FRANKLIN COUNTY BUDGET ECONOMIC ADVISORY PANEL

MINUTES

May 31, 2013

PANEL MEMBERS PRESENT: Ty Marsh, Chair; Pierre Bigby; Bill LaFayette; Timothy Robinson; William Shkurti

ABSENT: Karen Morrison; Frederick Ransier; Martyn Redgrave

OTHERS PRESENT: County Administrator Don Brown; Deputy County Administrators Bill Flaherty, Erik Janas, and Ken Wilson; Director of Economic Development and Planning, Jim Schimmer; Deputy Directors of OMB, Zak Talarek and Kris Long; OMB Staff, Heidi Hallas Warren and Justin Nahvi

GUESTS: Shannon Cross; Michael Salvadore

Materials in the order distributed:

- **Sheriff 2013 BEAP Brief**, Franklin County OMB, 26 pages.
- **Courts 2013 BEAP Briefs**, Franklin County OMB.
  - **Common Pleas** – 16 pages
  - **Domestic and Juvenile** – 22 pages
  - **Probate** – 13 pages
- **Prosecuting Attorney 2013 BEAP Brief**, Franklin County OMB, 14 pages.
- **Public Defender 2013 BEAP Brief**, Franklin County OMB, 17 pages.
- **Public Facilities Management 2013 BEAP Brief,** Franklin County OMB, 21 pages.
- **Summary of General Fund Debt Service (Gross),** Franklin County OMB, 1 page, table.
- **Summary of Current and Proposed General Fund Debt Service,** Franklin County OMB, 1 page, table.
- **Estimated Impact Change in Credit Rating,** Franklin County OMB, 1 page, table.
- **Standard & Poor's Ratings Direct,** Standard & Poor's, 5 pages.
- **Memo Regarding Ohio County and City-County Governance,** Erik Janas, 4 pages.
- **Inventory of Shared Services Agreements,** Franklin County OMB, 1 page.

Chair Ty Marsh convened the meeting at 2:05 P.M.

Mr. Marsh stated at the last meeting the Panel concluded there is a structural deficit within the range we've seen provided in the budget forecasts. Now, we must discuss our second charge, recommendations on how to deal with the deficit. One area we wished to focus on was a more in-depth look at the departments or agencies that are the major drivers of the County's budget. That is our agenda today.

Mr. Brown stated the five (5) groups we are presenting today account for 80% or more of the County's General Fund spending. These groups are: Sheriff, Courts, Prosecuting Attorney, Public Defender, and Debt Service. There are about forty-five (45) budgetary units in the General Fund, but these five (5) accounts for 80% of expenditures and obligations.

Mr. Brown continued if after today's presentations more in depth information is required on these groups, we can accommodate that at a later time. The documents presented to you today are tailor-made in the style we typically present budget recommendations to the Commissioners.

Mr. Brown began with the *Sheriff 2013 BEAP Brief* document. The chart in the lower right corner is "% of County General Fund Expenses." The Sheriff constitutes roughly 30% of General Fund expenditures for 2013. Mr. Brown refers the panel to page 2, the "5 Year Revenue History" chart. He read item number 1 under the chart, "Primary Source of Revenue." Mr. Brown reminded the Panel that the methodologies for calculating per diem rates for municipalities and federal government are slightly different; therefore the rates are slightly different for each. On page 4, is the "5 Year History of Expenditures." It is fairly flat. If we were to look at our total General Fund, we would see that there has been minimal growth; it's been fairly flat, if not some declines over the recent two (2) years. This is due to reductions in State and Federal funding and also because of the Recession. As our resources have contracted, we've tried to manage and control expenditure growth. On page 5 is the "Budgeted FTE History." We've seen a significant change from 2010 to 2011. This is because the jail nursing unit was outsourced. The decision was made in 2011, which accounts for the change in roughly fifty-seven (57) FTEs. The only change that has occurred is the expansion of contract services to townships or villages through a rotary agreement, where we've received funding through the Buckeye State Sheriff's Association, or through some other Federal or State grant for things such as program detectives or liaisons with the State Fusion Center.

Mr. Marsh asked what number of FTEs the Sheriff was proposing in his budget for 2013. Mr. Brown explained the Sheriff proposed more than was approved. He proposed an additional class of forty (40); an expansion of his workforce. What the Commissioners approved are replacements for vacancies that have turned over due to resignations or retirements. In hard numbers, a replacement class of thirty (30) was started last December, and finished in April. A second replacement class will start in June 2013 and is expected to be finished by September. That will be a class of forty (40). At the same time, there were about forty (40) or (50) vacancies. These classes are just keeping pace, not growing the size of the force. Mr. Wilson added the only exception is that seven (7) civilian positions in the Communication Tech area were approved. The uniformed tech officers were moved out of communications and into the field. Mr. Brown stated if the Panel members were to ask the Sheriff if this budget was adequate, he would say it is not. If you ask him why, he would say because it does not allow him to increase his force, to increase authorized strength. By and large, the biggest policy difference is over that question; "what is the appropriate size of the force," and secondly "where should those resources be deployed?"

Mr. Brown continued to page 10, which begins the Program Overview; program details continue through page 20. Each program detail page includes a reference to the Ohio Revised Code section which authorizes, permits, or mandates that program. Also on each page is a Measures and Indicators table measuring outcomes or outputs for each program.

Mr. Brown focused in on page 16, "Custody/Jail Operations Program," and on page 17, "Jail Medical Care Program." 60% of the Sheriff's authorized strength (sworn personnel) is committed to jail operations. The Sheriff would say his budget is not adequate because he needs a larger force. In answer to the question "where would you deploy them," he would prioritize safe streets. Therefore, he would put more uniformed officers on the street and more plain clothed officers on the street. That assignment of staff is permitted, but not mandated by statute. In a budget with limited resources, we have chosen to focus and place more emphasis on jail operations and service to the Courts, because those are the mandated services of the Sheriff. Our logic is those activities have priority because they are mandated.

Mr. Wilson stated if the Sheriff's Office was to enter into a contract for Rotary Officers to provide enhanced coverage to a township, and the township pays for it, those vacancies would hit the jail; people would get promoted out into those field positions.

Mr. Brown stated I just expressed my opinion of what the Sheriff's view would be, but there is a third party in the room, the FOP. The FOP agreement obligates the Sheriff to post and fill vacancies on the street (plain clothes or uniform) first, and to fill those positions by drawing on personnel that are in the jail. The agreement effectively works against the statutory priorities, because the statute says to serve the jails and courts first, and effectively the agreement says fill positions on the street first by drawing personnel out of the courts or jails.

