CITY COUNCIL MEETING
Minutes of June 2, 2011

The Alexandria City Council met on the above date at 7:00 p.m. with Mayor William T. Rachford, Jr. present and the following members answering roll call:

Council Members:

Barbara Weber  Present  Bob Simon  Absent
Stacey Graus  Present  Dave Hart  Present
Scott Fleckinger  Present  Joe Anderson  Present

Also present:

Karen Barto  City Clerk  Gail Jewell  Ethics Board
Mike Ward  Police Chief  John Jewell  P&Z Chairman
Dan Hunt  City Attorney  Ellis Lang  Ethics Board

Mayor Rachford led the pledge to the flag. Barbara Weber read the invocation.

APPROVAL OF MINUTES:

May 19, 2011 Meeting

MOTION: Stacey Graus made a motion to approve the minutes of the May 19th meeting, seconded by Scott Fleckinger. All in favor, the motion passed 5-0-0.

VISITORS & GUESTS:

None

ORDINANCES & RESOLUTIONS:

Dan Hunt from Ziegler & Schneider read the following:

First Reading:

ORDINANCE #2011-04: An ordinance of the City of Alexandria adopting the annual budget for the fiscal year July 1, 2011 through June 30, 2012, by estimating revenues and resources and appropriating funds for the operation of the city government.

ORDINANCE #2011-05: An ordinance of the City of Alexandria amending Ordinance 2010-08, the city's budget for fiscal year 2010-2011 by transferring funds to and among the various budget accounts according to attached Exhibit A, in order to end the fiscal year in balance.

Stacey Graus asked what constitutes a balanced budget. Mayor Rachford said the objective is to have the revenue match the expenses.

Barbara Weber had several questions on what the following line items were for:
- #10.7070, #10.7075 - Mayor Rachford explained these are administrative expenses, and are sub accounts for utilities charged to the administrative part of city government (water and sanitation charges for the city).
In January, the Chart of Accounts was amended to separate as many expenses for the different departments as possible. For example, in the prior budget, Office Supplies were grouped under one account and all put in “Administrative”. Now there is an Office Supply line item for Administrative, Public Works, and Police Department.

- #30.7005 PW – Park Maintenance $11,500 versus #60.4405 (General Expenses for Park $20,000). Why two line items for Park? Mayor Rachford explained 60.4405 is the Park and Recreation budget and is normally for their projects, plantings, etc. and #30.7005 is for Public Works (on-going maintenance).

- #30.7030 PW-Vehicle Maintenance $50,000 is for both Police and Public Works vehicles? She assumes this is just the cost of maintenance items needed to keep vehicles running and not any salary expense? The Mayor confirmed this. Chief Ward added this figure also includes maintenance of snow plows, v-boxes, and anything mechanical.

- #30.7055 (PD, $3,775); #30.7060 (PW, $2,000); #30.7065 (Comm. Ctr. $12,000) What are these items? Mayor Rachford explained this includes the maintenance contract on the air conditioning systems, separated for each building.

- Community Center – Full Time/Part Time Salary of $36,000 plus benefits. How many hours are put in by the employees? Income received last year from the Community Center was $30,000. If they have a proposed budget of $43,125, this is a deficit of $13,125. Why aren't we increasing the rental rates to cover this loss? Mayor Rachford said this has been discussed and there is going to be a new Contract. Stacey pointed out that the Community Center is similar to the Community Park, and do we really want to make money off either one? It is a great amenity for the community. Barb thinks it should still break even. Dave Hart hopes that the Community Center could support itself.

- Barb cannot see the wisdom of a shortfall in next year's budget while increasing departmental salaries and the increased budget for one department. We need to stay within our budget. She has a fundamental difference of opinion on this budget and cannot support it as it is presented. Stacey Graus agrees in theory, but pointed out the biggest issue is the health insurance costs as well as mandatory pension contributions that are keeping the city from a balanced budget. Barb also added that Police Department fuel expenses went up $10,000 to $60,000. Mike Ward explained they budgeted $50,000 last year and $60,000 the year before, and came in well under budget. There is now a policy where officers living outside the city are paying the cost it takes to get to the city limits. Barb has always had an issue with the take home car, not just because of the fuel, but also normal wear and tear, and this policy doesn't begin to cover all costs. Mike Ward said a home fleet program saves the city a substantial amount of maintenance money. Barb Weber asked to have a private conversation with Chief Ward within the next week to discuss this further.

