

CITY COUNCIL 2018 BUDGET WORK SESSION

MINUTES

November 13, 2017

The meeting was called to order by President Rausch at 5:30 p.m.

MEMBERS PRESENT: Nevin Taylor, Deb Groat, Tracy Richardson, JR Rausch, and Alan Seymour. Mark Reams and Henk Berbee were excused.

OTHERS PRESENT: City Manager Terry Emery, Finance Director Justin Nahvi, Assistant Finance Director Sandy Hoover, Law Director Tim Aslaner, Police Chief Floyd Golden, Fire Chief Jay Riley, Public Service Director Mike Andrako, City Engineer Jeremy Hoyt, IT Director Aaron Story, Human Resource Director Brian Dostanko, Deputy Chief Brooks, Events and Recreation Manager Amanda Morris, and Clerk Kris Jones

CITIZENS PRESENT: Will Channel

AGENDA:

PRESENTATION 2018 APPROPRIATION BUDGET

The following PowerPoint presentation was given by Administration.

Mr. Emery thanked all the Department after going through a very detailed process of taking a look at our entire budgets. We have been able to cut over \$400,000 in budget request by working with the Departments. As Mr. Nahvi is giving his presentation tonight, we will have some of our staff speaking regarding the new positions requested. Mr. Nahvi will take questions throughout the presentation. At the end of the presentation, Mr. Nahvi will answer some questions that he has received from Councilmembers.

2018 Budget Presentation

November 13, 2017



Mr. Nahvi went over the agenda for this evening.

Agenda

- ▶ Objectives
- ▶ 2018 Budget Overview
- ▶ Debt Management
- ▶ Capital Improvement Plan



Mr. Nahvi explained when evaluating the budget there are three elements to review.

Elements of the Budget

- ▶ 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.



He went over the objectives for the 2018 budget. There is a goal to have \$4million to the Capital Fund by 2020.

Objectives

- ▶ 2018 Budget focuses on objectives as outlined by Finance Committee and confirmed by City Council.
 - ▶ Long-term financial planning
 - ▶ Maintain \$5.5 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
 - ▶ Includes aggressive pavement and utility infrastructure maintenance programs
 - ▶ Transfer of \$1.0 million from the General Fund to the Capital Reserve Fund

A majority of the capital increase is due to the Cookes Pointe TIF.

2018 Budget



	2018	2017	Difference	
Operating	\$31,776,458	\$32,331,622	(\$555,164)	-1.7%
Capital	14,155,756	9,162,981	4,992,775	54.5%
Debt Service	12,775,988	12,660,341	115,647	0.9%
TOTAL	\$58,708,202	\$54,154,944	\$4,553,258	8.4%

- ▶ Administration has reduced initial requests by \$418,880.

He went through the Operating Budget details.

Operating Budget Detail



- ▶ Provides for all core services
- ▶ Overall a 8.4% increase is primarily attributed to:
 - ▶ Capital Investments as outlined in the Capital Improvement Budget with noted projects
 - ▶ Extension of Mill Wood Blvd between State Route 31 and State Route 4
 - ▶ Phase 1 widening of State Route 31
 - ▶ Smart Mobility Project
- ▶ Maintains a \$5.9 million General Fund reserve

Summary - Funded Positions

- ▶ Customer Service Receptionist
- ▶ Parks & Grounds Maintenance Worker
- ▶ Wastewater Plant Operator Apprentice
- ▶ Records Clerk - Division of Police

Mr. Nahvi stated that these are the four positions to be funded in the 2018 budget. The customer service receptionist in Finance, previously we had two permanent part-time positions sitting in the front of the counter. One of those positions was transferred over to fulltime Engineering Clerk. So there is a hole during the day for having a backfill. We would like for this to be a fulltime position, and able to backfill for lunch through out the finance department.

Mr. Emery stated we do not take these positions lightly, there have been detailed discussions about the positions with Finance Committee. He also thanked the Finance Committee for the help with the budget this year. This will go with one of the core values of quality customer service. Mrs. Richardson said she thinks of this position as a value added for this position. Mr. Taylor added that Finance Committee approved all four positions, there were no questions on them. There are no reservations from Finance Committee on any of the positions.

