

# **CITY COUNCIL 2016 BUDGET WORK SESSION**

## **MINUTES**

**October 29, 2015**

The meeting was called to order by President Taylor at 6:00 p.m.

**MEMBERS PRESENT:** Mr. Seymour, Mr. Rausch, Mrs. Richardson, Mr. Taylor, Mrs. Groat, Mr. Reams, Mr. Berbee

**OTHERS PRESENT:** Mayor John Gore, Director of Administration Terry Emery, Finance Director Jenny Chavarria, Fire Chief Jay Riley, Police Chief Floyd Golden, Public Service Director Mike Andrako, City Engineer Jeremy Hoyt, Human Resource Director Brian Dostanko, Law Director Tim Aslaner, IT Director Aaron Story, Deputy Chief Spain, Deputy Chief Brooks and Clerk Kris Jones

**CITIZENS PRESENT:**

**AGENDA:**

### **PRESENTATION 2016 APPROPRIATION BUDGET**

The following PowerPoint presentation was given by Administration.

Mr. Taylor commended Council members that have already sent questions regarding the budget to Mr. Emery. He asked that anyone else who has any questions, please address them to Mr. Emery. He reminded that this will be Mayor Gore's last time presenting the budget.

Mayor Gore thanked the Council member for submitting their questions, and encouraged the rest of Council to do the same, to help make the process go smooth.

# 2016 Budget Presentation

October 29, 2015



## Agenda

- ▶ Objectives
- ▶ 2016 Budget Overview
- ▶ Debt Management
- ▶ Capital Improvement Plan





## What's Included?

- Operating Budget - Expenditures are related to the day-to-day needs of the City. Examples include personnel, materials, supplies, and contracts.
- Capital Budget - Expenditures are for the purchase of capital assets or improvements to a City owned asset.
- Debt Service Budget - Includes expenditures for principal & interest payments on outstanding debt.

## Objectives

- ▶ 2016 Budget focuses on objectives as outlined by Finance Committee and confirmed by City Council
  - ▶ Long-term financial planning
  - ▶ Maintain \$5 million General Fund reserve
  - ▶ Make maximum principal payments on City's outstanding notes
  - ▶ Invest \$100,000-\$150,000 per year in capital improvements for Parks & Recreation
  - ▶ Include an aggressive pavement maintenance program

Mayor Gore explained that in the budget for next year for pavement is actually less than we spent this year. He said that is because we budgeted and then we added to the amount. He said we anticipate being able to do the same next year with carry over and increase the amount. He said that we are still lacking on our street maintenance.



## 2016 Budget

	<b>2016</b>	<b>2015</b>	<b>Difference</b>	
Operating	\$30,574,872	\$28,851,624	\$1,723,248	5.97%
Capital	6,695,430	8,221,163	(1,525,733)	(18.56%)
Debt Service	14,497,880	40,704,032	(26,206,152)	(64.38%)
<b>TOTAL</b>	<b>\$51,768,182</b>	<b>\$77,776,819</b>	<b>(\$26,008,637)</b>	<b>(33.44%)</b>

- Administration has reduced department requests by \$1.3M.

Ms. Chavarria said the budget totals just under \$52 million. The notes that we typically roll over for the wastewater, we converted into bonds. The 2015 shows the \$25 million for that note and it does not show in the 2016 budget.



## Operating Budget Detail

- ▶ Provides for all core services
- ▶ Overall a 5.97% increase
  - ▶ 27<sup>th</sup> Pay - approximately \$400,000
  - ▶ 20% Potential Health Insurance Increase - approximately \$300,000
  - ▶ IT Technical Services - \$60,000
- ▶ Includes 2 new FT positions
  - ▶ Fire Division - Public Education/Safety Officer
  - ▶ Public Service - Mechanic
- ▶ Maintain \$5 million General Fund reserve

Ms. Chavarria explained that 2016 is an odd year because we have a 27<sup>th</sup> pay. She said it is every 10 to 11 years that we have the 27<sup>th</sup> pay.

Ms. Chavarria explained with health insurance increase should be lower, they are looking into other options which could be lower.

