

# CITY OF BLUE ASH

## Interoffice Memo – City Manager's Office

**TO:** City Council  
**FROM:** City Manager and Department Directors  
**SUBJECT:** Agenda Items for the December 8 Council Meeting  
**DATE:** December 6, 2011  
**COPIES:** Department Directors, Press, Clerk of Council, Solicitor

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This memo offers a brief description of the topics included on the December 8 Council agenda.

### **8.a.1. Ordinance No. 2011-81 – adopting the 2012 Proposed Budget (interim appropriations)**

Although the City prepares, presents to the public, and submits to Council a tax budget for the upcoming year in July, a greater budgetary effort is focused on the proposed budget that is assembled later in the year. The Deputy Treasurer collects information from all departments and divisions relating to what they anticipate receiving or spending during the final quarter of the current year, and utilizes that information to prepare an estimate of year-fund balances in all accounts. Thereafter, she takes the information provided by each department and prepares a proposed budget for review with the Treasurer and City Manager. The outcome of that effort is presented in a proposed budget which is distributed to City Council just before Thanksgiving, which is then presented by the City Manager at a Budget Study Session in advance of the first Council Meeting in December.

The 2012 proposed budget was completed and distributed on November 22<sup>nd</sup> and was reviewed at the November 28<sup>th</sup> Budget Study Session attended by the City Council, the Administration, and a number of citizens and students from local high schools. The City Manager reviewed the framework of the budget as distributed and also provided a graphical overview which illustrated the City's anticipated operating results and offered some guidance regarding future trends assuming that the economy stays "on track" and no "new" issues arise.

The budget document was very descriptive as to the anticipated fund balances that the City should possess at the end of 2011, what revenues are anticipated for 2012, and those operating expenditures and capital costs which are planned during the upcoming year. The budget document is posted to the City's website and copies are available upon request should the need arise. The Ordinance 2011-81 is structured around the budget as originally provided to City Council on November 22<sup>nd</sup> and as reviewed and discussed on November 28<sup>th</sup>. There have been no changes to any of the numbers, revenues or expenses contained therein. Favorable consideration of this Ordinance by City Council will allow the finance division to move forward with loading the new 2012 interim appropriations after the 2011 accounting year is finalized December 31, 2011. The finance team will utilize these revenue and expenditure appropriations, along with the actual ending fund balances, to continue normal functions until a final budget is prepared and presented to City Council for approval. That final budget not only incorporates actual ending fund balances, but it also will be modified for any situations, new projects, or changed conditions which might arise between the preparation of the proposed budget and the final budget. Generally, only minor modifications are necessary through that effort. City Council will be asked to review and approve a final budget at the first or second meeting in January 2012.

Overall, the 2012 budget provides the funding capacity to continue to provide a high level of services to the City's business and residential citizens, to continue the "Issue 15" projects promised to the voters in 2006 (primarily focused on park development in the upcoming years), provides for continued connectivity efforts through new bike paths and sidewalks, capital replacements, as well as to continue a focus on monitoring operational costs to assure

continuing progress toward fiscal sustainability. Funding for major non-Issue 15 projects will be “released” on a gradual basis dependent upon the overall economic performance of the City during the first and second quarters of 2012. It would appear that the recovery is gaining traction which should provide greater confidence in the revenue projections included in the proposed and final budgets. Should conditions deteriorate, then steps will have to be taken to moderate the City’s expenditures in 2012 to protect the City’s reserves and ability to provide consistent core services irrespective of the economic climate.

Any questions relating to the Proposed Budget can be directed to the City Manager or the Treasurer.

**8.a.2. Ordinance No. 2011-82 – authorizing payment for uniforms, cruiser repairs and computer services in 2011**

As part of the Deputy Treasurer’s fourth quarter efforts, payment levels to all vendors are evaluated and analyzed to ensure those situations which might require City Council authorization are identified. That process revealed several areas which should be presented for City Council approval even though it would be nearly impossible, or not necessary, to bid them. This Ordinance seeks City’s Council’s authorization for aggregate 2011 payments to three vendors, as the total amount expended will exceed the Charter-defined threshold of \$25,000.