Mr. Marsh asked; how do you reconcile these two? Mr. Wilson explained the only way to account for that is to create new positions in the jails, and that is the only way to get more staff in the jail. In order to stay in compliance with the budget guidelines set forth through a vacancy credit, the jail absorbs those vacancies and carries those numbers throughout the year. In the last two (2) years, it's been around fifty (50) positions each year. Mr. Brown added what the Board, together with the Sheriff, is trying to negotiate in this round of negotiations with the FOP, is a separation of the career paths for corrections and law enforcement. Additionally, we are negotiating for the flexibility to civilianize, where appropriate, positions in the jail. These positions would be ones in which there is little to no contact with inmates: intake and release, control center, laundry, kitchen, recreation, etc. If we can separate law enforcement from corrections career paths, and we can civilianize appropriate positions, then we can reinforce and stabilize the workforce in corrections. Mr. Flaherty stated the reason FOP is such a strong player in the decision is because the contract states that any duty a deputy can do shall be done by a deputy.

Mr. Shkurti stated the FOP contract is one in which members can not strike, so in the case of an impasse it goes to an arbitrator. Mr. Brown agreed and clarified in Ohio the arbitration process is called conciliation. In conciliation one side wins. In the last two (2) or three (3) rounds, the FOP has won in conciliation. The last two (2) or three (3) contracts have not been settled over the table, they have gone to conciliation and the Conciliator has imposed labor's position. Mr. Shkurti stated the budget is the Board's leverage. He asked if the civilians in the jails are FOP members. Mr. Brown stated no, some are represented by the Teamsters and others by the FOP Ohio Labor Council (OLC) which does not have conciliation rights. FOP OLC has the right to strike, but not to reach for conciliation or binding arbitration. Mr. Brown stated the budget pressure holding down FTEs is a tempering influence. Mr. Shkurti stated a better solution (compared to the influence of budget pressure) is to be able to civilianize some positions, take that money to hire more officers on the streets; it could be a bit of a win-win. Mr. Brown said yes, it would put more law enforcement personnel on the street, and that is how we present it to the Sheriff.

Mr. Brown referred the Panel to page 21, "Request for Results." The Sheriff requested two (2) classes of forty (40) deputies; one (1) was approved because one (1) was sufficient to cover vacancies. The second class, which would have expanded the workforce, was not included; but if the Sheriff or FOP were here they would say the second class is very much needed and the budget is not sufficient for that reason. Item 3 describes how we have civilianized the supervision in the Radio Communications Center, moving sergeants and lieutenants to put them on the street (a move very much supported by the Sheriff and FOP), and bringing in professional communications technicians to hopefully give us continuity and employee job satisfaction.

Mr. Brown referred the Panel to page 22, "Replacement Radios." The County needs to replace all mobile and portable radios. This page describes just the Sheriff's need, estimated at 1.5 million dollars. The total County need is around $6 million dollars. The replacements are required because we have to move from

VHF to UHF, analog to digital, as a resulting of re-banding within the Great Lakes states region; so that Canadian channels are not overlapping with law enforcement channels in the US. We plan to address this need over the next three (3) years.

Mr. Brown referred to item 5, “Replacement Vehicles.” The need is constant because of the high mileage and high speed chases, resulting in wear and tear on cars. The pent-up demand is listed here as 1.2 million dollars. The County’s Fleet Manager recommends vehicle replacement based on the accumulation of 150,000 miles or more, or condition; the replacement of vehicles in an annual need. Mr. Flaherty stated because of the increasing quality of cars and our efforts to stretch the budget further, the amount of mileage has increased. Mr. Wilson said a few years ago it was 100,000 miles or 10 years old for replacement. Mr. Flaherty said some cars run twenty (20) hours a day, on three (3) shifts.

Mr. Brown said that FTEs and equipment are the big ticket items in the Sheriff’s budget. Some of the demand has been met in the current budget. Some of it is deferred and we plan to address it over the next several years. Some of it has not been agreed to, and we hope to make some progress through negotiations to separate career paths, and civilianize jobs where appropriate to give us more stability in corrections.

Mr. Brown referred the Panel to pages 23 and 24, “OMB Recommended Adjustments.” We try to take the slack out of budgets through Vacancy Credits. We don’t budget for a full year because of normal turnover. In the case of the Sheriff’s Office, the vacancy rate is 6%. We take that out of the Sheriff’s appropriation, and if our estimate is off, we have the reserve flexibility under the Commissioners. That’s where it’s reserved because then the Commissioners maintain central control. If 100% were place in each operating unit, once it’s appropriated it cannot be withdrawn. We achieve better control overall by leaving it in reserve and taking that slack out of the agency budgets. If the Sheriff was here, he’d say we are removing all of his flexibility, the same would probably be said by other elected office holders. However, this is our control device. If you look at each of these budgets, at the end you see will the vacancy credit assumptions made with that agency. Mr. Wilson stated the argument may also be made that the vacancy credit causes overtime costs to increase.

Mr. Brown stated because the Sheriff typically fills vacancies a class at a time, he accumulates thirty (30), forty (40), or fifty (50) vacancies before he fills them; therefore, he would say he is always running with 30,40, or 50 vacancies, and as a result he has to bring people in on overtime to fill critical vacancies. We try to balance that, but the Sheriff would say eliminate the freeze, and allow all vacancies to be filled. Our response has typically been to ask how much would overtime be reduced by in exchange for that. Mr. Robinson asked if overtime is budgeted. Mr. Brown said the Sheriff states overtime estimates are context related. Mr. Flaherty stated it is a case of “let me get to that level of staffing, and then I will know what amount of overtime can be reduced.”

Mr. Flaherty went on to explain there has been a recent management study. The study described using different models of scheduling; recognizing that because people are getting pulled out to cover for another position or for training or for court appearances, the net working hours of a typical deputy is at about 70% to 79%. Mr. Brown added it is about 1400 out of 2080 hours a year.

Mr. Flaherty stated as the County is feeling the pressure, so are the townships and villages. In the smaller communities that have their own police forces, when they are short they may put fewer police in their districts. They rely on the Sheriff’s Office to back them up. While our personnel may not normally be patrolling there, the townships know if there is an emergency the call goes out and the Sheriff responds. Mr. Flaherty told a story of seeing this process in action.

