

INTERNAL MEMORANDUM

Office of the City Administrator

Springdale, Ohio

July 12, 2013

To: Mrs. Marjorie Harlow
President
Springdale City Council

From: Derrick Parham
City Administrator

Re: Report on Pending and Future Legislation

Item I

An Ordinance Authorizing the City to Fund Employees' Health Savings Accounts in 2013 and Declaring an Emergency

Since the City joined the Center for Local Government Benefits Pool (CLGBP) to provide medical insurance coverage for all full-time employees, the City has funded a portion of the employees' Health Savings Accounts (HSA). During the first year of the program, the City funded the accounts at 100%. In 2011 and 2012, the City contributed 50% of the employees' deductible for medical coverage. The medical deductibles for Springdale employees are \$2,000 for single coverage and \$4,000 for family coverage. The City's 50% contribution made to the employee's account was \$1,000 for single coverage and \$2,000 for family coverage.

The City Administration is recommending Council continue to fund each employee's HSA account at the 50% rate for 2013 not to exceed \$1,000 for singles and \$2,000 for families. Contributions made to the accounts of new full-time employees will continue to be prorated based upon the Exhibit A attached to the ordinance.

An ordinance, with an emergency clause, authorizing the funding of HSA accounts for all full-time City employees on the City's Health Insurance Plan, will be before Council at the **07/17/2013** meeting.

Item II

An Ordinance Authorizing the Trade-In of Four (4) Lifepak 12 Defibrillators Declared to be Surplus Property and Declaring an Emergency

At the May 1, 2013 City Council meeting, Ordinance No.14-2013 was passed authorizing the City to purchase four (4) Lifepak 15 defibrillators from Physio-Control Corp. This ordinance also accepted a \$114,000 grant from the Assistance to Firefighters Grant program to help purchase the units. Apparently around that time, the Fire Department and Physio-Control Corp. had reached an agreement on a trade-in value of \$5,000 for the City's four (4) existing Lifepak 12 defibrillators for a total trade-in value of \$20,000. In speaking with the Fire Chief, the cost to purchase four (4) units was \$139,992.60. The \$20,000 credit lowered our cost to \$119,992.60. After Council adopted the legislation, the defibrillators were purchased and the trade-in took place. Unfortunately, because the Administration was not made aware of a potential trade-in, the adopted legislation did not include the authorization to dispose of (or trade-in) the old Lifepak 12 defibrillator units.

An ordinance, with an emergency clause, declaring the four (4) Lifepak 12 defibrillators as surplus property and authorizing the City to dispose of them, will be before Council at the **07/17/2013** meeting.

Item III

Two (2) Resolutions Authorizing the City to Continue through Payroll Reduction All of the Mandatory Contributions to the Ohio Police and Fire Pension Fund (OP&F) by Members of the Police and Fire Departments

All City of Springdale full-time police officers and firefighters are members in the Ohio Police and Fire Pension Fund (OP&F). As members of OP&F, the employees are each required to pay ten percent (10%) of their wages into the pension system. No City employee actually makes a direct payment to either of the pension systems, but instead the City reduces the employees pay by the required amount and forwards it to the pension fund.

In 2011, the OP&F Board adopted changes that would increase the employee's contribution from the current 10% to a new schedule which would eventually require the employee to contribute 12.25% by July 2015. In September 2012, Governor Kasich signed Senate Bill 340 into law approving the changes adopted by the OP&F Board. The passage of these two (2) separate resolutions, one (1) for Police and one (1) for Fire, indicates the City will continue to reduce the pay of City employees who are members of OP&F. In 2004, OP&F increased the employee's contribution from 8.5% to the current 10%. In August of that same year, City Council adopted Resolutions 19-2004 (Police) and 20-2004 (Fire) agreeing to continue collecting the employee's contribution for OP&F.

Two separate resolutions agreeing to continue reducing the pay of Springdale employees, who are members of OP&F, in accordance with the rates and schedule adopted by the OP&F Board, will be before Council for consideration at the **07/17/2013** meeting.