Mr. Taylor asked Ms. Chavarria if the \$400,000 for the 27<sup>th</sup> pay is just for the hourly employees because the salary employees pay will just be divided to include the 27<sup>th</sup> pay. Ms. Chavarria agreed.

Ms. Chavarria explained that if you take out the 27<sup>th</sup> pay, increase in the health insurance and increase in IT services, we only have a 3% increase.

She also added there is a 2% cost of living wage increase. Mayor Gore added if you remember two years ago we did 1%, last year we did a 1.5% increase, and 2% this year, which coincide with the rates that were agreed during the union contracts.

## IT - Technical Services

- 2016 Budget = \$330,000 (22% increase over 2015 Budget)
- City's network and infrastructure is growing and becoming more complex
- Supports City-wide technology maintenance contracts
  - Web hosting, internet services, UCGOG funds, email and email archive, OnSSI CCTV, Lenel Security, Solarwinds, ESRI/GIS, battery backup, voice/radio recorder, Microsoft, Adobe

Mr. Story explained that the increase in the IT budget is due to growth in staffing, new buildings, retrofitting the old buildings. He said every building we have is now on the network. He explained that we are up to three internet service providers, two for production and one for guest. He said all of our wireless networks come out of this budget. He said that we are sending 75,000 to 80,000 emails (archiving, chat accounts, googledocs) a month. We keep things for five years then it rolls off. Mayor Gore explained that the retention schedule has been drafted by our archivist. He explained that we are up to 116 cameras now for security.

Mr. Story explained that the increase in the budget is due to the way the City is growing and increase in costs, which just keep reoccurring.

Mayor Gore asked Mr. Story how much of the increase is due to security. He said we have updated security quiet abit and we are still now done, there is still more that needs to be done.

Mr. Rausch asked Mr. Story to confirm that we are not tapped into the schools cameras. Mr. Story answered that is correct.

Mr. Berbee asked Mr. Story that is \$330,000 is from the general fund. He said we have the enterprise funds, (he was looking at sanitation) and there is an IT service line that is about \$6,000, which goes on top of the \$330,000. What is the total IT budget? Ms. Chavarria explained that we would have to go back and look because the \$6,000 you saw was for the replacement of computers. Mr. Story explained we have a schedule that a computer system will be replaced every four years.

Mr. Seymour asked Mr. Story if there is anything IT is doing to prevent hacking? Mr. Story explained that we have all of our firewalls that we built that connect us to the internet, we have kaspersky that is running on all of the desktops and google through their levels of security we have. Mr. Seymour asked nothing special we use. Mr. Story explained nothing special. He explained they suggest not opening any attachments that you are not sure of because it may have a virus that can attached to the network.

Mrs. Richardson asked if that also pertains to the ipads, can an attachment coming in that we open in a gmail account on our ipad, could it affect the network? Mr. Story explained that the ipads are set up on the guest server, and it has no way to connect to the production server. He explained that the pool, partners park and anyone coming in with their phone connects to the guest accounts.

Mr. Taylor asked Mr. Emery that if one council person sends a question, if they could share the question and answer with the rest of Council.

Mrs. Richardson those of us who have been on Council five years ago, can see how far the IT department has come.

## Public Education/Safety Officer

- 40% Public Education
  - Fire and Medical prevention program
- 40% Safety Officer
  - Meet a national standard
- 20% Inspection/Investigations

Chief Riley explained that this position would be a hybrid position. Currently, they are seeing around 4,000 to 4,500 annually in our fire prevention program. We think that if we can expand in this area, we could prevent injury, prevent illness and prevent fires from occurring in our community. He said right now we have opportunities that we cannot take advantage of because we do not have the time or fire prevention people to go out and do it.

Chief Riley explained in addition to this position we would want this person to be a fire safety officer to meet national fire prevention association standards. He said we would be able to have a safety officer at all of our incidents of significant. He explained that they would hopefully be able to decrease the level of BWC incidents and increase firefighter safety and wellness. Chief Riley said he hopes they can save on their BWC claims.