Mr. Wilson referred the Panel to page 26, "Other Post-Budget Items, Section D. Comp-Time." Comp-time is another significant item in the budget. In addition to overtime expenses, there are expenses associated with one's ability to earn comp-time. Year-to-date there has been almost 41,000 hours of comp-time earned. Where we are right now, that represents a cash liability of 1.4 million dollars. The way the contract is structured, if a deputy requests to use that time, and they give 96-hour notice, the request can't be denied solely because it would put another worker in overtime status. Mr. Brown stated in essence, we could grant comp-time to one deputy, then pay overtime to one (1) or two (2) deputies to cover the deputy out on comp-time. Mr. Brown stated this is another area where we are trying to improve management's flexibility and control in the current round of negotiations; by putting a cap on total amount that can be accumulated per deputy, and also offering to cash it out so that we don't have a double burden of lost productive time and overtime. Mr. Wilson added we want to require additional days notice to give management more flexibility to schedule coverage. Mr. Robinson asked if there is a pick-up. Mr. Brown said yes and regardless if it is comp-time or overtime it's a time-and-a-half rate.

Mr. Marsh asked what percentage of the Sheriff's budget is pass through for Federal and State funds (Homeland Security, etc.), and is what does it look like going forward? Mr. Brown said it is shrinking rapidly. Mr. Wilson said the Violence Against Woman Act (VAWA) Grant has been reduced over the years. Other dollars associated with taskforces have also been reduced. Historically, we apply and the answer the Sheriff's Office receives is that grant dollars (such as COPS grant) are set aside for counties that are in a more of fiscal distress situation. Mr. Janas added in addition, the County has lost its Urban Area Security Initiative (UASI) funding. UASI grants were created in the aftermath of 911. Law enforcement agencies, throughout the country, have been funded a very high level through this grant program over the last decade. It has shrunk dramatically. Mr. Brown stated in the last three (3) years, Federal policy has changed to target those UASI dollars in port cities: Baltimore, Newark, Los Angeles, Houston, Seattle, etc. It is believed that those are where the high risk exposures are, so inland metropolitan communities have been cut out of that allocation. Mr. Flaherty stated any Federal grants that would be available would not be for basic police duties such as patrol, they'd be for the specialty items such as DUI Task Force or VAWA. Mr. Janas added or for equipment training.

Mr. Brown went on to present the Courts Briefs as a group: *Courts 2013 BEAP Briefs - Common Pleas, Domestic and Juvenile,* and *Probate.* These three (3) taken as a whole constitute the Common Pleas Court. The unit called Common Pleas, the General Division, handles civil and criminal cases. It is straightforward what the Domestic and Juvenile Court handles. Like the Sheriff's office, the Domestic and Juvenile Court runs a jail, in this case for juveniles. The other two (2) Courts do not have a corrections function. All three (3) Courts perform court functions, try cases, and rely on elected judges or appointed magistrates to handle litigation. The Juvenile Detention Center is located underneath the parking garage on Front Street. The Probate Division is a third branch of Common Pleas Court, it handles estates, wills, civil commitments, guardianships, and mental health related cases.

Mr. Brown continued on page 1 of each Court Brief, the lower right chart is the "% of County General Fund Expenses": 6.3% for Common Pleas General Division, 8.8% for Domestic and Juvenile Court, and 1.1% for Probate Court.

Mr. Brown referred the Panel to page 5 of the *Common Pleas Brief* document, "5 Year Expenditure History." On page 2, "5 Year Revenue History," the Court does receive State support for probation functions and also for pre-trial investigation functions. The State Department of Corrections supplies subsidies to counties for those two (2) functions on the theory that it reduces the number of people coming into the State prison system, or it moves people in or out of the system faster. The State has deemed it is in the State's best interest to support those functions at the county level. In terms of expenditures (page 5), Mr. Talarek explained the increase in 2013 is due to e-filing, and due to receiving a grant of 1 million dollars from the State. This grant is for leading the creation of a statewide probation case management system (CMS). They are working with the Department of Rehabilitation and Corrections, contracting with the University of Cincinnati, to get the system implemented. Mr. Brown added the CMS would be used by all eighty-eight (88) counties.

Mr. Brown referred the Panel to page 6, “Budgeted FTE History.” There are seventeen (17) full time judges. There are typically one (1) or two (2) visiting judges to handle cases where there are conflicts. There are ten (10) magistrates, which handle civil cases and foreclosures. By handling those types of cases, the magistrates allow the judges to concentrate on the criminal docket and on the more serious civil cases.

Mr. Marsh asked if the Courts budgets are driven by the cases that come before them. Mr. Brown replied yes, the budget is controlled by the case volumes. The Franklin County Courts have the highest case volume per judge in the State. We do comparisons based on metrics filed with the Ohio Supreme Court each year. We compare the metro counties, and year after year, Franklin County shows up the “leanest and meanest” in the sense that it has the highest case volumes per court. We’re looking at not only cases filed, and cases disposed, but also the carryover year to year. There are fewer judges in Franklin County per case then there are in Cuyahoga, Hamilton, Lucas, Montgomery, or any other county in the State. Mr. Flaherty stated our judges, at every budget meeting, point out their efficiency compared to other counties; the number of cases they close and the speed at which they close them. Mr. Brown summarized there is not much budgetary discretion here. Additionally, because the Common Pleas Court is in a position where it can mandate its own budget, the Commissioners do not have discretion to determine what is “reasonable and necessary;” the Court does that. If there is a dispute, the Court goes to the Appellate Court to resolve that dispute. Mr. Flaherty added they cannot increase the number of judges that they have, that ability is set by statute and population size, but they could demand money for more staff.

Mr. Robinson asked how the mix of cases factors in. Mr. Wilson stated another mandated factor within the Courts’ budgets is assigned counsel costs, which goes up and down. It could trend up at any time, and it is a constitutional guarantee that it is funded by the County. Mr. Brown explained the County has the constitution duty to provide representation for indigent defense. That is done either through the Public Defender or through an assigned counsel system. Most of the cases go to the Public Defender, but if there is a conflict, it goes through assigned counsel. Because that obligation is a constitutional mandate, the Board cannot take a position where it says we can’t afford it. This is probably the second largest line item, payroll being the largest, in the Courts’ budgets. Mr. Wilson said in order to set a budget, we take a three (3) year average of the expenses and try to budget using that as a guide. However, it could go up or down at any given time; you could have a rush of capital cases in any given year that would take the budget outside of the planned parameters.