Item IV

An Ordinance Authorizing Participation With the City of Forest Park In a Competitive and Cooperative Bid Process For The Purchase Of Rock Salt And Declaring An Emergency

In 2010 and 2011, the City chose to participate with Hamilton County in their cooperative bid process for the purchase of rock salt. For those two years, the City was able to purchase rock salt at \$68.42 per ton in 2010 and \$72.42 per ton in 2011. Those rates were better than the rate (\$77.94 per ton) the City received prior to participating in the County's process. However, when we reviewed the County Bid results, we noticed other communities participating in the same process were receiving lower rates than Springdale. This was difficult to understand because in many cases, the other community was a smaller community, and at the same time, they were proposing to purchase less rock salt. When we raised the question with the County, they could not explain why the rock salt company had offered the different rates. Apparently, the City of Forest Park had similar concerns. As a result, the Public Works Directors of Forest Park and Springdale discussed the possibility of performing a joint bid.

At a meeting on July 2 with Public Works Director Jeff Agricola, I was informed the bids were scheduled to be opened on Thursday, July 11. Language contained in the bid specifications state the bids must be accepted within 30 days. Unfortunately, this short deadline does not allow us much opportunity to review the bid results, due to the 30-day requirement and Council's summer schedule. Fortunately, Morton Salt, Inc. submitted a bid of \$55.38 per ton for the purchase of rock salt for a 2013 – 2014 contract year.

Under the new contracts with salt suppliers, cities are required to indicate an amount they are committing to purchase. Just like with the Hamilton County contract, this proposed contract provides each City with the opportunity to purchase plus or minus 20% of their committed amount. Springdale's stated amount of salt to purchase is 2,000 tons and it may be purchased over the two-year period. The 2013 Budget has \$115,000 for the purchase of rock salt. In 2012, we budgeted \$165,000 for rock salt and only spent \$72,773. While we believe the salt dome holds roughly 2,700 tons, our current estimate of available salt is 1,500 tons. Our plan is to purchase enough salt to fill the dome for the upcoming winter season.

An ordinance, with an emergency clause, authorizing Springdale to partner with the City of Forest Park for the purchase of rock salt will be before Council at the meeting of **07/17/13**.

Item V

An Ordinance Authorizing the Mayor and Clerk of Council/Finance Director to Enter Into a Collective Bargaining Agreement with the Springdale Professional Fire Fighters (IAFF Local 4027) and Declaring an Emergency.

The current collective bargaining agreement between the City and the Springdale Professional Fire Fighters (IAFF Local 4027) bargaining unit expired December 31, 2012. The two parties began meeting in the fall of 2012 and have been engaged in the bargaining process ever since. While the parties are engaged in negotiations, the members of the bargaining unit do not receive any pay adjustments. If there are any pay adjustments to be made for the IAFF members, it is generally granted and made retroactive to align with the final date of the previous contract. If the parties are unable to reach an agreement, a third party arbitrator (Fact Finder) is assigned to the case. The role of the Fact Finder is to allow each party to present their position on the outstanding issues. After the conclusion of the presentations, the Fact Finder provides a

recommendation to the two parties as to how the issue could be settled. Each party then has seven (7) days to vote to reject or accept the Fact Finder's report. If one (1) or both of the parties fail to take action within the seven-day period, the Fact Finder's Report is deemed to be accepted by that party.

At the June 19, 2013 Springdale City Council meeting, Council voted to accept the report of Fact Finder Martin R. Fitts. Approximately one day later, Assistant City Administrator Jerry Thamann was notified by one of the lead officers of the Springdale Professional Fire Fighters (IAFF Local 4027) bargaining unit that their members had also voted to accept the Fact Finder's report. Since both parties have voted to accept the report, the new collective bargaining agreement only needs to be ratified by the Springdale City Council and the firefighter's membership.

An ordinance, with an emergency clause, authorizing the Mayor and Clerk of Council/Finance Director to enter into a collective bargaining agreement with the Springdale Professional Fire Fighters (IAFF Local 4027) bargaining unit will be before Council at the **07/17/13** meeting. A copy of the contract (Exhibit A) is not attached to the ordinance due to the size of the document. An original copy can be found in the Clerk of Council/Finance Director's office. A copy can be provided upon request.

