

**DUBLIN CITY COUNCIL
FINANCE COMMITTEE MEETING
Monday, November 12, 2014
Council Chambers**

Minutes of Meeting

Ms. Chinnici-Zuercher, Chair, called the meeting to order at 5:30 p.m.

Finance Committee members present: Ms. Chinnici-Zuercher, Vice Mayor Gerber and Mr. Peterson. Mr. Lecklider and Ms. Salay were also present.

Staff present: Ms. Grigsby, Ms. Mumma, Mr. Thurman, Mr. O'Brien, Ms. Crandall.

Ms. Chinnici-Zuercher noted that immediately following this meeting, Council will meet to review the proposed 2015 Operating Budget. Preceding that, this committee is conducting a cost of services review. Biennially, staff reviews the actual costs of providing City services and recommends any updates needed to the City's cost of services and fee schedule for Council consideration.

Ms. Mumma introduced Matt Stiffler, Financial Analyst, who joined City staff this year and who will be presenting tonight. He was previously employed by the Legislative Services Commission of the State of Ohio.

Mr. Stiffler stated that this document, including any recommendations or changes made by this Committee, will become part of Ordinance 111-14 to be considered by Council at its next meeting. A full cost of services study for 2014 was not conducted. The 2013 fee levels were multiplied by an inflationary measure –the Midwest Consumer Price Index for urban consumers was used. The expectation was that a full cost study for 2015 would be conducted, and that has now been completed. The goal of a cost study is to match service revenues to service costs, direct and indirect. Some examples of those include salaries, fringe benefits, operating expenses, overhead and administrative expenses, and asset replacement expenses.

RECOMMENDED FEE INCREASES:

Police:

1. Impounded or abandoned vehicle release – increase from \$115 to \$120.00.
This fee does not apply to victims of crime. There were 220 units of service in 2013. The last fee increase was in 2011.

Parks and Open Space – Cemetery Category:

1. Cemetery maintenance: Resident - increase fee from \$660 to \$700; Non-resident – increase fee from \$1,850 to \$1,960. This fee is for the perpetual maintenance of cemetery plots. The last increase was in 2009.

Ms. Chinnici-Zuercher inquired if it is a one-time fee, charged at the time of plot purchase. Mr. Stiffler confirmed it is a one-time fee.

Court Services:

1. Fine processing: Increase from \$18.00 to \$19.00/case
2. Computer fund: Increase from \$3.00 to \$5.00.
The fee was originally set at \$5.00. When a court magistrate was hired in 2010, \$2.00 of that fee was reapportioned to fine processing, lowering the court fund fee to \$3.00.

According to Ohio law, this fee may be set as high as \$10.00. Annual expenses charged to this fund total \$19,500. At the proposed fee level of \$5.00, Dublin will still have one of the lowest fees among Mayor's Courts for the computer fund within central Ohio.

Ms. Chinnici-Zuercher stated that staff's memo indicates that the attempt is to recover 60-70% of the cost with the fees. Is that an overall recovery of all City fees? Or in this department, will that recover 100%?

Mr. Stiffler responded that this fund is projected to have a balance of \$9,000 at the end of this fiscal year. The City has about 2,500 cases annually. A \$5.00 fee per case is anticipated to generate \$12,500. With the \$9,000 balance at year end, there should be a balance that will cover all the expenses in 2015. Re-evaluation of this fee is intended, but a deeper analysis is needed before recommending a fee higher than \$5.00.

Engineering:

1. Right-of-way plan review inspection – increase of \$5.00 to \$55.00 for residences and \$15.00 for all other properties. There were 90 units of service in 2013.
2. Sanitary sewer inspection – increase of \$10.00 to \$150.00.
3. Street and traffic sign review service – increase of \$10.00 to \$85.00/hour

There are several services increasing that had no units of service in 2013. Setting the fee at the estimated cost will allow the City to recoup its expenditures if, in the future, the City is engaging in this service. At this point, it is possible only to provide a best estimate of the cost of services. Some examples of this include private street dedication review, a street vacation review, a street re-naming that is not staff initiated, or a private waste disposal review.