He said he wants to look at this person as a supplement to add to our existing two fire prevention officers. We want to reduce the quantity of inspections by increasing the quality of inspections. He would like to take the large business and send two or three inspectors out and this would minimize the down time for the business, which would make this a business friendly approach to our fire program. Currently, we are seeing 750 businesses each year, there are several large ones that we do.

Chief Riley shared his support for the additional Mechanic to be added as well as the increase to the IT budget.

Mr. Berbee asked if the service we provide to ORW and occasional trip to Columbus, how many cases or how much is the percentage of the runs. Chief Riley said last year we had 3,000 runs and 179 of those runs were to ORW and we recuperated about \$190,000 from them. Mayor Gore added this actually produces revenues.

## Mechanic

- ▶ Current staffing - 1 mechanic
- ▶ Fleet Size - 104 on-road vehicles & 13 heavy equipment items
  - ▶ 289 Vehicle Equivalents (VEs) - Based on effort to maintain a standard sedan
  - ▶ Industry standard is 1:70 Mechanic/VE Ratio
  - ▶ Current Marysville Fleet would warrant 4 FT Mechanics
  - ▶ Work is currently being done by staff in various divisions or being outsourced due to lack of staffing at the Mechanic position
- ▶ The need for an additional mechanic was identified in 2007 but was delayed due to lack of space per Strategic Workforce Plan
- ▶ Ample space for 2<sup>nd</sup> Mechanic's Bay has been created by reorganizing equipment and parts storage. A portable vehicle lift system has been requested in the proposed 2016 Budget Appropriations to be used in the new bay

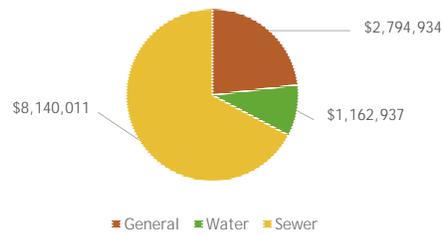
Mr. Andrako explained the request for the Mechanic as mentioned above. He explained that when he called around to Cities our size, they have 3 to 4 mechanics. With us having one mechanic, departments are having to do their own work on their vehicles. He explained that Fire and the Police Department have top priority to be fixed to get it back out on the road.

Mrs. Richardson asked with technical services are we thinking with the second mechanic will abate some of the expenses. Mr. Andrako explained it is not projected in the 2016 budget, because we cannot predict how that is going to change. He explained that you do not know what will breakdown while being used. He said that with the second mechanic departments will be doing less repairs to their own vehicles which will give more time for them to be doing the job they were hired.

Mayor Gore said he would like to talk about the future, and the Council of Governments have discussed a joint garage, that would service the vehicles from the three different entities. Mr. Andrako added a vehicle wash would be a good investment for that group as well, because keeping the vehicles clean extends the life of the vehicles.

## Debt Management

- \$12.1M in principal & interest
- 2015 converted Sewer BANS to long-term bonds
- Aggressive pay down on 2 facility notes - \$750,000 to achieve Finance Committee and Administration's objective



In 2016, per our amortization schedule we are paying \$12.1 million in principal and interest. The two facility notes are for Decker and City Hall.

Mr. Berbee said a number of years ago we did a survey to see what everyone's main concern was, and debt reduction was number one on everyone's list. He said if you remember last year we were able to do the extra half million dollars payout. He said some of us will see where the principal payments exceed the interest payments.

Mr. Seymour said debt management was one of the key reasons he wanted to join City Council, but it is already taken care of.

## Capital Program

- ▶ \$6,695,430 in Capital Expenditures
  - ▶ Vehicles & equipment replaced as per standard rotation
    - ▶ Vehicle display occurred on October 22, 2015
  - ▶ \$1,743,500 in total pavement maintenance
  - ▶ \$240,000 invested in parks & recreation
  - ▶ \$427,250 in reservoir recreational improvements
  - ▶ \$1,520,750 in grant funding
    - ▶ \$168,500 SRTS, \$400,000 CHIP, \$75,000 CDBG, \$450,000 OPWC, \$427,250 ODNR



Ms. Chavarria explained that the \$427,250 for the reservoir is a grant that will start next year. Mrs. Groat asked if when Ms. Chavarria says there is \$1.5 in grand funding, that any match is already in the budget. Ms. Chavarria explained the only match is the \$450,000 for the Industrial Parkway project, and it is already in the budget.