Item VI

An Ordinance Authorizing the City to Participate in the Ohio Municipal League's Group Rating Program for Workers' Compensation for 2014 and Declaring An Emergency

Since 1993, the City has participated in a group rating program for workers' compensation with the Miami Valley Risk Management Association (MVRMA) in an effort to save on workers' compensation premiums. The experience of being in a group has served our organization well. Unfortunately, MVRMA no longer offers a group rating program. In 2011, the City was presented with an opportunity to join the Ohio Municipal League's (OML) program and has participated with them ever since the invitation. The group rating program continues to serve our organization well. OML is once again offering the City an opportunity to participate in their group rating workers' compensation program for 2014.

An ordinance, with an emergency clause, authorizing the City to participate in the OML Group Rating Program for 2014, will be presented for your consideration at the **08/21/2013** meeting.

Item VII

A Resolution Authorizing The City Administrator To File An Application With The Ohio Public Works Commission For Local Transportation Improvement Program (LTIP) Funds And/Or State Capital Improvement Program (SCIP) Funds, And Authorizing The Mayor And Clerk Of Council/Finance Director To Execute All Contracts And Other Documents

The 2013 5-Year Capital Improvement Budget proposes a number of road improvement projects in the City during 2014. The first project is a much needed improvement to W. Kemper Road (major storm sewer upgrade, pavement removal and replacement, curb replacement, sidewalk replacement, etc.) at an estimated construction cost of \$979,200 with a funding breakdown of 48% (\$470,016) SCIP, 21% (\$205,632) MRF, and 31% (\$303,552) City. In addition to W. Kemper Road, the 2014 Capital Budget has improvements being made to both Boggs Lane and Jake Sweeney Way. Neither of these two streets have a high probability of receiving outside funding. Work on both streets will include grinding and pavement repairs, curb replacement, and some catch basin improvements. The Jake Sweeney Way estimated construction cost is \$248,700 with a funding breakdown of 69% (\$171,603) SCIP and 31% (\$77,097) City. The Boggs Lane construction estimate is \$223,000 with a funding breakdown of 69% (\$153,870)

SCIP and 31% (\$69,130) City. As always, these are early estimates of the work staff believes needs to take place. The true cost will be determined after the bids have been received.

Relative to the 2013 OPWC application process, we were informed on June 27 by the Hamilton County Engineer's Office that enough residual funds became available to grant our request for funding the proposed reconstruction of Ashmore and Woodvale Courts. This news could not have come at a better time. If you recall, we were led to believe the process had changed so that if there were any funds returned, they would be carried over to the next year's funding cycle. Apparently, that is not the case right now. Therefore as a result of this wonderful news, we have notified Adleta that the intermediate work scheduled for these two streets would not be performed under their 2013 Street Improvement contract. Instead, the City Engineer will update the current plans and request the utility companies review the locations to determine if a reconstruction project would affect any of their infrastructures. At the conclusion of this review, the project will be placed out to bid. Hopefully, these bids will be just as good as the bids for the intermediate project. The City's contribution for a full reconstruction project was estimated to be approximately \$9,000 more than the intermediate work. Of course, the bids for an intermediate improvement came in \$33,974 lower (Ashmore - \$12,844 and Woodvale - \$21,130) than the engineer's estimate. Hopefully, we will be just as fortunate when this project goes out to bid.

As a result, we are requesting City Council authorize the City Administrator to submit an application with the Ohio Public Works Commission (OPWC) for State Capital Improvement Program (SCIP) funds and/or Local Transportation Improvement Program (LTIP) funds. The deadline for submitting an application for 2014 (Round 28) funds is Friday, September 20.

A resolution authorizing the City Administrator to file an application for SCIP & LTIP funds for 2014 (Round 28) will be before Council at the meeting of **08/21/2013**.

Item VIII

Special Recognition/Information

1. Introduction of New Employees

The new Fleet Mechanic in the Public Works Department and our newest Firefighter are scheduled to be introduced at the **07/17/2013** Council meeting.

2. Purple T-Shirt Night

Don't forget to wear your Purple T-shirt at the meeting of **07/17/2013** in support of Firefighter Jamie Bigler and wife, Karen.

3. Cincinnati Metropolitan Housing Authority (CMHA) Presentation

Mr. Gregory Johnson, Executive Director of CMHA, has indicated he would like to come before Council to make a brief presentation at the **09/04/2013** meeting.

Mayor
Clerk of Council / Finance Director
City Council
Assistant City Administrator
Reading File

Law Director
City Engineer
Department Directors
Recording Secretary