

# CITY OF BLUE ASH

## Interoffice Memo – City Manager's Office

**TO:** City Council  
**FROM:** City Manager and Department Directors  
**SUBJECT:** Agenda Items for the January 8<sup>th</sup> Council Meeting  
**DATE:** January 6, 2015  
**COPIES:** Department Directors, Press, Clerk of Council, Solicitor

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This memo offers a brief description of the topics included on the January 8<sup>th</sup> Council agenda.

### **9.a.1. Resolution No. 2015-1 appointing a Deputy Clerk of Council**

Resolution No. 2015-1 appoints Karla Plank as Deputy Clerk of Council to assist the Clerk of Council with duties such as providing back-up for Council meetings as well as the authority to execute Council-related paperwork in the Clerk of Council's absence.

### **9.a.2. Ordinance No. 2015-1 approving final 2015 Budget/Appropriations**

The City Manager has kept Council up-to-date on financial issues during 2014, distributed the 2015 Proposed Budget, and presented the expectations for 2015 in a Budget Study Session on December 1, 2014. City Council adopted this Proposed Budget at the December 11<sup>th</sup> meeting, permitting financial operations to transition into 2015.

City Council and the Administration have remained focused on both short and longer-term financial planning. Together, we have strived to protect General Fund reserves, lower costs, and seek out opportunities to improve City operations. Because of these efforts, the City is positioned well to continue to provide excellent services and capital investments.

The process for converting the Proposed Budget into the Final Budget actually starts with the approval of the Proposed Budget. Budget estimates and projects are re-examined and new issues arise which need to be addressed. These items, coupled with actual (not estimated) fund balances, provide the framework for assembling the Final Budget.

Highlights from 2014 and estimates for 2015 include:

- Actual 2014 gross earnings tax collections totaled \$34,788,642 representing a 2.5% increase over actual 2013 collections. Withholding came in 1.3% ahead of 2013 levels and net profit increased by 6.93%. Given the somewhat negative trend in withholding collections that we saw throughout most of 2014, the withholding estimate for 2015 is at the 2014 collection level while we estimated net profit at a conservative \$6,500,000 due to its unpredictable nature.

|                    | <u>Withholding</u>   | <u>Net Profit</u>   | <u>Total Earnings Tax</u> | <u>\$ Change from Previous Year</u> | <u>% Change from Previous Year</u> |
|--------------------|----------------------|---------------------|---------------------------|-------------------------------------|------------------------------------|
| 2012               | \$ 26,054,663        | \$ 6,624,974        | \$ 32,679,637             | \$ 1,845,886                        | 6.0%                               |
| 2013               | \$ 26,886,756        | \$ 7,060,446        | \$ 33,947,202             | \$ 1,267,565                        | 3.9%                               |
| 2014               | \$ 27,238,909        | \$ 7,549,733        | \$ 34,788,642             | \$ 841,440                          | 2.5%                               |
| <b>2015 Prop'd</b> | <b>\$ 26,700,000</b> | <b>\$ 6,200,000</b> | <b>\$ 32,900,000</b>      | <b>\$ (1,888,642)</b>               | <b>-5.4%</b>                       |
| <b>2015 Final</b>  | <b>\$ 27,200,000</b> | <b>\$ 6,500,000</b> | <b>\$ 33,700,000</b>      | <b>\$ (1,088,642)</b>               | <b>-3.1%</b>                       |

- The combination of all 2014 revenue collections and expenditures (including any outstanding encumbrances) generated an actual General Fund balance at the end of 2014 of \$39,328,375. This outcome exceeded our projection of \$35,663,849 as shown in the Proposed Budget. The components of the 2012 through 2015 year-end General Fund balance are shown below:

|                                     | 2012                  | 2013                  | 2014                  | Estimated<br>2015     |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Beginning General Fund Cash Balance | \$ 23,640,053         | \$ 29,647,714         | \$ 35,671,489         | \$ 40,977,016         |
| Revenues                            | \$ 39,356,698         | \$ 41,919,167         | \$ 40,323,112         | \$ 39,494,035         |
| Expenditures                        | <u>\$(33,349,037)</u> | <u>\$(35,895,392)</u> | <u>\$(35,017,585)</u> | <u>\$(41,910,857)</u> |
| Ending Cash Balance                 | \$ 29,647,714         | \$ 35,671,489         | \$ 40,977,016         | \$ 38,560,194         |
| Encumbrances                        | <u>\$ (820,924)</u>   | <u>\$ (881,175)</u>   | <u>\$ (1,648,641)</u> | above                 |
| Ending General Fund Balance         | <u>\$ 28,826,790</u>  | <u>\$ 34,790,314</u>  | <u>\$ 39,328,375</u>  | <u>\$ 38,560,194</u>  |

