

CITY OF BLUE ASH

Interoffice Memo – City Manager's Office

TO: City Council
FROM: City Manager and Department Directors
SUBJECT: Agenda Items for the November 17 Council Meeting
DATE: November 15, 2011
COPIES: Department Directors, Press, Clerk of Council, Solicitor

This memo offers a brief description of the topics included on the November 17 Council agenda.

8.a.1. Ordinance No. 2011-72 – transferring funds

As a part of the budgetary process for the upcoming year, the Deputy Treasurer must evaluate the City's performance in the current year and utilize that information, not only to predict the year-end fund balances as a starting point for the upcoming year's budget, but also to determine what changes may be needed in the existing budget to avoid audit issues or problems with the County Budget Commission. This "parallel" process provides not only the information that is needed for predicting the year-end fund balance, but also clearly identifies those areas of the current budget which must be adjusted by transfer before the end of the year. Deputy Treasurer, Sherry Poppe, has completed that effort, and the results of her review are reflected on the single page attachment to this ordinance.

Although a substantial component of the transfer might be considered "routine" or a "clean-up" of funds, several larger items are worthy of comment. Please consider that the primary objective of this transfer is to recognize revenues where they have been collected over the original estimate, to provide for a reduction in revenue appropriations where a shortfall is expected or a payment is not likely to arrive before the end of the year, and to address the corresponding offset reduction of expenditures to keep everything balanced.

Under the first category of *Additional Revenue Appropriations*, you will see the recognition of net profit income tax collections in excess of \$500,000 as we have collected more in net profit this year than was originally budgeted. The other items in that category relate to either our "benefit related FSA" accounts or to accommodate necessary transfer swings.

The second category impacting revenue appropriations, involves reducing the City's current budget expectations for collections in all of the accounts and amounts listed. As Council is aware, it has been determined through the State's efforts under House Bill 153 that the amount we expected under *Tangible Personal Property* and *Public Utility Reimbursement* will not be received. We also had a reduction in real estate tax payments, as well as a collection of inheritance tax which was less than what we anticipated. In the *Intergovernmental Revenue*, listed in the amount of \$716,000 relates to a payment from the Cincinnati Water Works for their part of the repaving efforts accomplished through the Public Works Department in 2011 – as that payment is not expected to be in that amount or to be here by the end of the year. The amount due from the Cincinnati Water Works will be included in the 2012 proposed budget.

Also in that area is a reduction in Fund 445 (Airport Fund) of \$600,000, representing a change in our expected expenditure levels (we do not expect Cincinnati will be requesting the "advance" of \$500,000 related to lead removal). The remaining \$100,000 of that item is relating to engineering.

In the fourth paragraph - *Reduction in Expenditure Appropriations*, one can clearly see under Fund 445 the corresponding reduction of \$600,000 to match the reduction in Airport Fund Transfers in the proceeding category. Based upon a recommendation from the State Auditor's Office, and a request from the Treasurer of the Sycamore Community School District, it is

suggested that a payment in the \$1,137,000 be authorized from the Carver Road (Duke Landing) TIF Account Number 332 be set up for payment in December of this year. That amount represents payments accumulated in excess of the funding necessary for the retirement of the TIF Bonds originally issued to build the two public parking garages – which is required to be paid to the school system under the TIF legislation and agreements. The Landing TIF Fund Number 332 has more than enough funding to safely make this expenditure in December for the benefit of the local school district, and an arrangement has been set up whereby Landings TIF payments will be made every December, probably in the \$350,000 - \$360,000 range. That annual “surplus” will remain essentially unchanged until the third building at the Landings is constructed, with the property tax proceeds (PILOTS) of the third billing going entirely to the school district.

The final category *Transfers Within Expenditure Appropriations* addresses three additional expenditures from (contingency, including advances to the Flexible Spending Account Fund (which will be repaid through collections from employees throughout the upcoming twelve month plan year); supplemental funding of \$20,000 for the Police Department for gasoline, and \$75,000 for professional services within the Legislative function. Finally, the last two items involve a shift of funding within existing accounts and technology and recreation.

Both the Hamilton County Budget Commission, and the State Auditor’s office, have become more stringent with the realignment of expected revenue and expenses within a given year due to the economic conditions which began several years ago and continue today.

This process of aligning what you actually plan to receive with what you have funding to expend, prevents the possibility of a governmental entity from making an expenditure, which is appropriated for which the funding had not arrived – and which may not arrive within the given year. Financially, it is a very rational approach on their part and this transfer ordinance works toward realigning those items on behalf of the City of Blue Ash to avoid any issues with those entities once the year is complete.

Any questions relating to the transfer can be directed to the Treasurer or Deputy Treasurer.