Mrs. Richardson asked about the \$168,000 for the sidewalks, is funding that came from last year that is carrying over this year and we will be reimbursed because of ODOT. Ms. Chavarria explained that we have not actually completed that project. Mr. Hoyt the \$168,000 is from the Safe Routes to School Grant through ODOT. He said due to the staff change, they forgot about us. He explained that with everything you have to do with ODOT, they thought it would be best to wait until the spring. Mrs. Richardson asked if he was pretty sure we will get the grant. Mr. Hoyt said yes, at zero dollars to us.

## Industrial Parkway Roadway Improvements, Phase 1



Location Map



Sample Site Photo

- ▶ This project is an asphalt resurfacing project located on Columbus Avenue / Industrial Parkway. The project limits extend from Dunham Street south to Suntra Way (approximately 11,500 linear feet of asphalt repaving).
- ▶ The total project cost is \$900,000.
- ▶ The City received a \$450,000 grant (50% of the total cost) from the Ohio Public Works Commission to make this project a reality.
- ▶ This project will build up the shoulder, apply berming (which addresses a safety issue for motorists) and provide an additional two (2) inches of asphalt to increase the structural integrity for this roadway.

Mr. Hoyt explained the Industrial Parkway Improvements, which is an asphalt project, like what was done on Milford Avenue, with the exception that we will be adding some beraming for safety measures. He explained that the project scope is the red line at the top left for phase 1, which runs from Dunham Street south to Suntra Way. He said the reason they are calling it Phase 1 is because next year or the following year, we will submit for funds to do the remainder of Industrial Parkway to the Corporation limits and maybe add Scottslawn up to the bridge.

## West Fourth Street Roadway Improvements



Before

After



Location Map

- ▶ This project is a curb replacement and asphalt resurfacing project located on West Fourth Street (approximately 3,400 linear feet).
  - ▶ Updated pedestrian crosswalk and storm sewer improvements are also within the project scope.
- ▶ This project will match the recently completed 4<sup>th</sup> and 5<sup>th</sup> Street Waterline roadway improvements.
- ▶ The total project cost is \$350,000.



Total View

Mr. Hoyt said the next project is the West Fourth Street projects, which will be a curb replacement project. He explained that where we replaced the curbs with the waterline project on the south side of the street, we are going to do the north side of the street and replace the deteriorating curb.

Mr. Berbee asked if we are going to widen the street. Mr. Hoyt said it may appear that way, but for the most part where we widened would have been to straighten out the curb. We created a best fit line so some maybe extended six inches or decreased by six inches.

Mr. Seymour asked what he ment by helping residents with drainage. Mr. Hoyt said some of them do not have access to the storm sewer, we are going to put in a storm sewer on the north side, which will help to save the roads.



Mayor Gore said we feel that we have given you a really good budget. He said we are still paying catch up on the paving, but hopefully getting that caught up in the next few years.

Mayor Gore said he was really proud of the staff and all their hardwork and what they have been able to do.

Mrs. Richardson asked about question 551 the bond fund. She said it says has allowable uses to transfer to the bond fund, which would be the water bond fund, correct? Ms. Chavarria answered yes. Mrs. Richardson said we paid off our water debt right, but we still have to look at our debt service, is there any potential way we could use to pay on our principal. Ms. Chavarria explained if necessary. Mayor Gore said to keep in mind the new water treatment facility plant.

Ms. Chavarria said Fund 553 can be used to pay on the new water plant, and future improvements. Mrs. Richardson said when we preserve that account we preserve our future.

Mr. Berbee asked about the tax collaboration with Milford Center. Mayor Gore explained that is no longer an option, because the quote for software was higher than Milford Center was expecting.

**ADJOURNMENT:** There being no further business to come before Council, the meeting adjourned at 6:55 p.m.

DRAFT