Mr. Andrako stated the Parks & Grounds division has been struggling over the past few years. Mainly because we have four full-timers and our seasonal staff works in the summer time and then goes back to school. With all the needs of the Parks & Grounds division, he feels that only four full-timers are a strain. We have recently added Partners Park, Hatfield Park, Bark Park, the Reservoir and MacIvor Woods, as we continue to expand our Parks & Grounds within the City, we also have to think about the amount of time that takes to maintain for those additional amenities. He said what we are asking for was originally identified in 2014 is an additional full-time Parks & Ground staff member. They will also have the additional task of applying fertilizer. Right now, we contract out that work, which use to be done by Scotts Lawncare Service, then they stopped that part of the business. We had to hire Truegreen to put that down, which was about a \$20,000.00 contract to apply the fertilizer that we get from Scotts. This position will apply the fertilizer and it will be a cost savings as well moving into 2018.

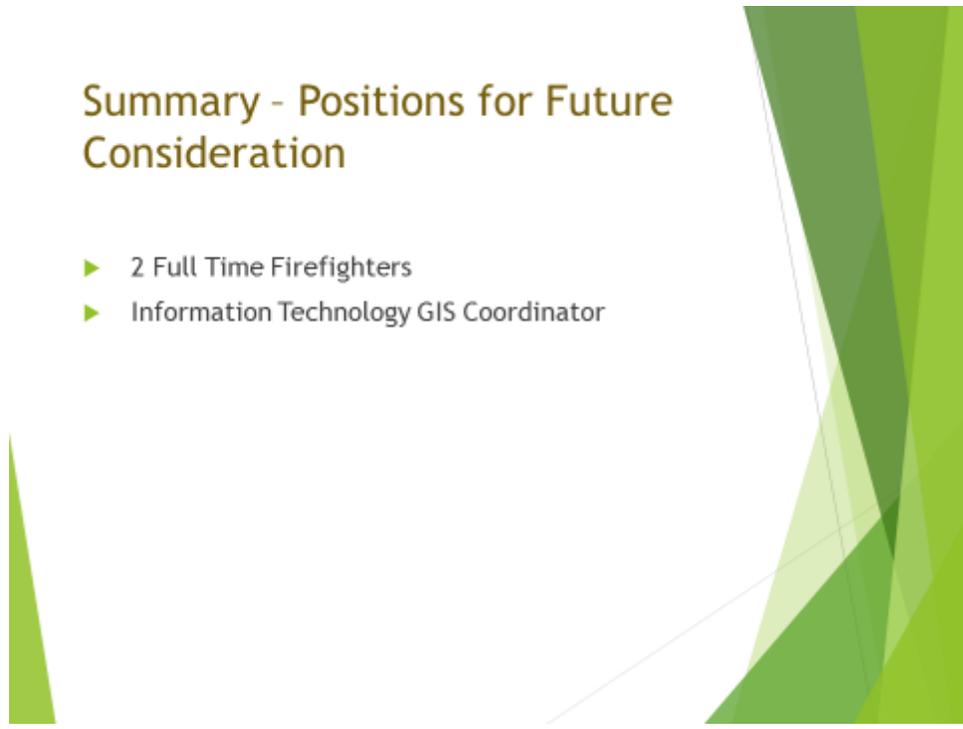
Mr. Andrako said our Wastewater Plant is one of the areas we have indicated some concern about the aging workforce out there. He said there are a few people that will be becoming eligible for retirement and two that are eligible now. The idea is to bring someone in and train them under the existing staff and then when someone leaves this person can transition from the apprentice position to the fulltime plant position. The apprentice position was a position that came from Mr. Dostanko as a transitional position. Mr. Andrako stated we have someone who would be a perfect fit for this position and we have had him on a permanent part-time position. We would like to move him from PPT to an apprentice. Mrs. Richardson asked if they would backfill that position. Mr. Andrako answered no, at this time we would move them to the apprentice position and leave the part-time position unfilled. He said we use the part-time position as a way to find the right person. Once we have that right person, the plan is to move them into the apprentice position.