8.a.2. Ordinance No. 2011-75 – approving 2012 Pay Plan and related amendments

Ordinance No. 2011 - 75 addresses the annual compensation adjustment for the 2012 pay plan, as well as related issues affecting Chapters 131 and 133 of the Code. The recommended changes are brief this year and include a recommended wage rate adjustment of 2.25% for all non-bargaining full-time staff as well as permanent part-time staff. Also included are four updated job descriptions and two new job descriptions. Please direct any questions regarding this ordinance to the City Manager.

At their meeting on November 9, 2011, the Civil Service Commission reviewed the proposed amendments to the pay plan regarding the intended cost of living adjustment. Upon careful assessment and evaluation, the Commission has recommended the proposed increase for adoption by City Council.

- The first recommendation affects Section 131.07-1 and provides for annual changes to the City’s Pay Plan and related code sections. The annual wage rate adjustment as proposed by the Administration is 2.25% for non-bargaining full-time staff and permanent part-time non-bargaining unit employees. Dispatcher, Fire Lieutenant, and Firefighter units are either currently in negotiations or are coming up for negotiations in the next 3 months, thus agreements on their wages for 2012 have not yet been reached. AFSCME and Police Sergeants are anticipating a 2% increase for 2012. Bargaining units over the past three years have often, due to fact-finding, received higher increases than non-bargaining employees. When the City froze wages in 2010 for non-bargaining employees all union contract employees were

receiving at least a 2.5% increase with some as high as a 3.25% increase. A 2.25% percent this year helps bring parity to our pay schedule and is in line with both the national Consumer Price Index for Urban Wage earners (CPI-U) and the Regional CPI which both stand at 3.9%.

- The second recommendation affects Sections of 131.07 reflecting accommodations as required by recent succession planning efforts. One of the recommendations that came out of the succession planning accomplished by the City last year was to shift Jim Pfeffer into the position of Assistant City Manager. This lateral move will allow him to focus specifically on project work like the airport project, complex real estate deals, etc. Sherry Poppe will then take over his responsibilities as Treasurer/Administrative Services Director. It is anticipated that these moves will take place in the New Year. Upon Sherry's promotion to the role of Treasurer/Administrative Services Director, the City will have a vacancy in the position of Finance Officer. Therefore all three of these job descriptions have been reviewed and updated in preparation for upcoming changes.
- The third recommendation also affects Section 131.07 as it relates to the position of Communications Coordinator. After recently completing a communications assessment, the City has determined a genuine need for a Communications Coordinator to manage the City's communication strategy and media needs both internally and externally. It is anticipated that this position will not only take on communication responsibilities that the City has handled in the past, but will also be responsible for keeping the City up to date and compliant with the usage of such emerging media opportunities as Facebook, Twitter, Mobile Apps, etc. It has not yet been determined whether this will be a part-time or full-time position, therefore the pay plan has been adjusted to reflect this need for flexibility as the City moves forward.
- The fourth recommendation relates to the part-time pay plan and Sections of 131.07 and 133.18. The position of Food Server has been amended to simply Server and the position of Parks and Recreation Aide IV has been updated to reflect the future staffing needs of the Cooper Creek Banquet Center. Additionally with the anticipated need to staff with employees who would fall under "tipped employee" guidelines of the Fair Labor Standards Act (FLSA), a new pay classification has been created in both the part-time permanent and the part-time seasonal classification plans. This classification is noted as either 1BPP or 1BPS as is compliant with both State and Federal law as relates to tipped employees. Additionally, the position of Sales and Events Coordinator has been added as a new classification in the Permanent Part-time pay plan. This position will support the Sales and Marketing function of the Cooper Creek Event Center.

Please direct any questions to Human Resources Director.

8.b.1. Ordinance No. 2011-76 – amending Ordinance No. 2011-15 relating to the construction management services of the Cooper Creek Event Center

Ordinance No. 2011-76 addresses the need to amend additional supervisory expenses and general conditions costs which have arisen with the construction management services of Schumacher-Dugan Construction, Inc.

The Change Order consists of \$95,000 for additional supervision costs and general conditions expense due to weather conditions and resulting extended project length. The Construction Management project was bid as a ten month project. Due primarily to weather conditions, it has become a thirteen month project. The majority of the amount is to cover supervisory and general conditions expenses for those extra months.

The expenses are fully covered by remaining unencumbered funds in the Golf Course Construction Funds Account and do not require additional funds from the General Fund.

Please address questions regarding this ordinance to the Parks and Recreation Director.

8.b.2. Ordinance No. 2011-77 – amending Ordinance No. 2011-59 relating to the construction of Cooper Creek Event Center

The basis for the following change orders addressed in Ordinance No. 2011-77 are directly related to the construction of the Cooper Creek Event Center. The expenses are fully covered by remaining unencumbered funds in the Golf Course Construction Funds Account and do not require additional funds from the General Fund.

