

# CITY OF BLUE ASH

## Interoffice Memo – City Manager's Office

**TO:** City Council  
**FROM:** City Manager and Department Directors  
**SUBJECT:** Agenda Items for the October 11<sup>th</sup> Council Meeting  
**DATE:** October 9, 2012  
**COPIES:** Department Directors, Press, Clerk of Council, Solicitor

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This memo offers a brief description of the topics included on the October 11<sup>th</sup> Council agenda.

### **9.a.1. Resolution No. 2012-12 – accepting property tax rates for 2012**

As is customary this time of year, Council's consideration of this resolution is a part of the City's annual budgetary process, and involves the Hamilton County Budget Commission. The Tax Budget for 2013, which was considered and adopted by Council in July, was submitted to the County Budget Commission for their review of our projected financials for next year. Resolution No. 2012-12 seeks Council's acceptance of the amounts and rates of taxation that were included within the Tax Budget, as certified by the Commission and reviewed by the County Auditor's office. In accordance with our Charter provisions and with our historical practice, the inside millage as expressed in this resolution remains at 3.08 mills.

Even though the millage is small (one of the lower municipal rates in the region), the City's overall assessed valuation contributes to a substantial source of revenue for the City (and, of course, property taxes from Blue Ash residential and commercial property owners represent the majority of revenue for the Sycamore Schools). Based upon the County's estimated December 31, 2012 total assessed valuation for Blue Ash, including all property assessed, the 2013 property tax revenue to the General Fund and the General Bond Retirement Fund to the City of Blue Ash should be approximately \$2,085,192.

Please direct questions regarding this resolution to the Treasurer.

### **9a.2. Ordinance No. 2012-55 – levying special assessments on real property related to property maintenance issues pursuant to Chapter 911 of the BA Code**

As Council is aware, the City's property maintenance provisions defined in Chapter 911 allow for the City to "step in" and take care of the mowing of tall grass and weeds if the property owner, after an extended period of time and with notice, has not taken care of the problem. The City then bills the landowner for the cost of that maintenance. If the invoiced cost of the maintenance has not been paid by the landowner to the City after a defined period, the City can then "certify it to the County Auditor to be placed upon the tax duplicate and collected and paid back to the City."

In the past several months, the City has taken care of maintenance issues multiple times on several Blue Ash properties. Ordinance No. 2012-55 represents the notification to the County Auditor of such payments directing the specified amounts to be levied and assessed on the properties as noted within the ordinance.

Please direct questions regarding this ordinance to the Treasurer.

### **9.a.3. Ordinance No. 2012-56 – confirming continuing membership in the Miami Valley Risk Management Association (MVRMA) and accepting the year 2013 pool contribution**

From early 1981 through July of 1992, the City enjoyed a very stable relationship with the Clark-Theders Insurance Agency and with the Cincinnati Insurance Company as our primary insurer.

We maintained a comprehensive group of coverage with established insurance companies. When insurance coverage was publicly bid in early 1992, in addition to the conventional bids, we received a proposal from a joint self-insurance pool called Miami Valley Risk Management Association (MVRMA). After a careful analysis of the composition of the pool, its members, comparative costs, and its operating policies and procedures, the recommendation was made to Council that the City join that Association as a member effective July 1, 1992. Council authorized Blue Ash's membership via ordinance.

Even though our membership with MVRMA does not require an annual renewal, we believe it appropriate to approach Council each year with an ordinance affirming our continuing membership and also acknowledging the annual pool contribution or "premium." This ordinance seeks that ongoing approval, and outlines the 2013 pool contribution to MVRMA of an amount not to exceed \$265,000 for our basic coverage. In 2013, Blue Ash's coverage will represent approximately 6.14% of all pool costs, slightly more than the 6.06% in 2012. There are 20 members at this time. Collectively, MVRMA has been able to maintain a favorable loss experience through the careful selection of its members.

The City's annual contribution is composed of our share of the pool's operating expenses, as well as payment relating to our "share" of expected reserves and losses for the upcoming year. The calculation as to what those losses are expected to be is based upon an annual statistical analysis done by an actuary. The total amount of the expected loss fund as determined by MVRMA's actuary for 2013 for all 20 members is \$2,450,000, and as losses, claims, and reserves are addressed over the next several years, those costs will be charged against that particular "2013" fund. Should total losses exceed that amount, then it is possible that an assessment will be charged against each of the cities using their original contribution percentage as a basis. If such an assessment were to be necessary, Blue Ash has a credit "on account" with MVRMA which could be utilized. As has been the case in most years since formation of the pool, the entirety of the loss fund does not get used, and after the loss fund is closed, any balances are refunded or credited to a city in proportion to their percentage of contribution.

Blue Ash's affiliation with the Miami Valley Risk Management Association has been a positive one, and we are very comfortable with the administration and structure of the program. MVRMA is audited and examined by the Ohio Department of Insurance on an annual basis, and they prepare a Comprehensive Annual Financial Report each year as well. No city has ever left the Association, and the group seems very content with the level of service provided by the pool.

Additionally, MVRMA offers a discount to members whose police department wishes to take advantage of a top-notch policy manual and training service called "Lexipol". The Blue Ash Police Department recently decided to enroll in Lexipol, which should be helpful in keeping our policy/procedures manual up-to-date, and they also offer web-based training to our staff. As to our loss experience, MVRMA's recent calculations revealed that our past four year average for annual losses is only \$47,171.

Please direct questions concerning the City's membership in MVRMA or this ordinance to the Treasurer.