One of the vendors is Blue Ash Service Center which represents the Shell Station at the northwest corner of Kenwood and Glendale Milford Roads who handle a significant component of the Police Department’s cruiser maintenance and repairs.

The second vendor is Creative Microsystems, Inc. (CMI) which is the provider of many of our proprietary software packages and related maintenance agreements for the finance, budgetary, payroll, income tax, and fixed asset areas. The City’s purchase of an updated platform for accounts receivable and receipting through the finance office actually took the threshold over the \$25,000 annual limit.

Finally, an ordinance is need for Roy Tailor Uniform Co., Inc. as aggregate uniform expenses from our safety department usage will take that total over \$25,000 as well.

While we are not necessarily required to secure City Council approval on the aggregate purchases for a year, it is best to take this step to avoid any potential audit issues. Generally, the language regarding such purchases relate to single-item acquisitions instead of an aggregate amount for all purchases through the year.

Any questions regarding this Ordinance can be addressed to the Treasurer or Deputy Treasurer.

**8.a.3. Ordinance No. 2011-83 – authorizing professional services contract for review of fleet utilization management and succession planning**

The City is interested in maintaining and operating its fleet of vehicles and equipment in the most cost-effective way to support the services that the City provides. The potential for staffing changes involving personnel who maintain City equipment, as well as management’s sense that a review of fleet management practices would identify valuable improvement opportunities, suggest that it is timely to conduct a review of fleet management and utilization. Moreover, as Blue Ash has grown, the fleet of vehicles has also increased, both in size and complexity as has our inventory of “off road” equipment. It is good discipline to periodically examine the use of fleet assets to assure that the investment the City maintains in this important asset is managed as efficiently as possible.

Please address questions regarding this Ordinance to the Assistant to the City Manager.

**8.a.4. Ordinance No. 2011-84 – authorizing a multi-year contract for professional engineering services**

In late 2007, Council approved a five-year contract with the City's long-standing engineering firm, Blue Ash based CDS Associates, for general engineering services. The contract requires annual review and approval of the fee schedule for each calendar year. The fee schedule attached to Ordinance No. 2011-84 for engineering services has been reviewed by the Administration, and approval has been recommended to City Council. The fees remain unchanged from 2009 levels.

Please direct questions regarding this ordinance to the City Manager.

**8.b.1. Resolution No. 2011-12 – annual updating of Parks and Recreation Dept. related fees for 2012**

Resolution No. 2011-12 represents a proposed annual increase in Recreation-related fees. The Membership rates will reflect a slight increase which will now include one fee for the majority of our facility amenities. The purpose of the changes is to streamline the membership process making it simpler for both patrons and staff. As an example of the fee increase; annual fees for a resident single membership will change from \$35 to \$50 while a resident family membership will change from \$70 to \$100.

- Facility privileges including fitness center (age requirements apply), gymnasiums, game room, locker rooms and outdoor pool;
- Tennis privileges;
- Free Climbing wall access one day per week (day of week subject to change seasonally);
- An opportunity to take each of our fitness classes free for the first visit;
- Racquetball court booking privileges; and
- Guest Passes (5 for single memberships, 10 for family memberships).

If Council approves such changes to the Recreation Center membership fees, the membership increase will take effect on January 1, 2012. Post cards will be mailed to members to advise them of the increase.

Please address any questions regarding this resolution to the Parks & Recreation Director.

**8.b.2. Ordinance No. 2011-85 – amending Ord. 2011-4 for professional services associated with Cooper Creek Event Center**

Obviously, the most visible progress in the Cooper Creek Event Center/Pro Shop project has been the construction effort since the demolition of the original clubhouse in late fall of 2010. Since that time, construction has moved ahead despite rather adverse weather conditions and the project team anticipates near completion of the facility by the end of this year. The completion of this multi-use facility represents many months of careful planning, and it will certainly be a remarkable addition to the City's amenities offered to the citizens, both residential and business alike.