Planning:

1. Informal plan review – This does not have a cost recovery percentage attached to it. It is a fee set by Council. The City consultant recommended a \$70 increase to the fee to \$570.00. That recommendation was based on the information that providing this service costs \$2,279. The City provided four units of this service in 2013. This is a Council decision – if Council is comfortable with the fee remaining \$500 with the estimated cost of service, then it would remain at \$500.
2. West Innovation development plan review – As with several development plans, it is split into a minor and a major review. Previously, the fee for all reviews was \$2,480. The recommendation is for: minor review - \$985; major review - \$2,640. Two units of service were provided in 2013, both at the \$2,400 level.
3. Bridge Street District minor project review – Add a new fee of \$100 for signage review. The estimated cost of service is \$200/sign. This would be consistent with the 50% recovery of cost for Planning's other services.

Ms. Chinnici-Zuercher inquired if the minimal number of informal plan reviews conducted last year was related to the cost for the plan review.

Mr. Gunderman responded that he does not believe the two are related. Initially, this plan review was conducted at no cost. The process is not included in City Code, and staff has conducted this review for those cases where they determined it would be helpful for the applicant to have initial staff feedback. It has become a more established procedure. Although use of it remains infrequent, staff has come to depend upon it. Where it does occur, more work is conducted now than was done initially. Earlier, the process did not involve a written report; now,

a written report is provided. The intent is not to set the fee as high as the fee for regular applications. It should be set sufficiently low that it does not discourage applicants.

Vice Mayor Gerber inquired if concept plans are utilized more than informal plans. Mr. Gerber responded that concept plans have declined, but only because new PUDs have declined. More unusual plans are received, and the informal plan has somewhat replaced the concept plan.

Vice Mayor Gerber stated that recently, it has seemed that the developer is interested in learning early if Council would support a proposal -- whether the issue is financial, setbacks or architectural. Are those reviews informal or concept plan reviews?

Mr. Gunderman responded that staff tends to use the informal more than a concept review. The concept plan review is included in City Code, and it requires more specific submissions. It is a more lengthy process and typically requires a second round after the initial application is provided. The benefit of an informal review is that, typically, the applicant has a rough site drawing and elevation when they initially approach staff, and that is all that is needed for an informal review. The informal plan preparation does not cost as much as concept plans do.

Building Standards:

Several fee increases are proposed; four are addressed here. These four services have cost recovery percentages of 50 percent or less, while the target recovery percentage is 100%. The services that Building Standards provides, as a whole, have been greatly impacted by general economic conditions over the past five to seven years. The recovery process for building services has been increasing since 2010. However, the process has been slow, leading to a prolonged period of Building Standards missing its targeted recovery percentage. Prior to 2007, Building Standards routinely met its targeted recovery percentages. In an effort to balance the continued slow recovery with a fee structure that is currently recovering only half of its targeted revenue, this proposal seeks to increase these four fees by 25%. This increase will allow continued growth in services provided by Building Standards along with the increased fee to adjust closer to the targeted recovery goal. This action is similar to action that was taken in 2010, when fees were increased 30% for these services in light of the extremely low cost recovery percentages that year. The proposed increases include:

Building Permits:

1. Residential plan review – an increase of \$55.00 for the first 1,000 square feet; an increase of \$15.00 each additional 500 square feet.
2. Commercial plan review – an increase of \$50.00 for the first 1,000 square feet; an increase of \$35.00 each additional 1,000 square feet.

