

5/15/2019 | 7:00 PM

The meeting of the Citizen Financial Review Task Force was called to order at 7:03 p.m. in the Lower Level Meeting Room, located at 3600 Tremont Road by Chairperson Ann Gabriel.

MEMBERS PRESENT: Chairperson Ann Gabriel, Jamie Crane, Colin Gawel, Tim Keen, Matthew J. Kirby, Matthew Rule, Kaz Unalan

MEMBERS ABSENT: Greg Guy, Ukeme Awakessien Jeter

STAFF PRESENT: Acting City Manager Dan Ralley, Community Affairs Director Emma Speight, Finance Director Brent Lewis, and Assistant Deputy City Clerk Sherry Dean

1. Approval of Minutes of May 9, 2019 Meeting

Ms. Crane moved, seconded by Mr. Gawel, to approve the minutes of the May 9, 2019 Citizen Financial Review Task Force Meeting.

Motion carried.

2. Review/Discuss Statement of Values

Chair Gabriel advised everyone received the Statement of Values (attached hereto and incorporated herein by reference as Exhibit A). She questioned if this is something the Committee would like to adopt.

Mr. Rule stated he appreciates the revisions and how it captures the forward thinking nature of the values from this Task Force.

Ms. Crane moved, seconded by Mr. Gawel to adopt the CFRTF Statement of Values.

Motion carried.

3. Review/Discuss 2014 Task Force Recommendations/Implementation

The 2014 Task Force recommendations were reviewed by the Committee. Chair Gabriel explained the charge is to review the recommendations and determine if they were accomplished. The options will be: Yes it was done; it was implemented and is ongoing; or not fully implemented. The Finance Director discussed the recommendations and what

has been accomplished for each (attached hereto and incorporated herein by reference as Exhibit B).

The 2014 Task Force issued report included 15 recommendations:

1. No major cuts in staffing or programs.

Ms. Crane related this was accomplished, it is ongoing and needs to continue. Mr. Keen added this may need looked at in the future, such as to search for efficiencies. Chair Gabriel explained City Council recognizes many of these recommendations will continue to be ongoing. The Committee agreed this was implemented, and the outcome was achieved.

2. No additional tax dollars should be pursued for general operating expenses (should be reviewed during follow-up review).

The Committee agreed this was implemented, and the outcome was achieved.

3. Continued focus on privatization of public services, expanding shared services, or fundamentally reengineering how specific services are delivered.

The Committee reviewed the privatization examples: solid waste services, road striping, street sweeping, swim lessons. Shared service examples: infrastructure projects with Marble Cliff, community fiber project with UA schools and library, consolidation of dispatching services. Reengineering services: parks comprehensive study, leaf collection.

Mr. Keen stated there have been many achievements but this also needs to be ongoing. Mr. Rule agreed that this is worthy of further discussion. Mr. Gawel stated it is clear there have been changes, and he feels this charge has been represented well.

The Finance Director conveyed Department Heads are constantly looking at this, and becoming more efficient.

Chair Gabriel stated this can continue to be explored.

4. Consider the following options: Consolidate dispatching operations, explore opportunities for the Fire Division to contract for services with surrounding communities, raise the employee share of the cost of benefits to be more closely aligned with the private sector, and examine opportunities for further costs savings by contracting for legal services.

The Finance Director shared this has been done, all options were considered and evaluated, and what has not yet been done has not needed to be. He related some of this falls under the collective bargaining agreements, and they have not been hurt financially by this.



The Community Affairs Director stated employees have been incrementally increasing their share of health care costs. The Finance Director explained 12% of health care costs are charged to the employee, and the city covers 88%. The Finance Director advised they look at this very closely at every budget cycle. He noted the city also tries to stay competitive and hire good people, and that balance can be tough. The Finance Director explained dental and vision coverage are add-on costs to the employee. He explained the wellness program is a voluntary point system. It includes a wellness screening, educational seminars, etc., and it can result in a premium reduction.

