



MISSION STATEMENT

The City of Upper Arlington is committed to providing superior services to all who live and work in the community. The work of the City is founded on responsible and responsive public participation, elected leadership and professional staffing.

COUNCIL COMMITTEE MEETING MINUTES

FINANCE COMMITTEE

MINUTES

June 2, 2010
8:30 a.m.

The Finance Committee met in the Council Committee Room of the Municipal Services Center, 3600 Tremont Road, and was called to order by Chair Wade Steen, at 8:30 a.m.

MEMBERS PRESENT: Council Members David DeCapua, Erik Yassenoff and Chair Wade Steen

STAFF PRESENT: City Manager Virginia Barney
Assistant City Manager Joe Valentino
Finance Director Cathe Armstrong
City Attorney Jeanine Amid Hummer
Deputy City Manager – Human Resources Regina Drzewieki
City Clerk Beverly Clevenger
Parks and Recreation Director Tim Moloney
IT Director Granville Harris

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1. **Approval of the May 12, 2010 Minutes**

Chair Steen requested that the approval of the minutes wait until the next meeting as the Committee Members would like additional time to review them in detail.

2. **Parks and Recreation Report**

The Parks and Recreation Director presented a brief description and purpose of all six divisions within Parks and Recreation:

- **Parks and Forestry**: Takes care of open spaces, landscaping, preparation of sports fields; Forestry focuses on street trees, park trees and storm damage clean up
- **Recreation**: Facilitates the youth programs, youth camps, adult sports leagues, special needs programs and special events

- Cultural Arts: Enhances the community through the arts using the Concourse Gallery, arts programs in schools, hosting of the Labor Day Arts Festival, and Arts in Work Spaces program
- Aquatics: Maintains the 3 outdoor pools and the operations thereof, Tennis Courts at Northam Park
- Lifelong Learning and Leisure: Adult enrichment classes, teach between 400-600 classes a year on a variety of topics
- Senior Center: Has extended hours with evening and weekend programming, is now accommodating a younger audience through programming options.

The Parks and Recreation Director distributed a Programming Revenue/Expenses worksheet to Committee Members (attached hereto and incorporated herein by reference as Exhibit A). He reviewed the worksheet and the types of funding with the Committee members.

In response to Mr. DeCapua, the Parks and Recreation Director related that indirect costs are not included in the worksheet. Mr. DeCapua related that the numbers should be reflective of all expenses allocated.

The Parks and Recreation Director related that the Tree Fund is a special fund for residents providing an opportunity to "adopt" and enhance bright spots around the City with plantings. Residents donate funds for the maintenance.

In response to Mr. DeCapua, the Parks and Recreation Director related that the difference between the horticulturalist and the Arborist is the Horticulturalist works more with the community and fundraising to adopt these beautification efforts. The Arborists (3 full-time) are responsible for storm clean up for fallen trees, and proper maintenance. 90% of the pruning and maintenance are contracted employees. He related that the Arborists are a necessary position to service the thousands of trees in the City.

The Parks and Recreation Director related that all Programs are working toward the model of full cost recovery. In response to a question by the City Manager, Upper Arlington is one of few municipalities working toward cost recovery. Most municipalities have a zero cost recovery.

The Parks and Recreation Director stated that the change in philosophy for cost recovery has not positively impacted the LifeLong Learning Division. Many ideas have been tried such as pricing structure, marketing, etc. but the revenues, expenditures and demand has decreased. The Parks and Recreation Director sought feedback on an idea to merge three divisions: LifeLong Learning, Senior Center and Recreation. The catalog for the three divisions has been combined already, so it may make sense to restructure. More details may be forthcoming to restructure. Mr. DeCapua inquired as to utilizing the youth sentenced to community service work for Parks and Recreation to help. The Parks and Recreation Director

related that he works closely with the City Attorney's department to use the help offered.

In response to Mr. Yassenoff, the Parks and Recreation Director related that Council may see the restructuring come forward for the 2011 budget if the numbers work out. Mr. Steen inquired as to whether or not the capital investments that have been made have affected the numbers. The Parks and Recreation Director related that if millions of dollars would be put into the Senior Center, a slight increase may be seen but probably nothing substantial.

In response to Mr. DeCapua, the Parks and Recreation Director related that the technology exists to reserve ball fields on line, but the relationship that the City has with their service organizations (Youth Baseball for example). Due to the high number of participants, they try to schedule early, but until they confirm dates (including rain out dates) it is difficult to open it up to other public users. Mr. DeCapua would also like to see the availability of the gym space in the schools accessible in the same way, but since the City does not reserve space for the schools, it is their discretion as to how they schedule.