Building Inspections:

1. Residential property inspection – an increase of \$50.00 for the first 1,000 square feet; an increase of \$13.00 for each additional 1,000 square feet; Pre-fabricated fireplaces – \$10.00 increase to total \$50; Certificate of Occupancy - \$10.00 increase to total \$50; Shoring permits - \$15.00 increase to \$80.00.
2. Commercial property inspection. This is for many building types – new, existing, condemned, and industrial.
An increase of \$20 to \$55 for the first 1,000 square feet, and \$6 to \$35.00 for each additional. This fee has many components, and greater detail is provided on the

spreadsheet provided in Council packets. The cost recovery percentage is 43%. To meet target recovery goals of 100%, it would be necessary to double the fees. Staff attempted to achieve a balance between an increase in revenue and, hopefully, a continued increase in number of services provided.

Ms. Chinnici-Zuercher inquired how these rates compare to other communities.

Mr. Tyler responded that depends on how they charge for services. Dublin bases its fees on square footage, as it seems to be the most reliable basis. Some communities base their fee on the cost of construction. That is less reliable because it requires someone to make a judgment call. The size of the city can be a factor -- Columbus fees are higher; smaller cities charge lower fees. Dublin tries to achieve a balance, placing the fee at a level that people will continue to use the service, and the City is able to recoup as much of the cost of service as possible.

Ms. Chinnici-Zuercher inquired if these are optional, not required, services.

Mr. Tyler responded that the fees are required for performance of this type of work within the community.

Vice Mayor Gerber stated that he is more interested in how Dublin compares with the communities that are deemed competitive with Dublin – New Albany, Worthington, and the suburbs around I-270. How does Dublin compare?

Mr. Tyler responded that he would have to do a study of that to provide an “apples to apples” analysis.

Mr. Lecklider inquired if Dublin’s building inspection fees are less than those in Columbus.

Mr. Tyler responded affirmatively.

Mr. Lecklider inquired what their fees are based on.

Mr. Tyler responded that he would follow-up on that question, as well. Columbus charges for every service they provide and tries to recoup their costs, if at all possible. For example, they make an effort to identify people who are doing work without permits. They will send inspectors out even on weekends to try and recoup those fees. While Dublin’s re-inspection fees are a certain dollar amount, Columbus’ re-inspection fee is five times the original permit fee.

Streets and Utilities

1. Salt Surcharge – Increase from \$1.45 to \$1.55 per ton. In 2013, the City sold 152 tons to the School District and the Township.

Fleet

1. Washington Township Fleet Maintenance – Increase from \$81 to \$85 for labor, effective February 1, 2015. The reason for the delayed effective date is the contract with the township requires a 30-day notice. The contractual rate specified in Resolution 03-13 is based on the fully burdened hourly rate of an Auto Mechanic 1. This will be the first increase since the initial contract in February 2013.
2. Fuel Surcharge – Increase of \$0.01/gallon for gasoline, diesel and compressed natural gas, effective July 1, 2015. This is in line with previous effective dates based on their fiscal years. The City purchased 460,000 gallons in 2013 and sold approximately 250,000 gallons to the school district, and approximately 31,000 to Washington Township. Based on those sales, staff is projecting an increase to the Schools of approximately \$2,600 annually and an increase of approximately \$310 to Washington Township annually.

Recreation Services

The 50% direct cost recovery goal was met for 2013, but staff is proposing two fee changes.

1. Outdoor Municipal Pools – increase of \$1.00 in daily passes; \$5.00 increase for individual resident season passes; \$10 increase in family resident season passes; \$15 increase for non-resident season passes.
2. Athletic Field Usage - In an October 31, 2014 memo titled "Updated Baseball and Softball Field Use Policy," the Director of Recreation Services outlined the development of a new Baseball and Softball Field Use Policy along with proposed fees that are planned to be implemented in phases beginning January 1, 2015. The fees discussed in that memo and its attachments are located in Appendix A of the fee schedule.

Mr. Stiffler distributed a handout providing a comparison of Dublin's fees for outdoor pool passes with those of surrounding communities. He noted that he has provided highlights of the proposed fee changes. There are numerous fee changes not mentioned tonight that are included in the spreadsheet provided for the Committee's review.