Ordinance No. 2015-1, and its related attachments, reflects the actual year-end fund balances and any adjustments needed to modify the Proposed Budget. The changes include various minor adjustments as well as the following modifications:

- Earnings Tax revenue budget increased by \$800,000 based on 2014 actual collections.
- Based on known quantities for the 2015 Paving Program, the Proposed Budget estimate of \$1,400,000 was reduced to \$1,275,000. We are expecting a reimbursement of \$212,000 from Greater Cincinnati Water Works for this project.
- Although no “net” budget impact, we added the Hunt Road Storm Water Pipe Project to the Final Budget. A \$66,000 grant from the Hamilton County Storm Water District provides the funding for this project.
- The Final Budget includes construction costs related to Glendale-Milford improvements associated with Project Typhoon. The Proposed Budget included engineering costs for this project and the Final Budget provides \$1,430,000 for construction, should Project Typhoon become a reality. We anticipate a \$450,000 State Department of Development grant for this project.
- We added the anticipated receipt of \$250,000 from the Convention Facility Authority and the related expense to construct additional parking at Cooper.
- While no direct impact on the budget, adjustments were made related to the late December posting of park bond proceeds related to phase 2. Unexpectedly, premium received on this bond issue of \$100,000 was required to be posted in the debt service fund for future bond retirement costs, which consequently shorted the park construction fund. In the Final Budget, General Fund transfers to the debt service fund were decreased by \$100,000 and transfers to the phase 2 construction fund were increased by \$100,000.

Operational revenue and expenditure allocations remain essentially unchanged, except in those areas requiring changes to balance a fund (external to the General Fund), close out a capital project fund, and/or carryover 2014 budgeted items or projects that we were unable to complete during 2014.

All capital purchases and capital projects shown in the Proposed Budget are still funded, including resources of \$1,000,000 within the Economic Development area in case an opportunity arises in 2015 which Council may wish to pursue.

The projected 2015 General Fund balance of \$38,560,194 assumes collection of all budgeted revenues and spending of all budgeted expenditures. To the extent such funds are over collected or not expended, the General Fund balance at the end of 2015 will increase.

Following Council's consideration of Ordinance No. 2015-1, the Final Budget values will be loaded into the budgetary system and will serve as a basis against which we will monitor our actual 2015 revenues and expenses. Any changes deemed necessary during the year will be presented to Council via transfer ordinances.

For more information about the capital projects intended for 2015, or other major capital purchases, please refer to the Proposed Budget. All such allocations remain unchanged in the Final Budget.

Please direct any questions regarding the Final Budget to the Treasurer or the City Manager.

**9.a.3. Ordinance No. 2015-2 approving a multi-year collective bargaining agreement (Police Dispatchers) and amending related portions of the Blue Ash Code of Ordinances**

Ordinance No. 2015-2 authorizes the City Manager to enter into a Collective Bargaining Agreement, and consequently addresses related issues affecting Chapters 131 and 133 of the Code.

**Bargaining Agreement Changes**

The FOP Dispatchers Unit requested to be recognized in August of 2005, making this the fourth contract to be negotiated with them. The City entered into negotiations with the Dispatcher's bargaining unit beginning in November of 2014. After just 1 meeting, we have agreed to changes in the contract as outlined below:

- **Section 8.2** – Removed loss of compensatory time from the list of progressive disciplinary actions.
- **Section 16.4** – Updated language regarding compensatory time to be more aligned with city-wide compensatory policies. Changed the amount of notice necessary to request compensatory time off.
- **Section 16.10** – Added language agreeing to maintain a list of overtime hours worked and/or refused by a bargaining unit member.
- **Section 18.1, 18.5** – Removed Summerbration as a special event.
- **Section 19.1, 19.3, 20.1**
  - Wage increases are as follows:
    - 2% effective when the contract is signed for the 2015 pay plan year;
    - 1.5% effective for the 2016 pay plan year;
    - 1.5% effective for the 2017 pay plan year.
  - Removed language regarding personal days, as they were not offered in this agreement.
- **Section 26.5** – Removed references to policy/ordinance dates. This allows updated policies and/or ordinances to be applicable to the bargaining unit.
- **Section 26.8** – Removed awarding of personal days for not using sick leave.
- **Section 27.3, 27.4** – Removed references to policy/ordinance dates. This allows updated policies and/or ordinances to be applicable to the bargaining unit.

Please address questions regarding this ordinance to the Treasurer.