The Parks and Recreation Director related that the Labor Day Arts Festival budget for 2009 was \$40,000 not including the \$11,000-\$12,000 paid in staff hours. The revenue was \$39,000. The costs of the required inspections are now being paid by the artists. Mr. Steen related he was not concerned about the \$13,000 unbalance because for less than 50 cents per attendee, our community has a wonderful event that people enjoy. Mr. Steen also inquired as to the costs of the Fourth of July for curiosity. The City Manager related that both events have become core community values and it is hard to put a dollar value on that.

3. Software Maintenance Costs

The IT Director related that maintenance contracts provide many services, to name a few: software updates, security patches, and hardware failure maintenance. Chair Steen related that he would like to see if costs savings are possible with these contracts and if not, why the costs are necessary. The IT Director related that each maintenance contract is evaluated. The IT Director explained that if the City chooses to not have the maintenance contract, and then determines later it is necessary, the costs of the maintenance are retroactive back to when you dropped the contract to ensure that the software is updated and ready to go. The costs can be higher to determine whether or not you need the maintenance later.

In response to Mr. DeCapua, the IT Director related that he meets with IT Directors from other municipalities quarterly to compare products and see what others are using. Cost comparison is sometimes discussed.

In response to Mr. Steen, the IT Director related that the maintenance for the Blackberry is for the server for security and software updates. There are currently 14 Blackberries in use at the City.

In response to a question by Mr. Steen on upcoming budget suggestions, the IT Director related that investigations into cost savings are ongoing. He briefly summarized some adjustments that have already been made on the networks. The City Manager also pointed out that the IT Director is also working on the Fiber Network project.

4. Cost Savings Discussion (continued)

The City Manager related that the City is currently meeting with other cities and county buildings evaluating electricity pricing for City buildings to see if there is a cost savings.

The City Manager also related that the Committee will be seeing a presentation from Public Service who has been evaluating their department.

The City Manager sought clarification regarding the 911 system. She related that direction was needed on investigating that. The process will take approximately 3-6 months to investigate all issues surrounding the 911 system. Mr. Yassenoff suggested that some recommendations are made to Council and get feedback to give direction. Mr. Steen agreed but wanted to narrow the scope and inquired as to whether or not Staff could come back to the Finance Committee in some high level possibilities to narrow down and then get feedback from Council. The Finance Director reminded that the Budget Schedule has been set, so timing may be an issue. Mr. Steen inquired as to whether or not a high level number could be provided by June 21st Council Conference Session. The City Manager feels June 21st may be too close of a window to obtain useful information.

The Assistant City Manager related that current efforts are also focusing on costs saving options surrounding utilities at City Buildings.

Mr. Steen related that he would like to see the Committee identify some cost saving measures for Staff to investigate the options and possibilities and then go to Council before summer recess. Mr. Steen shared his list of cost saving measures he would like to discuss and requested feedback from other Committee Members. His list consists of: 911 System and Health Benefits / HSA options. The City Attorney related that collective bargaining laws must be followed and have certain restrictions. Mr. Steen related he is not interested in changing existing contracts. The City Attorney related that if this Committee hopes to change the health benefits in the next five years there will be a cost associated with bargaining and the amount is unknown.

Mr. Steen requested items for cost savings from other Committee members. Mr. Yassenoff related that the items he was concerned with are already being

investigated so he will defer to the other two members' lists for this Committee. Mr. DeCapua related that at the top of his list is 911 Communications Center. Mr. DeCapua related that he is looking to the City Manager for her leadership in making some of these cost savings measures. Mr. DeCapua related that some other items that should be examined are:

- Cap paid time off at six weeks
- HSA accounts requirement
- Retirement plans and how they are funded
- Outsourcing some of the positions
- Combining city services with surrounding municipalities

Mr. Steen invited the City Attorney to discuss from a legal standpoint if some of these options are even possible. As to paid time off, the City Attorney related that there are federal, state and collective bargaining laws that must be considered. Collective bargaining would not be an option to discuss due to the contracts already in place. The comp time issue is controlled by the Fair Labor Standards Act; there is not discretion on meeting what the federal law states is required for compensation of hours worked over 40 hours a week. Comp time is less expensive to the City rather than paying the over time rate, so it has been a cost savings in allowing comp time as an option to employees rather than having to pay the overtime rate. Vacation time is set by Ordinance, however, there are still requirements to be followed by state law. Currently, the City of Upper Arlington mirrors what the State requires. The City Attorney, the collective bargaining agreements are either at or above what the non-bargaining employees are allowed, so when considering lowering something a larger divide would be created between bargaining and non-bargaining units. In response to Mr. DeCapua, the City Attorney is unsure if federal holidays can be counted in an employee's vacation. In response to Mr. Yassenoff, the Deputy City Manager – Human Resources related that personal leave does expire at the end of the year if it is not used. A limited amount can be carried over for vacation. The City Attorney related that the state law allows for 3-year carry over that would only be received at retirement or leave of service. Regarding sick leave, it may be paid out at a 1 to 4 rate upon retirement. In response to Mr. Steen, Mr. Yassenoff and Mr. DeCapua does believe that it would be worth the City Attorney researching further what the City can and cannot do with time off.