Ms. Chinnici-Zuercher stated that on the last page of the spreadsheet, related to Recreation Services, a variety of camps and classes is listed and a notation that there were no fee changes recommended. However, the current fee was not provided.

Mr. Earman stated that, with the exception of fees for memberships, daily pass rates, rental rates, each program is structured so that the fees charged will produce 50% cost recovery for those programs. The fees for those programs change significantly as the programs change. The current programs are listed in in brochure. The fees are reviewed administratively each year. There is also a complete list of the memberships, passes and rental fees, which he can forward to Council. That list can also be found online.

Ms. Chinnici-Zuercher inquired what rate is charged for child care services.

Mr. Earman stated that a variety of options is offered. It can be purchased by hour, or a 20-pass package can be purchased at a discount rate. It works similar to a debit card, where the time is deducted from the package. The rate is approximately \$3.00/hour.

Ms. Chinnici-Zuercher stated that the information that is provided is different for this department. Basically, Council is being asked to approve a 50% recovery policy of whatever the cost is. She recalls when the Recreation Center was first built, that there was a discussion and decision to establish the policy of 50% recovery of cost. Why is that not done for all departments – define a certain recovery percentage rate? Recreation services are a different concept than constructing something within the community. The Rec Center was built and provided for the purpose of citizenry use.

Ms. Grigsby stated that when the City first began to conduct cost studies, the intent was to identify the beneficiary of a service so that they are the ones paying for the service. This would make the general tax dollars available for general tax services. Because the Rec Center was considered to be a benefit to the community, Council chose to subsidize it by 50%. With a building permit, because the individual is the beneficiary, the individual should pay for it, not a subsidy from income tax dollars.

Mr. Lecklider stated that the fee for non-resident pool passes is significantly higher. Mr. Earman stated that the Rec Center has experienced capacity issues, not in violation of Health Department levels, but from a standard of comfort in use. The City pools were becoming so crowded that it impacted the user's experience -- either due to the length of the lines at the concession stand or slides, or the crowded nature of the pool. Consequently, a limit was placed on the number of non-resident passes that could be sold. Since that cap was established, there has not been a need to close pass sales. Staff does not want to limit the potential revenue, however, and the sale of resident and non-resident pass sales are monitored to ensure that the capacity comfort level is not exceeded. The non-resident rate is in line with the actual cost of operating the pools.

Ms. Chinnici-Zuercher stated that she was pleased to see that a cap is put on the number of non-resident passes that are issued, as she has heard the Dublin pools are preferred by non residents over their own community pools. The City's corporate limits, however, fall into multiple school districts. There are some Dublin children attending Hilliard Schools who have school friends that are Hilliard residents. It is good that non-resident passes are limited, but also good that some are permitted.

Mr. Earman added that the City's pool membership is a pass is for the use of both City pools.

Ms. Chinnici-Zuercher stated that the document provided also includes other proposed fee increases. Do Committee members have any questions about other changes recommended? There were no further questions.

Ms. Mumma inquired if it is acceptable to schedule this ordinance for first reading on November 17, recognizing that Mr. Tyler will be obtaining and providing comparable building fees of other communities in response to the Committee's request.

Ms. Chinnici-Zuercher indicated that would be fine. Council typically asks for information on how our fees compare to other communities.

Ms. Chinnici-Zuercher moved to adjourn the Finance Committee meeting and enter into executive session for the discussion of personnel matters related to the appointment of a public employee. Vice Mayor Gerber seconded the motion.

Vote on the motion: Mr. Lecklider, yes; Vice Mayor Gerber, yes; Ms. Salay, yes; Ms. Chinnici-Zuercher, yes; Mr. Peterson, yes.

The meeting was adjourned at 6:05 p.m.

Clerk of Council