Although the construction efforts have been the most visible component of this project, much has been going on behind the scenes in planning for the opening and smooth operation of the pro shop and the banquet component of the facility. Previous authorizations have been secured from City Council covering the selection and appointment of a "booking" and event management firm, as well as the provision of catering services for events at the facility. Estimates within those previous authorizations have since been refined and new authorizations are needed to reflect more accurate 2012 costs. Further, while the previous authorization

anticipated a singular ordinance to cover both booking/management services, as well as catering services, there has since been a realization that having two separate ordinances would be more manageable as well as allow for better funding accountability. Ordinance No. 2011-85 will reflect a full year compensation rate of \$75,000 versus the partial rate of \$57,000 in 2011. Ordinance No. 2011-86 (addressed in the next section of this memo) will address the separate catering ordinance.

Funding has been provided in the 2012 proposed budget for this level of expense. Any questions regarding this matter should be directed to the Parks and Recreation Director.

### **8.b.3. Ordinance No. 2011-86 – authorizing payment related to food operations for the Cooper Creek Event Center**

As mentioned above, planning efforts have been underway for many months for the anticipated opening of the Cooper Creek Event Center in January 2012. In keeping with the event booking, food service, and compensation framework established jointly between the Finance Office and the Planning Team, the need exists for City Council to grant authority to the City of Blue Ash to make payment to the designated catering firm (Catering Adventures, Inc.; a subsidiary of Vonderhaar Catering) for the upcoming year. The structure under which all events will be tracked is framed around all deposits and payments being received and retained by the City of Blue Ash, and the eventually “settlement” with all parties upon full payment for the event, its occurrence, and payment to all of the parties providing services for that specific activity. One of those components, obviously, would be the provision of food and food services by Catering Adventures, Inc. under the compensation framework established.

The team is recommending an approval threshold by Council under Ordinance 2011-86 of \$375,000 related to 2012 events. It is possible that this amount may have to be increased given the level of events actually presented in 2012, but based upon current bookings and registration, would appear that this number should be adequate.

Because of the nature of the services provided, the presence of deposits made in advance of the event, and the timing of expenditures, only at the time the event is presented can every aspect be “settled”. A procedure has been developed whereby each event is independently “booked” on the City’s records incorporating all of the revenue associated with that event, and clearly apportioning the various percentages, reimbursements, and costs, so that each event provides a net positive benefit to the financial operation of the Cooper Creek Event Center.

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

### **8.c.1. Ordinance No. 2011-87 – amending Ordinance No. 2011-43 relating to engineering design services for Ilmenau Way**

Under Ordinance No. 2011-43, the City entered into a contract with Kleingers & Associates for engineering design services for the development project to construct a public access or connector road between Osborne Boulevard and Reed Hartman Highway (known as Ilmenau Way) as well as to relocate and bury existing utility lines along Reed Hartman Highway, and install utility accommodations along the existing Osborne Boulevard and Ilmenau Way. Construction has begun on these public improvements in connection with Legacy Pointe. To accommodate field changes and to cover additional administration costs, the need exists to revise the payment authorization by an amount not to exceed an additional \$15,000.

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

**8.d.1. Resolution No. 2011-13 – electing members to the Volunteer Fire Fighters’ Dependents Fund Board**

This resolution is presented each year to City Council for approving the continuation of a State-required Volunteer Fire Fighters’ Dependents Fund Board. The resolution selects the Councilperson designated as the chairperson of the Public Safety Committee and the City Manager to serve on this Board, as well as two other members nominated by the Fire Department. Resolution No. 2011-13 provides appointees to the Board for calendar year 2012. This fund, administered through the State of Ohio, provides the surviving spouse or dependents of a part-time/volunteer firefighter killed while discharging the duties of a firefighter, or who dies from exposure or injury received in the discharge of duty, representing monetary benefits to supplement the Ohio Public Employees Retirement System (OPERS). (Only full-time firefighters can belong to the Ohio Police & Fire Pension system.) Therefore, in order to comply with State regulations, approval of this resolution is recommended.

Please direct questions regarding this resolution to the Fire Chief or Treasurer.