Joe Anderson agrees with Ms. Weber. He suggested hiring a consulting firm to review the budget. Dave Hart and other council members agreed that if the city is short on funds, don’t pay a consultant when there are competent people in the city administration.

Chief Ward pointed out that the $56,000 PD increase that Ms. Weber referred to includes some line items that were in the Administrative budget last year. The bottom line is that the Police Department budget, line item for line item, has decreased.

Scott Fleckinger pointed out the budget is up $157,000 from last year, and revenue is down $125,000. This is something that has not happened in the past. Each proposed budget was looked at, cut, and
reviewed and revised again. He believes the people that he trusts with the purse strings are going to be careful, and the City may still match the budget before the year is out, and not have to take a dime from the reserve. He also explained that there are a “lot of pieces of the pie” that are going to be out of place on this budget because everything has been moved around. In the long run, the new budget will make more sense.

Mayor Rachford explained a number of line items:
- The mandated contribution to the retirement system is a $40,000 increase.
- By making a plan design change in the employee benefits program, there will be no increase in the cost of health insurance.
- Property taxes, payroll taxes, and insurance taxes are down from last year, so revenue was lost in these areas. This is attributed to the downturn in the economy.
- The budget includes a 3% raise for salaries, and there is some cost sharing proposed on the employee benefit program.
- The City was able to collect $40,000 in delinquent property taxes this past year.
- We are able to save some money in the workman’s compensation area, and are under budget in projections for last year’s health insurance cost.
- The Health Reimbursement Account (HRA) that was set up several years ago has worked well and the city will not be required to add additional funds to the reserve account.
- Significant cash is appropriated to Public Works for road and infrastructure. Road Aid should be around $167,000 of which we should receive about $150,000 this new fiscal year. The City parking lot needs resurfacing and there is $40,000 allocated for that.

Dave Hart mentioned that in the past few years, we have been able to keep the cost increase down for benefits where other cities have seen 25-30% increases. Scott said the committee has tried to make the most with what they had without cutting services. Bids will be opened on Friday for the street projects, and it may be possible to amend the budget if the bids are lower than expected.

Joe Anderson asked if the 3% increase in salaries for city workers was something that will be voted on. Mayor Rachford said it was his recommendation and he proposed this as a merit increase and not cost of living. Joe asked if anyone had suggested the employees pay an amount to offset the budget. Mayor Rachford said there are two options for health insurance: one is a plan that would be provided at no cost to the employee, and the other is an upgraded plan that the employees would have to pay the difference in coverage.

DEPARTMENT REPORTS:

Police Department: None

Planning & Zoning Department: None

Public Works: Dave Hart reported there was a meeting this evening and they are waiting to see what the bids for the street programs will be.

Personnel Committee: Joe Anderson said there was a meeting on June 1st to discuss budget issues.

OLD BUSINESS:
None

NEW BUSINESS:
None
COMMUNICATIONS:

The Fishing Derby is this Saturday, June 4th at the Community Park from 9:00 a.m. and 11:00 a.m., and is open to children 15 years or younger.

The Memorial Day Parade was last week and it was very nice.

This past Wednesday, there was some straight line winds that came through the City, and a lot of trees were blown down. He thanked Duke Energy, Cincinnati Bell, Sanitation District, County Road Department, Alexandria Public Works for the clean-up work that was done. If anyone has tree limbs to dispose of, the Alexandria Fairgrounds will take them.

It has been recommended by the post office that cars should not park any closer than 10 feet on either side of the mailboxes so the postal delivery truck can get to them.

This Saturday morning from 10:00 – 12:00 is Coffee with the Mayor. Also, the Mayor has asked council members to prepare a newsletter article to post to the website by the end of June in order to update citizens on what is going on in the City. Each Committee chairman is to write a short article and submit it to the City Clerk.

Thanks to the Woodmen of the World, flags are now on the telephone poles along US 27.

Mayor Rachford also thanked the people involved with beautification efforts along Washington Street.

Since school is now out for the summer, Joe Anderson reminded everyone to watch for children playing and walkers, and to watch your speed.

ADJOURNMENT:

MOTION: Scott Fleckinger made a motion to adjourn, seconded by Dave Hart. All in favor, the motion passed with a 5-0-0 vote. Meeting adjourned at 8:10 p.m.

Karen M. Barto
City Clerk/Treasurer

Date: 6/17/11

Approved: 6/16/11

William T. Rachford, Jr.
Mayor

Date: 6/16/11