The Finance Director advised the city is currently undergoing a legal services review, with the benchmarking portion just finishing. Council will look at all options for how the department will be configured in the future.

- 5. Ten-year CIP should be implemented and funded. Projects enjoyed by all residents should be assigned high priority, while those benefiting fewer residents should be given normal priority.**

The Committee agreed this has been accomplished and implemented.

- 6. Capital improvement program should be managed in such a way as not to “fall behind” in the future.**

The Committee agreed this has been accomplished. Chair Gabriel explained this is always a rolling 10 year plan. Mr. Rule stated he feels this has been very well done.

- 7. Fees charged for programs should cover costs (i.e. recreational programs, development services, court services, and emergency medical transportation). Those programs that are deemed as contributing to quality of life and fulfilling community objectives, thus overriding the goal of full cost recovery, should be clearly stated.**

Mr. Keen suggested that the city review operating and capital costs and direct and indirect costs associated with different services. With this information, the city can make judgements if a program should be subsidized. Ms. Crane added it would also be beneficial to know how many residents benefit from each service. Chair Gabriel feels this is a good subject to further investigate.

The Committee discussed acquiring additional information in several program areas. Mr. Keen suggested coming to Council with a recommendation of what should be done going forward. The Committee agreed.

The Finance Director explained the city currently does not have an indirect cost allocation plan. He said most direct costs are already tied to the correct fund.

Chair Gabriel suggested that Council lay out what programs or services are subsidized.

- 8. Utility charges should cover both operating and capital improvement costs.**



Mr. Keen conveyed fees still do not cover costs. He related it is clear that this is not attainable, because of the increased need to cover operating and capital. He added it was reviewed and considered, but the decision was made not to do this.

Mr. Gawel says there may be other opportunities in the gray areas that they do not know about, such as the Labor Day Arts Festival, it may be very expensive and there may be other things that can be done in its place.

The Assistant City Manager advised Solid Waste has been subsidized for years, up until the structure changed in 2018. The fees now cover the cost of that program.

Mr. Keen recommended there be a process to regularly review these decisions. Mr. Rule agreed and stated approval of the budget does not mean there is an intent to subsidize.

9. Every effort should be made to collect all income taxes currently due.

Chair Gabriel stated she thinks this is in process. Ms. Crane questioned if the city was having issues collecting taxes, the Finance Director stated no, this is just a good business practice.

The Finance Director advised RITA runs checks, and does collection work. The city has a staff person to help residents with questions and returns, and also do collection work.

10. Be open to new avenues of revenue to support City operations.

Chair Gabriel stated this is something the city will continue to evaluate, and it is ongoing.

The Finance Director stated the city is always open to new avenues of revenue opportunities. He said the city offers incentives to generate income tax.

11. Consider placing an 0.5% income tax increase before the voters of the November 2014 ballot.

The Committee agreed this was accomplished.

12. Adopt policy which clearly shows revenues generated by the increased income tax will be used primarily for capital improvements.

The Committee agreed this was accomplished. The Finance Director advised, per the ballot language this has to be used for capital infrastructure and improvement.

13. Do not reduce credit for income taxes paid to other communities.

The Committee agreed this was accomplished.

14. Consider replacing the current .5 mill bond levy set to expire in 2017/2020 with a levy for additional capital needs.

Chair Gabriel advised this is part of the Committees recommendations to address this. She stated it may be easier to replace something that already exists.

Mr. Gawel related they will need to have a bigger discussion on this.

- 15. Review of the City's financial position every three years to determine the effectiveness of the action taken and to initiate new actions as necessary.**

The Committee agreed this was accomplished and that 3 years was too short of a time frame. Chair Gabriel suggested a 5 year recurring cycle.

Chair Gabriel asked the Committee if they are comfortable with this discussion and the recommendations. No Member came forward with any objections.

4. Review/Discuss Existing Service Levels

This item was not discussed.