Ordinance No. 2011-77 authorizes the following:

CATEGORY #	TRADE	COMPANY	ADDITIONAL AMOUNT AUTHORIZED
1	Site Utilities & Plumbing	Nelson Stark Company	\$45,000
2	Demolition, Excavation & Paving		
3	Concrete	Metcom Ltd.	\$20,000
4	Masonry	Poole Group, Inc.	\$16,000
5	Structural Steel/Metals	Structural Steel Services, Inc.	\$8,000
6	General Trades	Reece-Campbell, Inc.	\$195,000
7	Elevator	ThyssenKrupp Elevator Corporation	\$2,000
8	Fire Protection	Concord Fire Protection	\$2,000
10	Electric	Mayers Electric Company	\$15,000

Additional expenditures are necessary for Nelson Stark Company for Categories 1 and 2 in an amount not to exceed \$45,000 due to soil stabilization treatments in parking areas due to high moisture content conditions.

Additional expenditures are necessary for Metcom Ltd. for Category 3 in an amount not to exceed \$20,000 for additional concrete installations for better operational function.

Additional expenditures are necessary for Poole Group, Inc. for Category 4 in an amount not to exceed \$16,000 for additional depth of footings during extremely cold weather cold conditions.

Additional expenditures are necessary for Structural Steel Services, Inc. for Category 5 in an amount not to exceed \$8,000 for field changes in structural steel work.

Additional expenditures are necessary for Reece-Campbell, Inc. for Category 6 in an amount not to exceed \$195,000 to cover expenses for unforeseen additional metal framing work, roofing details and other work not fully detailed in documents, improved insulation applications, upgrades to doors and hardware, costs related to weather delays and many smaller field changes required to accommodate operational needs, engineering, or code requirements. Also included is authorized overtime expense to cover extra work in order to maintain construction schedule requirements. The General Trades contract incorporates 14 different trades consisting of framing, carpentry, siding, roofing, drywall, ceiling, flooring, paint, doors and windows and paint. It is common for many details to reveal themselves in the course of the

project, especially as the project concludes, which require modification in the field resulting in additional costs to the contractor, and ultimately, the owner

Additional expenditures are necessary for ThyssenKrupp Elevator Corporation for Category 7 in an amount not to exceed \$2,000 for special circumstances to assure prompt delivery.

Additional expenditures are necessary for Concord Fire Protection for Category 8 in an amount not to exceed \$2,000 for field changes required with fire sprinklers.

Additional expenditures are necessary for Mayers Electric Company for Category 10 in an amount not to exceed \$15,000 for additional electrical cabling work to accommodate operations.

Please address any questions regarding this ordinance or the renovation project to the Parks & Recreation Director.

8.b.3. Ordinance No. 2011-78 – amending Ordinance No. 2011-40 relating to restaurant equipment for the Cooper Creek Event Center

Ordinance No. 2011-78 addresses the need to amend unit restaurant equipment prices for stainless steel work tables in the catering kitchen to all for better operational function. The net amount shall not exceed \$5,000 for the equipment and the expenses are fully covered by remaining unencumbered funds in the Golf Course Construction Funds Account and do not require additional funds from the General Fund.

Please address questions regarding this ordinance to the Parks and Recreation Director.

8.c.1. Ordinance No. 2011-79 – authorizing the purchase of a Street Sweeper from the State bid list

Ordinance No. 2011-79 authorizes the purchase of a vehicular street sweeping equipment which was included within the 2011 Final Budget. The Public Works Department requests the purchase of a Tymco 600 Street Sweeper, including a new truck chassis and sweeper assembly (plus related accessories and equipment) from Contract Sweepers and Equipment through the State of Ohio's Cooperative Purchasing Program (State Contract #800136) for a gross amount not to exceed \$211,000; less the trade-in value for the City's existing 1997 Elgin Pelican mechanical street sweeper of \$5,000 resulting in a net cost for this street sweeping equipment of approximately \$206,000.

Please direct questions regarding this ordinance to the Public Works Director

8.d.1. Ordinance No. 2011-74 – authorizing the CM to enter into a multi-year contract with National Inspection Corp. (NIC) for electrical inspection services

A Motion was made to table this Ordinance at the November 10th Council Meeting until the November 17th Council Meeting.

As Council is aware, in past years, the City has utilized Inspection Bureau Incorporated (IBI) to provide for review of the electrical component of construction drawings, their approval and adjustment, permitting, and also for ongoing inspections and final acceptance of construction or remodeling work. On several occasions in recent years, there have been discussions relating to a shift to National Inspection Corporation (NIC) for the provision of these electrical contractual services. NIC currently serves as the City's overall construction plan review, inspection, and permitting group as well as the City's designated Chief Building Official.

The City's current agreement with IBI is set to expire at the end of December 2011, and City Councils' favorable authorization of Ordinance 2011-74 will authorize a new contract for electrical inspection services with NIC so that the expiration of the new contract will occur at the

same time the existing construction-related agreement expires (February 13, 2012).
Thereafter, such efforts can be combined into one ordinance and contract.

Further information on this issue has been included in the packet.

Please direct questions regarding this ordinance to the City Manager or Assistant Community Development Director.