Mr. Marsh asked, if a Courts budget goes up, is the greatest impact on the Sheriff’s budget? What are the links between increasing the Court budget and other expenditures within the County government? Mr. Brown stated it may go the other way, if the Sheriff and law enforcement in general are arresting more people, filing more cases, it will probably cause the Prosecutor, Public Defender and the Courts all to increase their workload and demand.

Mr. LaFayette asked, given the case load of Franklin County judges, how is the time to trial here versus other counties. Mr. Brown stated the time to trial for a criminal case is set by statute. If it is not met, the case must be dismissed. Therefore, criminal cases are prioritized, so that effects time to trial for civil cases and that may be up to two (2) years or more in Franklin County. To improve that timing, plaintiff and defense counsel may choose to have their case heard by a magistrate instead of a judge. The length not only affects the plaintiff and defendant, in terms of justice, but it also affects availability of witnesses, and someone may be sitting in the jail waiting.

Mr. Flaherty stated the judges debate whether the Courts should have specialty dockets devoted to business law, mental health, or veterans, for example. Some people think the judge would develop focus, expertise, and speed by having specialized dockets. Others think the benefit of a judge that does everything is that they have a sense of the community, and is better prepared for a variety of issues. Franklin County has both specialized dockets and non-specialized dockets in its court system.

Mr. Brown stated all the Courts have moved to e-filing over the last three (3) years to try to go as paperless as possible. It is by and large successful, but it requires all members of the trial bar to file and update their cases electronically. It's causing a change in the way lawyers practice before the Bar in Franklin County. It is improving the Courts' efficiency in all branches. What we have not yet done is link the Courts' electronic filing system with the Prosecutor, Public Defender, the jails' management system, and with the law enforcement agencies. We have an old, old system that is in danger of not being supported, which attempts to bridge all of those separate silo systems. One of our long range plans is to modernize/replace it, and to allow all of those silo systems to automatically interface and pass information to each other.

Mr. Brown stated the Common Pleas Court has done a classification modernization study, to make sure that its pay practices are in line with market. By and large it has implemented the recommendations of the study. Probate Court has done a classification study and is just now starting to implement it. Domestic and Juvenile Court hopes to implement the results of a study this year or next. All three (3) Courts are trying to draw their pay practices in line with market, so they can minimize turnover, and attract and retain the people they need.

Mr. Marsh asked how market is defined. Mr. Brown it is defined by both region and State, and metro counties within the State. It is also defined by other courts around the State and in comparable Midwest metropolitan communities.

Mr. Brown continued Domestic and Juvenile Court has a jail, their corrections officers' turnover rate is around 70% annually for the last three (3) years. They have a critical problem that is in part driven by their pay not being commensurate with their responsibility, but it is also because of the nature of the job itself. As the economy heats up and one can go work at a warehouse, making the same amount of money as a corrections officer at JDC where injury by assault is a risk, a person is likely to go for the low risk job. Mr. Wilson said they've seen turnover rate approach 80%. The Court's HR department has looked at some strategies to try to change the orientation process so that people understand what the job is about before they start the work. They have competition from the companies located in industrial parks because the beginning rate of pay for a Juvenile Detention Officer is $14.00 per hour. Mr. Marsh asked if the Sheriff's Office has any role in JDC. Mr. Brown said it does not, the Sheriff runs the adult jails, and the Juvenile Court runs the JDC. By law, juveniles and adults cannot be housed in the same facility. Mr. Wilson stated the Juvenile Court has expressed to the administration the current pay structure creates a situation in which they have become the training ground, and they lose people to their sibling court, the State, or Columbus.

Mr. Marsh asked if the salaries are set by the Court. Mr. Brown said they are. Mr. Marsh asked if the Commissioners have any role in setting them. Mr. Brown said they do not. Mr. Marsh asked for clarification by way of a hypothetical: If the Court decided, based on the pay study, they needed to raise salaries by 50%, the Board needs to pay for it? If no agreement can be made, the Court can file a mandamus? Mr. Brown said they could. The only control the Commissioners have is over the total amount of the budget, however, even that is limited because the Court could order the Commissioners to pay the total amount. Negotiations are an important process each year. Mr. Wilson added the Commissioners have worked with the Courts and implemented salary studies in a phased-in manner.

Mr. Brown said there are fourteen (14) departments under the Commissioners, who serve as the employer or appointing authority, and they control the pay practices of those 14 agencies. The other twenty-six (26) or so elected officials are their own employer. They set their own pay rates and control their number of FTEs.

Mr. Brown went on to present the *Prosecuting Attorney* and *Public Defender* briefs together. These are really two sides of the same coin. The Prosecuting Attorney is enforcing the civil and criminal laws of the State bringing action where laws have been broken. The Public Defender is representing, or defending, indigent criminals in matters before the Court, in cases often brought by the Prosecuting Attorney.

Mr. Brown stated both the Prosecutor and Public Defender, if they were here, would tell you that their pay ranges are way below market. They would point out that there are newly hired attorneys prosecuting murder charges for $35,000 a year. They would say they are at least $10,000 below market, meaning they are probably $10,000 below what the City Prosecutor might be paying, or what the Ohio Attorney General might be paying starting attorneys in their office. This would suggest the low ranges go up through career ranks and supervisory ranks as well. The Prosecuting Attorney has asked for, and been authorized to get, a market study to determine how they stack up. They will likely be coming back to the Commissioners for supplemental appropriation to bring their pay practices in line with market. These actions can help with attracting and retaining personnel, and it could help reduce turnover. The Public Defender is probably not too far behind in taking similar actions and making similar requests.

Mr. LaFayette asked what the turnover rate is. Mr. Brown said it is probably in the double digits, but not as bad as the JDC. Mr. LaFayette stated increasing wage ranges could be money well spent. Mr. Brown said yes, if it leads to better retention and attracting quality professionals.

Mr. Brown continued to page 1 of each brief, "% of General Fund Expenses." The Prosecuting Attorney is 4.7%; the Public Defender is 3.7%. Each of them has been running with a large number of vacancies, because they have been participating in our controlled hiring program. To avoid furloughs, we have tried to control replacement and new hiring. We do this also to maintain the growth of our expenditures year over year. At the same time both agencies are looking at their case loads, per assistant prosecuting attorney or per public defender, and trying to keep the caseloads per professional in line with national and State standards. The Public Defender has had a fairly robust, automated CMS. The Prosecutor has not had such a CMS. The Prosecutor has just started on the development, installation, and implementation of an automated CMS; which should improve the efficiency of their professional staff on both the criminal side and civil side. The Prosecutor also serves as the County's legal counsel.