5. Review/Discuss Further Privatization and/or

This item was not discussed.

6. Review/Discuss Parks & Recreation Comprehensive Plan

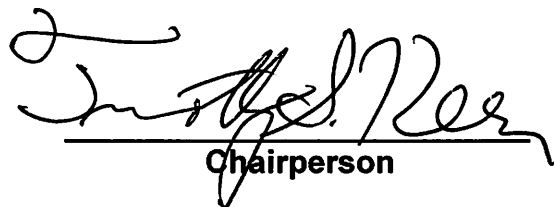
This item was not discussed.


7. Public Comment

In response to Chair Gabriel's invitation to speak, there were no comments from the public.

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There being no further business before the Citizen Financial Review Task Force, the meeting was adjourned at 8:41 p.m.


Chairperson

ATTEST: 
Assistant Deputy City Clerk

2019 Citizen Financial Review Task Force

Values Statement Options

Prepared for Meeting Dated May 2, 2019

2014 CFRTF STATEMENT OF VALUES/DRAFT ADDITIONS

- We believe that Upper Arlington offers a superior quality of life to its citizens of all ages by emphasizing public safety, innovative public services and high quality amenities. We intend to continue and build upon that tradition for the benefit of future generations.
- We want to live in a community that carefully maintains ~~the~~ and reinvests in its existing assets — ~~in which it invests~~, such as streets, parks and other municipal facilities — and that embraces opportunities for new investment to provide inviting public gathering spaces in support of a safe, healthy and connected community.
- ~~Recent changes to State law have substantially reduced the amount of money available to the City to cover necessary expenses.~~
- We recognize that in order to maintain the high quality of City services our community has come to expect, we need to ensure that our City is well managed and uses its available resources prudently, efficiently and effectively.
- We understand that our community has limited options to generate additional revenues and we should carefully weigh all appropriate and available means of raising the necessary revenue while insuring that any plan is done in a fair and equitable manner.

CITY COUNCIL 2019 VISION STATEMENT

Upper Arlington's community pride, thoughtful planning, collaborative approach, and financial stability are the cornerstones of our success. Together we meet the health, safety, recreational, educational and cultural needs of our citizens, businesses and families, while nurturing connections, volunteerism and leadership.

CRITICAL SUCCESS FACTORS

- **Inviting Public Gathering Places:** We provide welcoming and attractive community spaces, both indoors and outdoors, that enrich lives by providing opportunities to gather, celebrate, learn, exercise, and enjoy the natural environment.
- **Intentional Development:** Our thoughtful planning and facilitation efforts ensure that our homes meet the needs and wants of today's residents at all stages in their lives, while preserving residential neighborhoods and existing home values. We guide the evolution of our commercial districts so that they provide the mix of professional offices, amenities, shops, and restaurants that serve our citizens and support the City's strong financial standing, while assuring attractive, accessible, walkable built environments that serve as centers of community.



- **Safe and Connected Community:** We support and enhance the safety and wellbeing of our citizens through our exceptional, forward-thinking, safety services, and the provision of convenient, multimodal access between neighborhoods to parks, public spaces, schools, and our business districts.
- **Fiscal Strength:** A strong financial foundation is fundamental to Upper Arlington’s health, vibrancy, and attractiveness as a place in which to live, play, and work. This is attributable to our exceptional fiscal policies, detailed forecasting, routine cost effectiveness assessments, and proactive efforts to diversify our business base.
- **Quality Infrastructure and Services:** The City is committed to providing its citizens with high-quality municipal services, amenities, and infrastructure that support a connected, evolving, high-functioning community.
- **Healthy Community:** Residents of all ages and abilities enjoy access to a broad range of active and passive recreational opportunities that enrich their minds, health, and wellness. The community attracts community health providers that are easily accessible and offer a full range of medical services.
- **Collaborative Partnerships:** A foundation to our success is our ability to collaborate with our community partners, such as the Schools, Library, civic groups, churches, service organizations, neighboring municipalities, and regional entities, to provide the best possible services and recreational and leisure opportunities in a responsive and cost-effective manner.