Chief Golden said this position has been in our strategic plan for the last four years and it was also in there this year as well as two police officer positions. We felt so strongly about this position that we did not even ask for the two police officer positions. He said talking about customer service, the dispatchers are the primary reception point right now for people who come into PD to get copies of reports, post a bond and apply for a solicitor's permit. Many 1,000 contacts the Public has with the dispatchers each year. This year they have had 34,900 contacts, which would mean telephone calls, people coming to the window, emails and so forth. If someone comes in for finger prints, they have to interrupt the dispatchers from their work, most of the time we have two dispatchers, the public still has to ring a bell and disrupt the dispatchers, which takes one of them away from their duties or the dispatcher has to finish filling a call and the resident has to wait. This would also be a records position, this person would respond to a public inquiry for a number of police reports and public records and also include the redaction of documents and video recordings. We plan to implement body cameras next year and as a result of that there will be public records requests of the videos. There will be certain things that have to be redacted and someone will need to do that. They will handle records retention and court records, court mandated records expungements, receive payments for traffic crashes and they will research and collect simple data for reports that we need. Chief Golden stated this will be a primarily day time position, our day time dispatchers handle almost half of these contacts with citizens per year. It is a full-time position, civil service classified.

Mr. Seymour asked how much more we are looking at for these 3.5 positions. Mr. Dostanko stated around 74,000 in just salary.

Summary - Positions for Future Consideration

- ▶ 2 Full Time Firefighters
- ▶ Information Technology GIS Coordinator



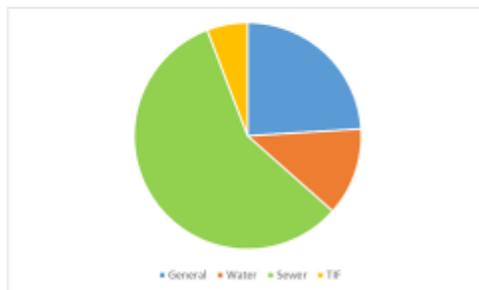
Mr. Emery asked Chief Riley to give the advantages to adding two fulltime firefighters. Chief Riley stated right now, we have budgeted for two part-time positions for each shift. We were not able to fill those so we are filling those with overtime from our fulltime people. The request for 2018 is to take the monies that we would have been paying for one of those part-time positions. 24 hrs a day, 365 days a year in addition to decreasing the overtime and it would be cost neutral and a benefit to have two fulltime firefighters. He said they are having a study done to look at the staffing because we are pretty confident that this is the direction that we need to go, but we are looking to get somemore backing. Mr. Emery stated there will be a study done in 2018 to solidify the needs of the Fire Department. It is about a six month process and we will be providing updates to Council.

Mr. Emery stated there is a lot of things going on with technology in Marysville. Mr. Story stated this would be a fulltime position for an Graphics Information Systems person. This position was first listed in the 2014 strategic plan for a 2015 start date and back for 2017 and 2018. It was listed as a strategy for better customer service and a weakness for not growing our GIS system. This position will be split funded between the water, sewer, storm, santiation and general fund. The position will maintain all the utility layers for streets, water, sanitary and storm. Some of the other duties are fire and police department mappings, crime areas, fire department runs and high traffic hotspot runs, medical runs plus insurances and etc. Mr. Story has one person that he allows to use the GIS every once in a while because he is the systems administrator for the daily care and feed of our network. Mr. Emery stated we have talked about getting an intern in to help out, which would come from Ohio State which would have some capablities in GIS. This would help us get through the coming year. Mr. Emery stated this is a position that will keep coming back, you will continue to see it. He said you will hear us talk more and more about the level of technology that we are getting into. He asked Council to be open as we move forward, they may see some interm working coming. Mrs. Richardson asked if they have thought about contracting

the position out instead of having a fulltime employee. She asked about sharing cost with the COG, since some of the work is doing with them.

Debt Management

- ▶ \$12.7M in principal & interest
- ▶ Aggressive pay down on 2 facility notes - \$950,000 to achieve Finance Committee and Administration's objective



Capital Program

- ▶ \$14,155,756 In Capital Expenditures
 - ▶ Vehicles & equipment replaced as per standard rotation
 - ▶ Viewing occurred on October 23, 2017
 - ▶ \$4,174,000 for the extension of Mill Wood Blvd to be financed through a Commercial TIF
 - ▶ \$2,361,067 for State Route 31 Widening - Phase 1 of which \$1,645,875 will be funded through a State Grant
 - ▶ \$1,309,500 for the Smart Mobility Grant for the connectivity of all traffic signals in Marysville of which \$650,000 will be funded by a federal grant and \$440,000 will be financed by contributions from NW 33 COG members.
 - ▶ \$759,250 in wastewater system improvements and equipment replacements
 - ▶ \$685,000 for resurfacing, sidewalk and curb maintenance, which includes State Route 38
 - ▶ \$525,000 in water storage tank maintenance/painting
 - ▶ \$365,000 Invested in parks & recreation
 - ▶ \$320,000 in water line replacements
 - ▶ \$219,850 for the design of W 5th Street to be constructed in 2019