Mr. Robinson asked, in terms of budgeting, are these anticipated increases associated with market reflected more broadly in the inflation factor built into (the budget) forecasts (presented by OMB)? Mr. Talarek explained on the Baseline Forecast we only assume the Employment Cost Index. Mr. Robinson asked if the increases in the market studies would be materially different from the increase in the Employment Cost Index.   Mr. Talarek stated it depends on how it fluctuates. I know the Board of Commissioners did theirs in 2008 with some of it being phased in; it was partially implemented along with across the board, so that always offsets some of the costs for the implementation as well. Mr. Robinson asked if it is possible to score the savings associated with reducing the turnover. Mr. Brown said it is possible, but it's unclear if it is linear. It might be more stair step, and it might be stretched out.

Measuring the impact might require us to look at multiple years to see if we've slowed down the attrition rate, or improved the retention rate.

Mr. Brown stated with all of the agencies reviewed so far, we are at about 50% of the General Fund expenditures. Mr. Flaherty will cover Public Facilities Management (PFM), which will take us up to about 63%. Later on, Mr. Wilson and Mr. Talarek will talk about Debt Service, which will take us up to about 80%.

Mr. Flaherty referred the Panel to the *Public Facilities Management 2013 BEAP Brief.* PFM creates and maintains facilities and provides support services to all other agencies.

Create – build new facilities and lease needed space

Maintain – Provide upkeep and routine maintenance

- Building trades: county and contract vendor
- Housekeeping: county and contractor staff
- Security: county and contractor staff
- Unmet need

Support Service - Telecommunication/phones, AV
Cafeteria and vending – contractor
Parking
Meeting Rooms

PFM represents about 8.6% of overall General Revenue Fund Expenses. Mr. Flaherty referred the Panel to page 2, "5 Year Revenue History." The primary sources of funds are bond proceeds and parking fees. The changes illustrated in the graph relates to timing of debt issuances, and the flow of capital for capital projects. The revenue is also attributable to interfund loans from the General Fund to support various capital projects.

Mr. Flaherty referred the Panel to page 4, "5 Year Expenditure History." The variation is based on the timing of outlays for capital projects. The rest of the budget remains pretty constant.

Mr. Flaherty referred the Panel to page 5, "Budgeted FTE History." PFM always operates below authorized strength, by about 10-30 FTEs. This is due to the vacancy credit program, and because we ask the agency to defer projects based on status of the budget. There was an increase in authorized FTEs in 2010; PFM hired only 10 new people (out of the authorized increase of 15) for court security purposes.

Mr. Flaherty referred the Panel to page 7, "Expenditures." Expenditures relate to the timing of cash flow, and timing of capital infrastructure projects. The ones occurring right now, in this 2013 budget, relate to the Hall of Justice.

Mr. Marsh asked for an explanation how the General Fund and Non-General Fund relate to PFM. Mr. Flaherty stated the Non-General Fund expenditures would be from revenues received for specific purposes, such as fees for parking and cafeteria services. Mr. Wilson added it would also include telecommunications fees charged to agencies that PFM serves, and bond proceeds for capital projects.

Mr. Robinson asked if there is a blending of capital and operating in the budget, along with debt services and the revenue component. Mr. Flaherty said yes there is a blending, as opposed to having a separate capital budget. Mr. Brown stated what you're really seeing is cash flows. Mr. Robinson asked if it is delineated somewhere, what the operating versus capital is in this report. Mr. Brown said it is not separated out in this document. It can be separated out and presented in a different document. What you're seeing is investments in capital assets flowing through the budget here; as well as utilities, maintenance, and upkeep. Mr. Flaherty stated each capital project has its own separate budget. We have been fortunate in being able to produce those projects under budget, thereby recouping excess bond revenue and using it to draw down the bond. Mr. Talarek stated a lot of the operations are in the General Fund, the Non-General Fund would be either capital projects or special operations funded from user fees: parking and telecommunications.

Mr. Marsh asked how this process works. Mr. Flaherty explained, using the examples of the Animal Shelter and new courthouse. We would borrow the money, if we needed bridge money in between, we would borrow funds from the General Fund and repay it as a loan to the General Fund. We borrow via bonds and pay the bonds off over time. Mr. Marsh asked, for example, Children's Services, a levy supported agency, does the money they receive via levy show up on the County's books? Mr. Flaherty said it does not show up on PFM's budget. Mr. Brown said PFM is the property manager for most County buildings, but not for facilities for levy agencies. They serve as their own landlord and maintain their own properties. Mr. Wilson stated Office on Aging is an exception to this, PFM manages their space. Mr. Flaherty stated the Board of County Commissioners would be owner, but they are actually the tenant operator and run it themselves.

Mr. LaFayette asked if there could be some efficiency gains if PFM took that over. Mr. Flaherty stated they operate rather efficiently at present, using contract staff and their own paid staff. We have not looked at taking over more responsibilities. In the last couple of years, we've added quite an amount of space under the jurisdiction of PFM as we've built the Animal Shelter and the new courthouse. We have not tried to absorb agencies that operate under other appointing authorities, like Children Services. Mr. Wilson stated the County Engineer is another entity that operates its own facility. Mr. Brown said it is possible, but we haven't documented that either way.

Mr. Flaherty continued stating we use contracted services ourselves, for security purposes. In addition to County employee court security staff, we also use outside contractors to fill vacancies on occasions, and also to staff other facility that are not court facilities. We use contract staff, as well as our own staff, for housecleaning. The daytime cleaning staff are County employees; the evening staff are contract employees. We've also tried to bring on groups that provide employment opportunities to disabled individuals; Goodwill now has a contract for performing some services at the Animal Shelter.

Mr. Flaherty referred the Panel to page 8, "Agency Overview." The important thing on this page is Agency Strategic Issues. We really try to plan for future space needs inclusive of building and maintaining. In service of item 2, assessing the environmental footprint, we mitigate environmental impacts to the best of our ability; we recycle and create new infrastructure systems in buildings to be more energy efficient. We try to deliver services with new technologies or enhanced programs. In service of item 5, planning and implementing security practices; we conduct fire and tornado drills in buildings, and make sure our buildings are secure from a violent act. We have the record of being the most aggressive in doing safety drills of all the high-rises downtown. We began several years ago with fire drills, we do tornado drills more often now than in the past, and we are investigating if our tornado drill should be updated due to an increase in more violent storms. We also need to focus on sheltering in place in the event of a very violent incident. These plans are under discussion now.