**9.c.1. Ordinance No. 2015-3 – authorizing payment for traffic signal parts, repair services, and upgrades throughout 2015**

Ordinance No. 2015-3 authorizes payment for routine purchase of parts, professional maintenance, upgrades, and repair of traffic signals provided throughout 2015 with Capital Electric Line Builders for an amount not to exceed \$90,000. The City has a favorable long-term relationship with this vendor for these types of services, and these items were included within the 2015 Final Budget. The items include routine maintenance and parts, as well as the upgrades (to LED lights) made throughout the year and the addition of uninterruptable power backup systems (UPS) at main intersections.

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

**9.c.2 Ordinance No. 2015-4 – amending Ordinance No. 2014-70 regarding the design/build RFP for the Glass Canopy Phase 2 at Summit Park**

Ordinance No. 2015-4 amends Ordinance No. 2014-70 related to the design/build for the Phase 2 Summit Park Glass Canopy Design Building Project in response to an RFP submitted by Novum Structures, LLC.

Council approved the preconstruction/design for the Glass Canopy Design Build for the Glass Canopy for an amount not to exceed \$220,000 under Ordinance No. 2014-70. Such preconstruction and design services have been completed. Administration requests a change order via Ordinance No. 2015-4 to enter into a contract with Novum, Structures, LLC for the construction of the structural steel and glasswork of the Glass Canopy for Phase 2 of the Summit Park Project for \$2,527,300 in accordance with the project specifications and plans. The expenses are fully covered by remaining unencumbered funds in the Summit Park Fund account and do not require additional funds from the General Fund. Novum Structures, LLC is deemed to be the most responsive bid based upon qualifications, service, past performance and price. Future contracts will be awarded regarding the site work, foundation, masonry and lighting of the project.

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

**9.c.3. Ordinance No. 2015-5 – amending Ordinance No. 2013-46 regarding Phase 1 Group D 1-09 Electrical Gear for Summit Park**

The basis for the following change order addressed in Ordinance No. 2015-5 is directly related to the Phase 1 construction of the Summit Park Project, Phase 1, Group D 1-09 Electrical Gear. The expenses are fully covered by remaining unencumbered funds in the Summit Park Fund account and do not require additional funds from the General Fund.

This change order provides additional stage electrical gear beyond the scope of the original project to enhance safety at Summit Park for an amount not to exceed \$17,622. Professional Electrical Products Company (Pepco) was the successful bidder for the Phase 1 construction of the Summit Park Project and the City has been pleased with the outcome of the project.

In order to maintain continuity with the existing Bid Package 1-09 contracted work, and with Pepco still being on site, it would be in the best interest of the project to add this scope to the existing contract via change order.

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

**9.c.4. Ordinance No. 2015-6 amending Ordinance No. 2014-92 regarding Phase 1 Group C 1-07 Landscaping & Irrigation for Summit Park**

The basis for the following change order addressed in Ordinance No. 2015-6 is directly related to the Phase 1 construction of the Summit Park Project, Group C 1-07 Landscaping & Irrigation. The expenses are fully covered by remaining unencumbered funds in the Summit Park Fund account and do not require additional funds from the General Fund.

This change order provides additional tree staking and stage quick couplers beyond the scope of the original project due to wind effect on newly installed trees at Summit Park for an amount not to exceed \$14,858. Ohio Irrigation Lawn Sprinkler Systems, Inc., d/b/a Buckeye Lawn & Landscaping was the successful bidder for the Phase 1 construction of the Summit Park Project.

In order to maintain continuity with the existing Bid Package 1-07 contracted work, and with Ohio Irrigation Lawn Sprinkler Systems, Inc. still being on site, it would be in the best interest of the project to add this scope to the existing contract via change orders.

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

**9.d.1. Motion approving the Findings of Fact and Conclusions of Law reversing the Board of Zoning Appeals decision to deny an appeal seeking a variance for a new wall sign on a site with an existing nonconforming sign at 10415 Kenwood Road**

A public hearing was held during the December 11<sup>th</sup> Council Meeting. Rob Miller, owner of the Blue Ash Service Center, filed an appeal seeking Council's approval of a variance to allow a new wall sign that is not permitted because of the existing nonconforming pole sign. Council voted to reverse the Board of Zoning Appeals decision.

Please direct any questions regarding this motion to the City Solicitor.

**9.d.2. Motion approving the Findings of Fact and Conclusions of Law denying the Appeal of the Board of Zoning Appeals decision denying an appeal of the Downtown Design Review Committee approval of a modification to the existing development plan for a new multi-family building on the north side of the site at 4900 Hunt Road**

A public hearing was held during the December 11<sup>th</sup> 2014 Council Meeting. Jean Staubach filed an appeal to the BZA decision denying an appeal of the DDRC approval of a modified plan for the Hills multi-family development at 4900 Hunt Road. Council voted 5 to 2 denying the appeal of the Board of Zoning Appeals decision.

Please direct any questions regarding this motion to the City Solicitor.