

Planning & Zoning Reduction Budget Report

October 2011

Introduction. In considering the Planning & Zoning budget, it is important to keep in mind that all of the income derives from the General Fund. All receipts from permits and fees are deposited into the General Fund. Funds are transferred as needed into the P&Z lines to use to carry out our functions. There are elements of the P&Z Department work which are paid directly by Administration from the General Fund, including the costs for nuisance abatement (title searches, grass/trash clean up contractors). Therefore, there are potential cuts or revenue increases that would not show up in the P&Z budget per se. In this document, several options for budget line cuts are listed, along with several additional items which will either reduce the demands on the General Fund of the programs managed under P&Z or add revenue to the General Fund. It is intended that these items be counted toward the needed 36% reduction to the P&Z costs. That is, these items will have the desired impact on the General Fund, but will not show directly in the P&Z lines.

The total Planning & Zoning draft budget presented originally for 2012 was \$472,350. This included minimal increases to cover anticipated growth in costs. A 36% reduction would be \$144,000 to a target 2012 budget request of \$312,350.

Property Maintenance Code. Several cuts center on the potential repeal of the Property Maintenance Code. This program was established in 2007 and has included the addition of two part time inspectors and one volunteer program coordinator. While the inspectors are all cross-trained to respond to zoning and nuisance violations along with property maintenance violations, this stand-alone element of the P&Z budget could be eliminated if need be.

Option 1: Lay-off the part time inspectors and volunteer coordinator. Savings would represent about \$50,000.

Option 2: Lay-off the full time inspector and volunteer coordinator and maintain two part time inspectors for zoning and nuisance enforcement. Savings would represent about \$89,000.

Budget Review. Attached please find a spreadsheet with the Planning & Zoning 2012 draft budget estimates and potential cut options. What follows is a line by line discussion of the numbers and the adjustments made to address a 36% cut in available funds.

2181-130-141-0000 Legal Counsel. This line provides funds for additional legal counsel which may be needed for special cases. Additional counsel is sometimes needed to provide specialized expertise or to avoid conflicts of interest in cases where Mr. Reuter is representing staff and the Board of Zoning Appeals or Zoning Commission may need separate representation. \$3,258 from this line was spent in 2010 for special counsel for preparation for the Arcadia cell tower case. *The 2012 reduction budget includes \$3,000 in this line.*

2181-130-150-0000 Commissions/Boards Compensation. The members of the P&Z volunteer boards are paid a \$50 stipend for each meeting they attend. This is intended to defray the costs of travel and investigation they may have. It is proposed to reduce this to a \$100 annual payment. *The 2012 reduction budget therefore includes \$2,600 in this line*

2181-130-160-0000 Salaries. This line is based upon the approved salaries for staff for 2011. The number provided here assumes the repeal of the Property Maintenance Program and the lay-offs of the three part time staff associated with that program. *The 2012 reduction budget includes \$218,818 in this line.*

2181-130-211-0000 PERS. This amount in this line is derived from the salaries line, to pay the established amount into employees' retirement funds. Again, the number given assumes the elimination of the Property Maintenance Program. *The 2012 reduction budget includes \$31,409 in this line.*

2181-130-213-0000 Medicare. This amount in this line is derived from the salaries line, to pay the established medicare requirement. Again, the number given assumes the elimination of the Property Maintenance Program. *The 2012 reduction budget includes \$3,658 in this line.*

2181-130-229-0000 Insurance. This amount represents the established amount for employees' health insurance. No adjustments are available at the Department level. *The 2012 reduction budget includes \$62,818 in this line.*

2181-130-230-0000 Workers Compensation. This amount represents the established amount for workers compensation insurance. No adjustments are available at the Department level. *The 2012 reduction budget includes \$9,188 in this line.*

2181-130-317-0000 Consultant Fees. This line provides for hiring consultants to carry out specialized projects either outside the skills or time available for staff. Such past projects included the Comprehensive Plan and the special Rumpke-area land use study done during review of ZA2006-04. An update of the Comprehensive Plan is due, but can be postponed temporarily. *The 2012 reduction budget includes \$0 in this line.*

2181-130-318-0000 Training. This line provides for staff and board/commission members to attend seminars and conferences in order to stay current on skills and trends in the field. While we try to utilize the many free or low cost options available locally or on-line, there can be significant value in attending paid classes or out-of-town conferences. Staff has also taken turns attending large conferences in recent years, to reduce expenditures. Such participation can be further reduced temporarily, with the understanding that staff may not be as up-to-date and commissioners may not be as prepared. *The 2012 reduction budget includes \$1,500 in this line.*

2181-130-321-0000 Rents/Leases. There are no rents/leases managed by the P&Z Department. *The 2012 reduction budget includes \$0 in this line.*