Mr. Flaherty referred the Panel to page 9, "General Fund Overview." The PFM budget remains rather constant. A big line item is the Materials and Services line. It includes our utility payments, internal capital projects (not bonded), private security services, our phone system, and our maintenance of all our various electronic systems.

Mr. Brown stated the General Fund is basically the operating budget. In 2013, it's 26 million dollars out of a total 47 million dollars for PFM. The differences are the enterprise operations (parking garage and telecommunications), and/or the capital projects that are being undertaken by the agency.

Mr. Flaherty referred the Panel to page 10, which begins the "Program Overview" section. Mr. Flaherty read directly from the General Amenities Program description. He referred to Measures and Indicators, request for meeting rooms. Mr. Flaherty stated we've always known we have a shortage of meeting rooms which was identified as a major need in our downtown complex master plan. As we modernize the Hall of Justice (HOJ) the first floor will include meeting rooms in common, which can be used on a scheduled basis. We decided on this design to reduce vacant time in meeting rooms. This is the type of planning we do to remain efficient.

Mr. Flaherty referred the Panel to page 11, "Telecommunications Program. Mr. Flaherty read directly from the description. He added, in the past we had a contract for inmate telephone service and we netted revenue by charging the inmates for call. We realized a profit of about 1 to 1.3 million dollars a year. About three (3) years ago, we thought we were taking advantage of a captured clientele, the Commissioners decided that was not fair, since it inhibited inmates ability to communicate with their families. We had extraordinary rates; they were high and perceived as unfair. Recently, there was a study that said when inmates have access to less expensive phone calls and more contact with family; they have a lower recidivism rate than those that pay high telephone bills while incarcerated.

Mr. Flaherty referred the Panel to page 12, "Parking Facilities Program." Parking is provided for employees, most of who pay to park, and visitors, who also pay to park. We vacated about four-hundred 400 parking spaces when we built the new courthouse a couple of years ago. We did not replace those spaces. Parking space has always been limited here, with employee waitlists as long as twelve (12) or thirteen (13) years.

Mr. Marsh asked if parking is factored into pay studies. Mr. Flaherty stated that was not considered in the wage study. When we raise rates, our employees tell us we should [include that in the wage considerations]. We've recently raised rates for parking, and the rates have gone up in the cafeteria. We've heard from employees that our wage increases are not keeping up with our increase on demand to them, either for parking, food, or most importantly for health care. Mr. Shkurti asked for clarification about free parking. Mr. Flaherty stated a very few, senior level employees, elected officials, and judges, have free parking. For most of the positions, the vast majority, parking is paid for by the employee. We provide free parking for a large number of employees outside of downtown at JFS Centers. Mr. Brown stated the County workforce is around 6200, there are probably 2% within the downtown complex, are provided free parking. Mr. Wilson stated the County offers a COTA bus pass program; the employee picks up 20% of the cost of a 31-day pass. It is available to all employees. Mr. Flaherty stated the County tried a shuttle program a few years ago to alleviate parking at the complex, but it didn't work. Employees want more of a convenience factor when getting in and out of the workplace.

Mr. Flaherty referred the Panel to page 13, "Building Maintenance Program." Mr. Flaherty read directly from the description. He added our PFM employees get recognized for the quality of their skill. Mr. Robinson stated the number of maintenance requests seem to very a lot. Mr. Flaherty stated this is based on what's anticipated, and related to bringing on more floor space in the last year, with the Animal Shelter being two (2) years old, the new courthouse going on two (2) years. Mr. Wilson stated the JFS facility is a driver of this indicator as well. We consolidated a total of four (4) facilities in Northland. Some of the facilities were leased, and PFM was not as engaged.

Mr. Flaherty referred the Panel to page 14, “Sustainability Services.” The Commissioners have given PFM a sustainability mandate. They want us to operate as environmentally safe as possible. PFM accomplishes this goal by doing everything from managing County surplus property, to maintaining buildings and grounds in as much of an environmentally sound way as possible. PFM is responsible for refuse remove. We have recently established a program to minimize the amount of electronic material that goes into landfills. We were working for several years on this with a recycling company. Then we learned that Goodwill would be willing to take the materials from us, without preconditioning, and use their staff to break down the materials. This employs people with disabilities. They break it down and resell component materials to recycling companies. It has worked very well; cutting down prepackaging of material to go out.

Mr. Flaherty went on to page 15, “Construction Program.” He passed around photos of three (3) projects PFM managed: Huntington Park, Animal Shelter, new Courthouse; all built in the last five (5) years. When we engage in large construction projects, we try to do them as efficiently as possible. With the ballpark, the Commissioners formed a partnership with the community and brought in 24 million dollars from the partners on that project. With the new Courthouse, we took a proposed project from 400,000 square feet, reprogrammed it down to 300,000 square feet.

Mr. Flaherty referred the Panel to page 16, “Safety Program.” [Refer to page].

Mr. Flaherty focused on deferred and unmet needs. We have used our Master Planning project to identify those areas where we should focus our dollars. We are trying to build only the space we need for the future. At the same time, we have a few projects where we hope to achieve efficiency by creating a new facility for the Board of Elections. We know that the future holds a need to build a new morgue. It’s going to be expensive and soon. We’re currently looking at jail operations, both in terms of staffing and the more routine projects, but we also think we will have to devote significant dollars to jail facilities in the future. These are all unmet needs we have not yet planned for.

Mr. Flaherty continued with potential cost saving measures. **[NOTE: additional details were provided by Mr. Flaherty to the Clerk after the Panel meeting to add depth to items quickly mentioned at the meeting. The items below were all discussed in the meeting and are presented here with some additional detail in *italics*.]**
Automated parking ticket dispensing and fee collection system *would allow PFM to examine the opportunity to reduce its work force by 6 FTEs, which would equate to a cost savings of $268,000 in salaries and benefits and $10,000 in overtime in 2014.*
The completion of a detailed analysis is required to determine the payback period for the capital expenditure and ongoing maintenance costs.
PFM could consider reassigning these 6 FTEs to other positions within PFM, but the duties required for these positions may offer limited ability to reallocate the skill set.