Mr. Steen summarized that the items to be explored by Staff as:

- 911
- Health Savings Accounts
- a City Attorney opinion regarding the reduction of yearly accrual for vacation and sick leave

Mr. DeCapua inquired as to how much liability is carried on time off financially speaking. The Finance Director related that the liability is around 1 million dollars.

Mr. DeCapua stated that it is important to note that this would be a “grandfathered in” sort of process and figure out a way to move forward.

Mr. Steen related that the other issue discussed by Mr. DeCapua was the Public Employees Retirement Plan (PERS). The City Attorney related that she is almost positive that it is not permitted to not be a part of PERS. The Finance Director gave a brief history of when the law changed to not allow employees to opt out. The City Manager related that there are other avenues offered to employees to help them save for retirement on their own. The City Attorney reiterated that when the Committee directs Staff to look at PERS it is important to note that employees do not have a choice about participating in PERS. It is also not Council’s legislative right to make employees opt out or try to opt out.

5. Performance Measures Discussion

Mr. Yassenoff related that he would like to hold this discussion off until the next meeting. Committee members agreed.

6. Compensation Study

The Deputy City Manager – Human Resources related that the scope will determine the cost of the study. Depending on a number of factors, a compensation study could cost anywhere from \$6,000 - \$35,000. It depends on what organizations are used, who would select those organizations and how comparable they are to Upper Arlington (size, population, # of employees). An option would be to have the company conducting the study to pick the organizations that are compared including private industries. The company could also strictly rely on published surveys as a way to compare. All of these options come with different costs. The number of positions that the City would want compared will also impact the cost. The RFP will have to outline the scope with all factors considered. In response to Mr. Steen, the Deputy City Manager – Human Resources related that during the last study in the late 90’s, 24 positions were identified, using six governmental agencies and the timeframe was about 4 months. In response to Mr. DeCapua’s question, a salary study is necessary before making any adjustments because it is important to know where the City’s salaries compare. In response to Mr. Steen, Mr. Yassenoff related that Council should weigh in before an RFP is drafted. The City Attorney agreed. The Finance Director suggested that members narrow down the scope. Mr. Steen agreed that this topic should be discussed with Council as a whole to determine the overall scope of the study.

7. Next Meeting Date

The Committee set their next meeting date as June 30, 2010 at 8:30 a.m.

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There being no further business to come before the Committee, Mr. Yassenoff moved, seconded by Mr. DeCapua to adjourn.

The meeting was adjourned at 10:09 a.m.



Chairperson

ATTEST: 

City Clerk

Programming

Recreation Division – Youth programs, special needs, special events, adult sports, facility & field reservations, and family programs

	2009	2008	2007	2006	2005	2004	2004-2009
Revenue	\$402,688	\$393,342	\$355,092	\$318,500	\$232,000	\$206,800	94.72%
Expenses	\$594,000	\$601,328	\$576,179	\$554,265	\$513,243	\$575,068	3.29%
Cost Recovery	67.79%	65.41%	61.63%	57.46%	45.20%	35.96%	

Senior Center – Fitness, sports, health & wellness, education, computers, music & dance, and travel

	2009	2008	2007	2006	2005	2004	2004-2009
Revenue	\$78,711	\$75,606	\$59,391	\$60,655	\$58,890	\$60,164	30.83%
Expenses	\$441,530	\$403,876	\$385,158	\$362,738	\$366,070	\$366,737	20.39%
Cost Recovery	17.83%	18.72%	15.42%	16.72%	16.09%	16.41%	

Lifelong Learning & Leisure (Special Revenue Fund) – Enrichment, writing, travel, self care & health, music & dance, fine arts & crafts, home & garden, food & drink, technology, and sports & fitness

	2009	2008	2007	2006	2005	2004	2004-2009
Revenue	\$230,832	\$257,607	\$249,847	\$312,171	\$303,986	\$311,005	-25.78%
Expenses	\$231,736	\$278,011	\$307,080	\$339,694	\$332,486	\$360,552	-35.73%
Cost Recovery	99.61%	92.66%	81.36%	91.90%	91.43%	86.26%	

Aquatics (Enterprise Fund) – Devon, Reed Road, and Tremont Pools

	2009	2008	2007	2006	2005	2004	2004-2009
Revenue	\$607,424	\$639,447	\$656,754	\$632,520	\$598,345	\$441,898	37.46%
Expenses	\$605,268	\$613,963	\$540,712	\$514,160	\$528,115	\$444,353	36.21%
Cost Recovery	100.36%	104.15%	121.46%	123.02%	113.30%	99.45%	