Capital Program - continued

Mill Wood Blvd



SR 31 - Widening



W 5th Street Design



2018 Budget Presentation



QUESTIONS?

Mr. Nahvi went through questions he had received from Councilmembers.

1. A few of the personal service funds budget categories increased. – He said you will essentially see this in every department of the General Fund. He said in every department we have an item called Employee Benefits. To simplify things all the healthcare, PERS and Medicare costs hit this budget, but it doesn't really exist. He talked with the Finance

Committee, if someone comes to the City and ask how much does it cost to run payroll. That is not an easy question to answer. For 2018, we are moving all those General Fund cost back to each department so you can actually see what is going on. Mr. Rausch asked if this is the way it was done a few years ago but then we changed it. Mr. Nahvi answered yes.

2. TIF- Mr. Nahvi stated later on tonight we will have a legislation on tonight that will do three things it will authorize a change in the service payment agreement with the developer; a change to the school compensation agreement and authorizing debt to be issued in the winter of next year. We have two TIF is in the City one is a Residential TIF, which what happens there is all the revenue from those TIF goes into the Sewer Fund and we use all those monies to pay on the Sewer debt. There is a second type of TIF called a commercial TIF. The only two we have right now are on City's Gate and Coleman's Crossing. The money from those TIFs goes into the TIF fund (Fund 247). That money is used to pay off the debt that was used to construct City Gate and Coleman's Crossing and also give the school district a portion of those monies. They get roughly 45% of all commercial TIF revenue. Mr. Nahvi is going to email all of Council a copy of the power point slides from Brickler and Eickler when they were in for TIF training.

Mr. Taylor asked Mr. Nahvi to discuss the school payments, since we were discussing TIF. Mr. Nahvi stated that tonight there is an ordinance for appropriations. We have been in negotiations with the school district to talk about how they are compensated. There are set formulas for which they get paid on. It was through this review process that the school district found that the City has been using the wrong millage rate for City Gate and Coleman's Crossing at least since 2005. This was just caught about a month ago. We are working to fix that, there are supplemental appropriations in the ordinance tonight to pay the school. He is still reviewing the data and may have an amendment. Mr. Nahvi found that there is a two tiered formula and the City was only paying on the one but not on formula two. He will email Council the section that has the formulas. He said he can see how the millage issue would pop up because the Auditor report from the County is about 190 pages and you have to know which rate to use and they were using Dover township and not Paris township. He has been in contact with the schools as to how things are progressing through Council and when they will get paid. Mrs. Richardson asked if they have finalized the new TIF with the schools and if they agreed with it. Mr. Nahvi stated we have already the Cooks Pointe TIF authorized and a compensation agreement with the schools. He said through the Developer and the land owners they are working to modify the compensation agreement with the schools. The new formula for the schools is TIF Revenue- Debt Service= school payment. The way the road is to be built you will not have to do road improvements except for paving. With that formula there is not issue with which millage rate is used, it is very simple.

3. IT- There was a large increase in the IT budget. We put about \$200,000 in there from the Council of Governments line item. That is the City's share of the Smart Mobility Grant.
4. Urban Forester- We started in 2017 the street tree fund to support the funding of the position. As of right now, we have \$100,000 in the fund. Mrs. Richardson asked if they were sure that the Fund would be able to sustain the position. Mr. Nahvi stated we started it in the spring and we already have \$100,000 in there. The Woodside development has a lot of linear feet going through. Mr. Emery said we believe pretty strongly that the Fund

will sustain the position. Mr. Taylor stated the Finance Committee had no reservations with this budget.

Mr. Emery stated that anyone has any questions they could give Mr. Nahvi or him a call. They would be glad to answer any questions.

ADJOURNMENT: There being no further business to come before Council, the meeting was adjourned at 6:30 p.m.