1. <u>Utilities – Electricity</u>. In 2012 PFM expended $2 million for City of Columbus electricity in servicing five major facilities. In 2013 PFM will be initiating discussions with the City to explore opportunities to reduce electricity costs *for their regulated facilities which are non-PUCO rates established by administrative actions of the City.*

We foresee more significant investments for the downtown complex in the future.

Another option for saving money is contracting out more services.

[Please refer to minutes addendum for more of Mr. Flaherty’s notes regarding PFM.]

Mr. Talarek began an overview of debt service. He referred the Panel to the *Summary of General Fund Debt Service (*Gross) spreadsheet. This shows the various issuances since 2003. The second to last column is Total Principal and Interest. A discussion in the Panel has been related to the question, "as principal payments come off, will there be an impact on debt service?" As you can see from the column on the right, we are averaging about 20 to 21 million dollars in gross debt service through 2020. As part of the 2010 issuance, there were some Build America bonds that have an annual subsidy attached to it of approximately a million dollars in the early years. However, with the federal sequestration we have seen a reduction in that the subsidy amount, which is part of the reason we are looking into refinancing those bonds in the upcoming months. There is a slight drop off in total debt service beginning in 2021, and then a big drop off following 2031 through 2035. Just looking at the principal balance, this year we are paying off 8.5 million dollars in principal. That will go up from about 9 to 12 million dollars over the next four (4) to five (5) years.

Mr. Talarek referred the Panel to the *Summary of Current and Proposed General Fund Debt Service* table. This is sort of a "back of the envelope" calculation that would address some of the future capital needs, including the 150 million dollar jail, the 50 million dollar new morgue, as well as the renovations to the HOJ. We tried to keep the future debt service payments as level as possible and we assumed a very aggressive 3% interest rate on bonds. Even doing that, beginning in 2016, when that debt would be issued, debt service would be averaging 28 to 30 million dollars annually from 2016 all the way through 2035.

Mr. Wilson stated what has been our philosophy over the last eight years, is to try to strive through refunding and new money issuances to level the debt out, to eliminate the peaks and valleys. By using strategies such as interest only payments and back loading principal, we've made sure we've leveled that off. What we are looking at here has been a strategy and done on purpose to try to take out some of the spikes in our debt service schedule. Mr. Talarek said one of the factors that some of the rating agencies consider is how quickly debt is amortized, if you do backload. Mr. Wilson said they see you are pushing the mortgage out.

Mr. Shkurti asked what debt service assumptions were used in the forecast scenarios. Mr. Talarek stated in the Baseline Scenario in the early years it is the annual debt service column and the HOJ column's 1.9 million dollars (in the *Summary of Current*… table). Mr. Janas said, in other words, not the Jail or Coroner's debt service projections. Mr. Talarek said that is correct, neither of those was included in any of the forecasts as this point.

Mr. Marsh asked for clarification: "on the HOJ, you're kind of mothballing that building and building out floor by floor as you need space?" Mr. Flaherty said yes, originally we were going to renovate all floors; which would have cost 60 to 65 million dollars. We began the project and set the budget at 40 million dollars. We will do the 1st floor as meeting rooms, and two (2) floors for adult probation, and a floor for the law liberty. We then decided that now is the time to do the skin of the building (to increase energy efficiency and for aesthetic purposes), but if we didn't do it now it would be more difficult and expensive in the future, so we added another 5 million dollars to the project. HOJ is a 45 million dollar project, but we'll have only floors occupied. Mr. Brown stated six (6) floors will be left in reserve, unfinished. That is our growth corridor for the next twenty (20) years, we hope.

Mr. Marsh asked if the County still assumes any of the Rickenbacker debt. Mr. Brown said no, the Airport Authority assumed all of the Rickenbacker debt service responsibility. Mr. Janas added as part of the agreement to the merger, there were payments made in the amount of about 4.2 million dollars a year; we've come to the end of that obligation. Mr. Brown said as part of that, we have subsidized the operations of Rickenbacker for eleven (11) years. Mr. Janas said the County split the 10th year in two (2) years, it was mutually beneficial. Mr. Marsh said he if recalled correctly, what the County was providing was capital needs, not operational needs. Mr. Brown said that is correct. Mr. Flaherty stated this was paid from the General Fund.

Mr. Robinson said you've got twenty (20) years of growth in the HOJ. Are you allowed to lease in the meantime to generate revenue off of the space? Mr. Wilson said bond counsel would probably frown on that because of the private use IRS laws. Mr. Brown added there is a percentage of private use we would be allowed. Mr. Talarek said in PFM, for agencies that are non-general fund, they do enter into lease agreements for the operations, therefore, all their costs are born by the General Fund they do receive a reimbursement from those non-general fund agencies to offset some of the cost. Mr. Brown said because we've used tax exempt debt to finance the renovation of the building, there is a limit on the amount of commercial use that could be put in the building. Mr. Shkurti said you could offer space to nonprofit organizations. Mr. Brown and Mr. Wilson agreed. Mr. Brown said CASA is a non-profit housed in this building and it pays rent. Mr. Flaherty stated we've looked at this at other facilities. At the Animal Shelter we thought since we established a clinic, perhaps we could we find a vendor that would run their own veterinary service out of the space. We're still discussing that with the Prosecutor's Office, but it's been a difficult issue to resolve.

Mr. Talarek referred the Panel to the *Estimated Impact Change in Credit Rating* table. He reviewed the table.

Mr. Talarek went on to the *Standard & Poor's Ratings Direct* report for Franklin County. It reaffirmed the County's AAA rating as part of the review of the County's debt in connection with Convention Facility authority. Mr. Talarek read from the report directly. On page 3 it states, "On a GAAP basis, deficit drawdowns of fund balances over fiscal years 2009-2011 average $24 million." Mr. Talarek said I think that number is a little lower in 2012. The preliminary from the Auditor's Office was about $14 to $16 million. That shows we have contracted some of that. The report mentions the work of this panel on page 3. Page 4 has an Outlook summary.

Mr. Wilson said over the last three (3) years, since the last review, S&P wanted to hear from management on its response to the draws in the County's fund balance, including the actions the County has taken from the end 2008 up to now; and what is our willingness to make additional reductions or look at our revenue options in order to maintain our cash balances and commitment to that policy.

Mr. Janas shared the *Memo Regarding Ohio County and City-County Governance*. This memo is in answer to inquires about county forms of government, and the landscape of city-county/consolidated forms of government. There are links in the memo that I would ask you to read. As you will see it is a very political and challenging process.