2181-130-342-0000 Postage. Postage is one of our largest expenditures. The ORC requires that many of our mailings be sent certified, at over \$5 each. Assuming the elimination of the Property Maintenance Program, the number of mailings will be reduced, so the budget can be reduced accordingly. We are still considering the use of an online postage system. Use of an online system could save the time and travel costs associated with going to the Post Office in person. Also, these systems seem to reduce the paper-handling aspect of the process as well. Additionally, moving to a postcard (oversize) hearing notice could result in some savings of time and materials. We are checking options. *For now, the 2012 reduction budget includes \$8,600 in this line.*

2181-130-345-0000 Legal Advertising. This line includes costs for publishing public hearing notices. A few years ago we reduced this cost significantly by publishing in the *Northwest Press* rather than *The Enquirer*. This required earlier deadlines for applications, because the lead time for the *Press* is longer because it is a weekly paper. Beyond that, this is a cost we have little or no control over, since the notice requirements are set by the ORC. It should be noted that while this shows up as a cost to P&Z, it is actually a pass-through. The applicant pays for the advertisement, but the money goes back into the General Fund, not into this P&Z line. *The 2012 reduction budget includes \$2,000 in this line.*

2181-130-359-0000 Utilities. This line includes costs for telephones (land and cell) and radios. The part time inspectors already use their own cell phones, so there would be no savings in this line from the elimination of the PMC. The costs are part of the overall negotiated contract for the Township, so there is no further opportunity for adjustment at the Department level. *The 2012 reduction budget includes \$2,383 in this line.*

2181-130-410-0000 Office Supplies. This line includes general supplies such as paper, file boxes, etc. While there would be some reduction in need from the elimination of the PMC, costs of materials have been increasing each year. Spending is projected to be stagnant to balance the decreased material need and the increased material cost, so the amount used is the same as the 2011 estimated spending figure. *The 2012 reduction budget includes \$2,098 in this line.*

2181-130-420-0000 Vehicles/Use. This line includes all costs related to the Department's two vehicles—gasoline, repairs, etc.—as well as mileage for staff when they must use their personal vehicles. With the elimination of the PMC, this line would only have to cover one vehicle and the mileage reimbursements. *The 2012 reduction budget includes \$2,900 in this line.*

2181-130-490-0000 Other Supplies/Service Contracts. This line includes service contracts and service calls for office equipment, software licensing, etc. These costs are only marginally under Department control. Costs are not expected to rise significantly, so the requested budget amount represents only a small increase over 2011 estimated spending to deal with service needs for aging equipment. *The 2012 reduction budget includes \$12,000 in this line.*

2181-130-599-0000 Other. This line is essentially a contingency to cover emergencies or unanticipated costs in other lines. In the past this line was used to purchase a new vehicle when the capital line did not include sufficient funds. *The 2012 reduction budget includes \$2,500 in this line.*

2181-130-599-0401 Sidewalk Program. This line is used to hold any funds deposited for sidewalk waivers. The funds are only available for use to put in sidewalks or to match grants that would put in sidewalks. The funds are not available to the P&Z Department, so it is essentially a pass-through. *The 2012 reduction budget includes \$0 in this line.*

2181-130-599-0402 Grant. This line is used to hold any funds received from a grant won by P&Z. If no grants are won, no funds are deposited into this line. The funds are only available for use carry out the specific grant project. The funds are not otherwise available to the P&Z Department, so it is essentially a pass-through. *The 2012 reduction budget includes \$0 in this line.*

2181-760-740-0000 Capital Equipment. This line includes funds for any equipment or furniture needed for the operation of the Department. While most of these items have been replaced in the past few years,

the full time inspector vehicle is reaching the point where it will need replacement. The intent is to defer this cost, however. A small amount is maintained in case of emergency replacement needs. *The 2012 reduction budget includes \$4,000 in this line.*

Additional Adjustment Options. As discussed above, (1) Planning & Zoning fees are not directly deposited into a line available to P&Z and (2) some costs incurred by P&Z are paid from the General Fund but do not pass through P&Z budget lines. What follows are possible revenue generating options and “outside” cost reductions, or those that would be felt directly to the General Fund but not shown in P&Z lines.

Revenue Generation.

Sell the Property Maintenance vehicle. With the elimination of the Property Maintenance Code, this vehicle would get minimal use. Approximate Kelly Blue Book value is \$5,000. (This amount is included in the overall estimate for elimination of the PMC.)

Increase Administrative Fee for Nuisance Abatements. When nuisance properties are abated, the costs incurred are assessed to the property tax bills. An additional amount is added to cover administrative costs not directly counted. Currently, the administrative fee is \$250. This is in the middle of the range charged by local townships of \$0 to \$375 per assessment. An additional \$100 is proposed, bringing the total to \$350. While the assessment is a pass-through cost that should return to the Township, this may take several years. In some cases, the costs are never recouped, because the property is foreclosed for taxes and reverts to the State. The additional funds raised from this would be approximately \$16,500, assuming 165 abatements in 2012.