Citizen Financial Review Task Force (CFRTF) Recommendations Update

Brent Lewis (Finance Director)

April 4, 2019



CFRTF – Recommendations Update

Recommendations - CFRTF issued report including 15 recommendations

1. No major cuts in staffing or programs.
 - No major programs cut.
 - Staffing has increased by a total of nine positions since 2014 (SRO's, Engineers, Parks Maintenance)
2. No additional tax dollars should be pursued for general operating expenses (should be reviewed during follow-up review).
 - No additional property or income tax increases for operating expense since 2014.
3. Continued focus on privatization of public services, expanding shared services, or fundamentally reengineering how specific services are delivered.
 - Privatization examples – solid waste services, road striping, street sweeping, swim lessons
 - Shared service examples – infrastructure projects with Marble Cliff, community fiber project with UA schools and library, consolidation of dispatching services
 - Reengineering services – parks comprehensive study, leaf collection



CFRTF – Recommendations Update (cont.)

4. Consider the following options:

a. Consolidate dispatching operations.

- Police and fire dispatching services transferred to the Northwest Regional Emergency Communications Center (NRECC) – 2017

b. Explore opportunities for the Fire Division to contract for services with surrounding communities.

- Department remains open to potential opportunities.
- Continued contract for services with Perry Township.

c. Raise the employee share of the cost of benefits to be more closely aligned with the private sector.

- Employee share has been tied to labor agreements for several years, limiting the amount of increase.

d. Examine opportunities for further costs savings by contracting for legal services.

- Review by a Council hired third party consultant is currently taking place.



CFRTF – Recommendations Update (cont.)

5. Ten-year CIP should be implemented and funded. Projects enjoyed by all residents should be assigned high priority, while those benefiting fewer residents should be given normal priority.
 - Ten-year Capital Improvement Plan (and related funding) is updated annually.
 - Top priorities continue to be City infrastructure (roads, utility lines, community park projects).
6. Capital improvement program should be managed in such a way as not to “fall behind: in the future.
 - CIP has been at least at least \$6 million greater than the 2014 CIP every year since prior task force.
7. Fees charged for programs should cover costs (i.e. recreational programs, development services, court services, and emergency medical transportation). Those programs that are deemed as contributing to quality of life and fulfilling community objectives, thus overriding the goal of full cost recovery, should be clearly stated.
 - Continually being evaluated.
8. Utility charges should cover both operating and capital improvement costs.
 - Continue to allocate capital expenditures to utility funds as funds are available.
 - Council authorized 5% increase to water and sewer surcharges effective January 2019.



CFRTF – Recommendations Update (cont.)

9. Every effort should be made to collect all income taxes currently due.
 - City continues to work with RITA and internally on collection of delinquent taxes.
 - Position authorized in 2019 budget to assist with this area.
10. Be open to new avenues of revenue to support City operations.
 - Continuing to evaluate new opportunities, including additional fees and grants.
11. Consider placing an 0.5% income tax increase before the voters of the November 2014 ballot.
 - Issue 23 was approved by the voters increasing income tax from 2% to 2.5%.
12. Adopt policy which clearly shows revenues generated by the increased income tax will be used primarily for capital improvements.
 - Included in ballot language.
 - Additional .5% to be for capital improvements/infrastructure and debt service related to such expenditures.
 - 72% of all income tax allocated to operations, 28% to capital improvements.



CFRTF – Recommendations Update (cont.)

13. Do not reduce credit for income taxes paid to other communities.
 - Income tax credit remains 100% of tax paid to other communities up to 2.5%.
14. Consider replacing the current .5 mill bond levy set to expire in 2017/2020 with a levy for additional capital needs.
 - This is an item the current Task Force will review.
15. Review of the City's financial position every three years to determine the effectiveness of the action taken and to initiate new actions as necessary.

