas taxes and the General Fund. She commented the General Fund is subsidizing that fund for about one million a year because motor vehicle taxes and gas taxes have remained flat. She further explained the fleet is supported by all the funds. She explained for expenditures there is an overall decrease of 8.41%, attrition of positions both in construction services and streets and transportation, efficiency of service delivery, and the cost of consumables like gasoline, salt and chemicals. Public Works Director Dave Butsch commented as of right now things are balancing out with manpower needed and they will continue to juggle to get through this the best they can. Mrs. Hopton displayed a graph for 2011 YTD budget and the 2012 proposed budget for the five divisions within Public Works including Administration, Construction Services, Municipal Building, Streets & Transportation and Fleet Maintenance.

Municipal Court

Mrs. Hopton stated the Municipal Court is the eighth largest departmental budget and is funded by the General Fund and Probation. She explained all the court revenue goes into the General Fund for fines and is paid out of the General Fund. She further stated Probation Services is funded by probation fees. She commented the Court also has various other funds that are supported by restricted revenues. She further commented there is an overall decrease for expenditures of just under 4%, attrition of a position in the General Fund, legal aid changes, and the probation operations are self-sufficient. Judge Joyce Campbell discussed a recent article in the Hamilton Journal News regarding unpaid fines and costs for the various courts in which Fairfield has about \$200,000, while a lot of the other courts have well over a million dollars. She further discussed the fines that are levied are expected to be paid and community service is given to those that are indigent. Judge Campbell commented the Court is down one position and they are trying to make that work. Judge Campbell discussed the increase in the travel and training fund is for probation services training on SCRAM bracelets that are used for those with alcohol issues and for those under house arrest. She stated the Probation Fund is self-sufficient. Judge Campbell discussed a computer upgrade and an imaging system needed which will cost \$57,000. She commented the special project fund is used to support the OVI specialized docket, mental health specialized docket, and an imaging clerk. She briefly discussed community service is done throughout the City. Judge Campbell recognized City employee Monica Rose who completed a two year program with the Supreme Court of Ohio and is one of the few certified Court Administrators in the State. Councilmember Rhodus asked about the program mentioned in the Journal News article about a process other counties are doing to allow the State to do collections and if fines are not paid it is taken out of their income taxes. Judge Campbell explained if fines are not paid, their driver's license is forfeited in her Court. She further explained the Fairfield Court's Amnesty Day, which coincides with when the majority of people get their tax refund check. She explained the State collection program is new, but court fines would come after child support. She stated she has also looked at collection agencies; however, you have to pay a large portion to the collection agency.

Mrs. Hopton briefly outlined the Agenda for the December 5th meeting.

Adjournment

Council/Manager Briefing adjourned at 6:50 p.m.

Respectfully Submitted,

Angela Jolivet
Clerk of Council