

Colerain Township Financial Advisory Committee (FAC)

Minutes

November 29, 2012

OPENING OF MEETING

Mr. Michel called the meeting to order at 6:00PM with the following members present: John Kerr, Dennis Mason, Doug Moore, Doug Michel and Scott Taylor. Heather Harlow, Township Fiscal Officer, and James Rowan, Township Administrator, were also in attendance.

APPROVAL OF MINUTES

Minutes for the October 20, 2012, meeting were reviewed. Mr. Mason made a motion to approve the minutes as amended. Mr. Michel offered the second. All voted "aye."

Update

Mr. Rowan presented an over-all fiscal picture "Achieving Financial Sustainability." He said this is not a reflection of what has happened and he's focused on today and charting a course. He said that as a township, we have real challenges and that he's not sure if the same decisions would have been made if we knew about the cuts from the state. He said we need a balanced package to meet all our needs.

He said there are several pieces to consider:

- General fund: \$1.5 million annual loss
- Parks & Services: \$1.1 million annual deficit
- Community Center: \$400,000 annual deficit
- Public Works: \$250,000 annual deficit
- Roads: no funds for resurfacing
- Police: end of levy cycle
- Fire: projected levy cycle (2016)

He said the current millage is not sustainable. There are two options: additional millage or align the costs. He said the cost of alignment in millage is an additional 5.40 mills.

The cost of alignment in costs might include:

- Close, sell, transfer responsibility of parks

- Close, sell Community Center
- No further investment in roads (public infrastructure deteriorates)
- Reduction in police services
- Reduction in fire services

He said there is an immediate need to continue to offer services for the police department. He said that we can eat the general fund balance or we need a levy. But, this doesn't solve the general fund problems. He suggested deferring police, fire and roads as there is not enough information. For the fire department, we are considering a third-party assessment. He suggested a balanced approach to change the current police and fire levies to a public safety levy with no new taxes. He suggested postponing any new public safety levies until 2015, to allow for study of services and realignment of the budget. Another option is to seek a two-mill levy to operate public works and provide for a capital investment of \$1.0 million a year in road resurfacing. For the parks and community center, it is possible to move .89 mills from the road fund to the general fund (no new taxes); we must increase revenue or decrease expenditures by \$550,000 annually.

Mr. Rowan said that we must consider all of the pieces. He said we're not talking about cutting services right now, but this is an important conversation to have with all stakeholders.

Mr. Moore said he sees continuous improvement and we're taking care of this now with the benchmarking process.

Mr. Michel said the "low fruit" has been picked. He also said there is the possibility of some reduction in costs, like the communication center.

Mr. Taylor said that we need to restructure, not delay.

Mr. Rowan said that it will be a challenge, if not impossible, to determine what to do by November as we need to identify peer groups.

A citizen, Jim Acton, said that he won't have his 50th wedding anniversary party at the community center due to the new higher costs. He said the center is priced too high and is comparing to more expensive places.

POLICE DEPARTMENT

Chief Meloy offered some background and said they passed levies in 1986, 1991, 2002, and 2007. He said we have double the calls of Anderson Township. He discussed our

department's salaries in comparison to other agencies. He said the sheriff's office is a lifetime commitment and a lot of things are out of our control. He said that services, like the mall patrol, are also revenues. He said one issue with benchmarking is that no one else is doing some of the things we are doing. Mr. Rowan said that the Center for Local Government is working on a data collection committee. Chief Meloy said that we give valued services to the sheriff's office as well – this is a truly shared service. Zoning citations are done by existing staff, within a beat.

Mr. Michel asked about the perception of the safety levy. Chief Meloy said that he heard from one person who is against it, because he doesn't like the fire department.

2013 APPROPRIATIONS

Mr. Rowan presented the 2013 temporary appropriations to the FAC. He offered one amendment: reduce the fire fund by \$880,000 (apparatus purchase).

Mr. Mason made a motion to recommend approval of the 2013 temporary appropriations, as amended. Mr. Taylor offered the second. All voted "aye."

BENCHMARKING

The Committee discussed the next step and observations. Mr. Rowan discussed the RFP for the fire department assessment.

RECOMMENDATIONS

The Committee offered two recommendations to the Board of Trustees

1. The FAC concurs with Administrator Rowan's presentation titled, "Achieving Financial Sustainability" and recommends the presentation be shared further with stakeholders and implementation steps be devised.
2. The FAC recommends a RFP be pursued for an independent assessment of the fire department.

Mr. Taylor made such motion and Mr. Kerr offered the second. All voted "aye."

AGENDA BUILDING

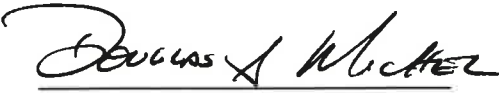
The next meeting will be January 3, 2013, at 6PM. The Committee will discuss the RFQ for the fire assessment and an in-depth review of the benchmarking study.

ADJOURNMENT

With no further business to come before the Committee, Mr. Taylor made a motion for adjournment and Mr. Moore offered the second. All voted "aye."



Fiscal Officer



Committee Chairman