#### **9.a.4. Ordinance No. 2012-57 – authorizing contracts for employee benefit coverages**

Historically, the City of Blue Ash has provided its employees a superb array of benefits including health, vision, dental, and life coverages. Several years ago, an analysis was performed which clearly indicated the need for cost containment in the benefit area, particularly as it related to medical or health insurance coverage. The City Manager requested the formation of an employee-based health insurance advisory committee to not only review the City's significant

cost escalation in this area, but also to help with employee education and to examine alternatives which might provide for continuing excellent coverage at a lower cost.

In early 2008, the City shifted from a traditional plan with Humana to a qualified high-deductible health insurance plan. The implementation of that change included the implementation of high deductibles, the use of tax deferred medical accounts, greater focus on “consumer education” for medical benefits, and a new approach to managing the City’s health insurance costs while still providing excellent coverage for the staff.

Using the strategies of employee education regarding better plan utilization, comparison shopping, wellness planning, and an awareness of the expenses associated with various procedures the City has been very successful in containing costs. Over the last 5 years our annual renewal increases have been very low, including a zero percent increase in premium rates for the 2011- 2012 Plan Year.

In late summer and early fall, Horan Associates, the City’s broker, was going to seek competitive proposals from a variety of providers in an effort to develop a strategy for the renewal on November 1, 2012. Given our claims experience, UnitedHealthCare was willing to offer the City a reduction of 3% in premiums for the 2012- 2013 Plan Year! Given such a favorable renewal rate, the City decided to remain with UnitedHealthCare. A small part of this savings will be used to fund a Health Risk Assessment in 2013 as a part of the Health Education initiative.

The City will continue to offer the tax deferred savings vehicles for Medical, Dental, Vision and Daycare expenses. In addition, employees may earn an additional 15% of the deductible through attendance at educational seminars during the first half of 2013. These educational efforts will include a Health Risk Assessment encourage wellness planning, as well as a voucher program for those employee and employee spouses who utilize the preventive care option provided cost free through UnitedHealthCare.

Additionally, several of the City’s negotiated collective bargaining agreements call for the City to provide a “low-cost/no-cost secondary plan” should an employee not wish to participate in the UnitedHealthCare high-deductible plan. Provisions exist in the ordinance for the creation of that “catastrophic” plan which carries a very high deductible. As a supplement to that secondary coverage, the City does offer a \$2,000 payment to any employee who chooses to secure their insurance elsewhere (perhaps on a spouse’s plan) and opt out of the City’s health care plan. The UnitedHealthCare option includes the potential for employees to utilize the pre-tax payment mechanisms for medical care through a flexible spending account or a portable health savings account, again, hopefully providing incentive for cautious usage of the medical plan benefits.

The Human Resources team has already provided a series of information/enrollment meetings at different times and locations so that all employees and their spouses could attend, and the components of the changes expressed in this plan change are now widely known by the employee group.

The ordinance authorizes medical insurance premium for plan year 11/1/12 through 10/31/13 with UnitedHealthCare for the group health insurance for eligible employees is \$1,154.69 per month per family, \$808.28 for employee + spouse, \$731.30 for employee + dependent children, and \$384.89 per month per single contract.

The ordinance also addresses renewals for the vision and dental plans which have been negotiated to continue forward with no change in the rate structures.

Please address questions regarding this ordinance to the Treasurer at the meeting or by contacting Human Resources Officer Margaret Bowling at 745-8530.

**9.b.1. Ordinance No. 2012-58 – authorizing purchase of a JCB 411 wheel loader for Service Department**

Ordinance No. 2012-58 authorizes the purchase of a JCB 411 wheel loader which was included within the 2012 Final Budget. The Public Works Department requests the purchase of the JCB 411 wheel loader from MH Equipment Company through the State of Ohio's Cooperative Purchasing Program (State Contract #800126) for a gross amount not to exceed \$101,967; less the trade-in value for the City's existing CAT 924 Wheel Loader of \$14,000 resulting in a net cost for this equipment of approximately \$87,967.

Please direct questions regarding this ordinance to the Public Works Director.

**9.c.1. Motion establishing a Council Workshop to discuss the vision for the 98-acre former airport property on Friday, October 26, 2012 at 12:00 pm in the Blue Ash Conference Room**

This motion would formally establish the time and date for a Council Workshop to discuss the vision for the 98-acre former airport property on Friday, October 26<sup>th</sup> at Noon. Please direct questions or scheduling issues regarding this motion to the City Manager.

**9.d.1. Resolution No. 2012-13 – establishing trick-or-treat hours in Blue Ash (Wednesday, October 31, 2012, 6-8PM)**

Every year, City Council authorizes a resolution establishing the date and time to observe Halloween activities within the City. Traditionally, the City has recognized Halloween activities on the date of Halloween, October 31st. This resolution establishes Wednesday, October 31, from 6 to 8 PM as the time to observe the occasion of Halloween. Blue Ash Police and Fire personnel will be patrolling the streets and handing out candy to children while insuring that the safety of all is protected.

**9.d.2. Ordinance No. 2012-59 – authorizing general updates to the Blue Ash Code of Ordinances (Chapters 3 & 5)**

Ordinance No. 2012-59 incorporates the State law changes required for the Traffic Code and for the General Offenses Code as part of the annual Code of Ordinances update. These changes mirror revisions made at the State level, bringing the City's Code in compliance with the Ohio Revised Code and the Ohio Administrative Code. The current changes have been reviewed by Dinsmore & Shohl, as well as by the Police Administration.

Please direct questions regarding this ordinance Police Lieutenant Steve Schueler at 745-8571 or via e-mail to [sschueler@blueash.com](mailto:sschueler@blueash.com).