Recreational Vehicle Registration. When the RV parking issue was considered a few years ago, many owners suggested an annual permit to allow summer parking of their RVs in front of their homes. While this idea was rejected at the time, it is proposed to reconsider this. An annual permit of \$100 per RV, at approximately 250 vehicles, could raise \$25,000. The owners would see a benefit in paying less to store their RVs at home for half the year. In addition, this would free up the inspector’s time, since we could just send a registration application to any unregistered owner, rather than sending a violation notice and helping the owner work through their options on placement and storage. This would require a text amendment.

Outside Cost Reductions (General Fund expenses paid through Administration).

Perform Nuisance Abatements In-House. Currently, we contract with local lawn care companies to cut grass and clear trash on nuisance properties. Again, while these costs are passed through as assessments, the time frame for return of these funds is unpredictable and, in some cases, is never. Part time seasonal staff could do this work at a lower cost. Assuming a crew of 2 at \$12 per hour each, 2 hours per abatement, and \$50 dump fee, a savings of approximately \$32,175 could be realized for 165 abatements.

Perform Title-Searches In-House. Currently, counsel performs our title searches. These are necessary to identify current owner and lien holders to be notified as part of the nuisance abatement process, as required by the ORC. We pay a flat rate of one-hour of counsel’s time. It is possible to have staff visit the Recorder’s Office and complete these by reviewing the public

records. We would save the majority of the direct cost, although mileage and parking costs would be incurred for staff, and staff would be unavailable for other work, including direct service to residents and businesses, during that time (probably at least one full day per week during peak season). Also, given the foreclosure proceedings on many of the properties being searched, this has become a more complex and time-consuming process. A savings of approximately \$40,000 could be realized based on recent numbers of searches needed.

Conclusions. Cost reductions, budget adjustments, outside reductions, and revenue generation options discussed above could result in a total reduction budget of \$250,797 (PMC Option 1) or \$212,311 (PMC Option 2) to the General Fund. These totals are in excess of the target \$144,000 in reductions for a target reduction budget of \$312,350.

If the Property Maintenance Program was maintained, and therefore those costs added back in, it would result in a reduction budget of \$301,303, still well below the \$312,350 target. The Property Maintenance Program was established to maintain and improve property values in the Township. We have had fairly good compliance following notices of violation since inception of the program in 2007. Where owners can afford to make repairs, our notices serve as a gentle nudge. Where owners cannot afford to make the repairs, we offer the Compliance Grant to reimburse a portion of their costs and the Sharing Hope program to help do some of the work (and donations cover the materials used by the volunteers). Loss of this program would represent a significant impact on customer service and the community. P&Z has responded to over 400 violations of the PMC each year of the program. There would be no way to address these deteriorating properties without the program. This would likely result in a great deal of frustration as residents got used to the loss of this service.

Two options for staff changes in conjunction with elimination of the Property Maintenance Program are carried through the budget review. Currently, two part time inspectors and one full time respond to all violations—zoning, nuisance, and property maintenance. The Township is divided into regions with each inspector taking primary responsibility for assigned areas. The full time inspector has been with the Township for a long time, and has significant knowledge of the community. Of course, the personnel costs associated with a full time staff member are considerably higher than those for part time personnel. This must be balanced against the customer service impact of the ability of a long-term staff member to respond more quickly because of his existing knowledge of the history of situations and locations.

Two of the revenue generating options—increasing the administrative fee for nuisance abatements and establishing a summer registration for RV owners—would have virtually no impact on customer service. The administrative fee would bring in approximately \$16,500, depending on the number of abatements needed. While not all of the increase would be achieved in the first year, since the assessments can take some time to be paid back, the impact would be steady over time as long as the number of vacant properties remains higher. The RV registration would bring in approximately \$25,000, assuming 250 RVs in the Township. This would have the added impact of freeing up inspector time to address other types of violations. Unregistered owners could be mailed a registration application, rather than a violation notice. Because the \$100 registration would represent a savings over paid storage locations, it is anticipated that compliance would be very high. The third option, selling the PM vehicle in conjunction with elimination of the Property Maintenance Program, would not have any additional impact on customer service beyond loss of this service.

Two outside cost reductions—performing grass cutting in-house and performing title searches in-house—are included for consideration. Having part time seasonal staff cut grass and clean up debris at nuisance properties would not be expected to have any impact on customer service. Savings would be approximately \$32,175 to the General Fund over the cost of hiring outside contractors to do this work. These part time workers could be housed in the Parks & Services Department. Performing title searches in-house would likely have a noticeable effect on customer service. A member of P&Z staff, probably the Land Use Planner, would have to spend about one day per week at the Hamilton County Recorder's Office to perform the searches. This would take staff away from the in-office work of answering questions from residents and business owners.

In sum, the options of increasing the administrative fee for nuisance abatements, setting an annual registration fee for RVs, and performing nuisance abatements by Township staff rather than contractors, would have minimal impacts on service to our residents, but would have positive impacts on the General Fund budget in 2012 and over the long term. Eliminating the Property Maintenance Program and performing title searches by Township staff would have noticeable negative effects, however.