Mr. Janas also shared the *Inventory of Shared Services Agreements* document. I ask you all to look over this and we can cover it in more detail at the next meeting if desired. There are two (2) in particular that we are proud of: Franklin County Cooperative Health Benefits Program, and Shared Purchasing Agreements. Both of these programs are effective in driving down the cost of government to our partners in the region. However, in both instances, there are only minimal amount of savings to the County itself. There are some purchasing things we do that allow us to drive down the cost. There are other contracts we have that other jurisdictions can then just use, it doesn't save us money but it may save others. The cell phone contract is one example. We push for shared service programs every day. Some of them have good benefits, but they may not be dramatic impacts to the General Fund.

Mr. Shkurti asked when you refer to the Sheriff's communication center, is that where 911 calls come in? Mr. Brown said yes. Mr. Shkurti asked if the City's call center is separate from the Sheriff's. Mr. Brown said there are five (5) primary 911 call centers in the County; the County runs one (1), the City runs one (1), Dublin runs one (1), Grove City runs one (1), and Westerville runs one (1). The five (5) primary centers handle 68% to 70% of the traffic. There are ten (10) others that handle wire line calls. There is movement toward consolidation. Mr. Janas said this is forced movement based on a mandate from the Ohio General Assembly as a requirement for funding. Mr. Brown said the City also have separate call centers for police and fire; they are consolidating those two (2) call centers into one (1). Mr. Shkurti asked since the County doesn't do any fire then this issue does not affect you? Mr. Brown and Mr. Janas said that is correct. Mr. Janas said that while the consolidation of PSAPs is a State goal, you never would want to go down to just one (1); the redundancy is a good thing. Mr. Brown said we are being told to go from five (5) to no more than four (4) by 2017.

Mr. Brown offered that the Panel can see some operations in person if they think that would be useful. Such as the jail, the YWCA, and the communities that need safe drinking water. In the case of the water and the jail, they are cases of deferred need. In regards to the YWCA, that is a program the County offers some financial support to.

Mr. Marsh said he wants the Panel members to work on reaching some understanding about the budget implications of increased poverty in the County. He asked the staff to present more information on the use of technology for cost efficiency. Mr. Janas said there are several initiatives, perhaps a summary would be good. Mr. Talarek shared some challenges with the e-filing system due to outdated statutes.

Mr. Robinson said he is still trying to wrap his head around understanding the blended budget of operations and capital overlays. Mr. Flaherty said we can separate them.

The meeting was adjourned at 3:57 P.M.

These minutes are a synopsis of the meeting of the Franklin County Budget and Economic Advisory Panel of Friday, May 31, 2013.

Submitted by: Shannon Zee Cross, Clerk to the Board of Commissioners

Mr. Flaherty's additional notes follow on the next page.

Budget Panel Information

Public Facilities Management

Agency Mission:

The purpose of Public Facilities Management (PFM) is to provide professional, technical and non-technical support and services to building residents and visitors in order to create and maintain a safe, comfortable and functional environment for the conduct of public business. This will be accomplished by managing the County's physical assets through efficient, cost-effective, eco-friendly and innovative utilization of available resources.

Agency Narrative: who served and why?

PFM provides professional, technical and non-technical support and services to building residents and visitors.

List of services provided (note when provided to other that BOC agencies (e.g., FCCS, Common Pleas Court, other elected officials, etc.)

In general all County offices and agencies are the beneficiaries of the services provided by PFM, including:

- Administration Services
    - Utilities – electricity, natural gas, sewer & water
    - Telecommunication services – basic and IP telephone services, system enhancements (ACDA, IVR, etc.), system maintenance and support, voice mail, inmate telephone service, etc.
    - Parking opportunities, garages and surface lots
    - Supplemental building services and amenities – cafeteria and vending operations, ATMs, countywide telephone/information specialist, way finding, meeting and event space and support staff, audio visual equipment and technical support, management of transportation pool vehicles, wheelchairs, deliveries, etc.
    - Management of green and sustainability programs – recycling, surplus management, internal move management tasks, educational programs, collaborative outreach actions with community partners, etc.

- Property Management Services
    - Building maintenance – carpentry, painting, plumbing, electrical, lighting, facility mechanical systems, window cleaning, etc.
    - Grounds maintenance – landscaping, snow and ice removal, etc.
    - Housekeeping and cleaning
    - Refuse removal
    - Construction administration & management – in-house and contract construction projects
    - Energy conservation & efficiency programs
    - Long term capital improvement planning

- Security & Safety Services
    - Security services in support of building residents and facilities – screening at entry points, CCTV monitoring, incident response actions, issuance of ID badges, maintenance, monitoring and testing of alarm systems and access control, blacksmithing, etc.
    - Security threat assessments – on-going evaluation of security needs, partnering with Homeland Security & Justice Programs and Sheriff in preparing plans and educational presentations (handing suspicious packages, shooter in facility, etc.)
    - Safety services in support of building residents – maintenance of building fire and safety systems, facility safety equipment, development of safety plans, policies and programs, conduct of tornado and evacuation drills, safety training, etc.

Service and program collaborations with other governments

- With City of Columbus on a regular basis – electricity consumer, Downtown Development Commission, construction projects (permits, approvals, etc.), I-70/I-71 realignment project, etc.
- With State of Ohio – recipient of Ohio Cultural Arts Program funding, Ohio Air Quality Development Authority funding, etc.
- With other local entities and quasi-governmental agencies – township trustees, donations of surplus equipment to local governments, Mid-Ohio Regional Planning Commission, Special Improvement Districts, County Commissioners Association of Ohio, etc.

Staffing 2009-2013 (as of January 1)

	2009	2010	2011	2012	2013
Approved – FTEs	250.03	249.62	264.63	266.13	266.25
Filled – FTEs	233.5	229.5	240.5	235.5	220.5
Vacancy Credit %	8.5%	9.6%	9.6%	13.6%	8.94%

Cost Saving Initiatives since 2005

- Utilities – Electricity: In May 2013 PFM negotiated a 3-year fixed contract with AEP Energy for electricity generation & transmission. The estimated cost savings over the life of the contract is $1.7 million. NOTE: This is a conservative estimate based on current AEP Ohio rates; the County will realize additional savings should rates increase as is anticipated by the industry.
- Utilities – Natural Gas: PFM manages the County's participation in the County Commissioners Association of Ohio Natural Gas Program, leveraging group buying power to obtain the best price for natural gas from various reputable suppliers through the RFP process. The estimated savings by Franklin County due to its participation in the Natural Gas Program since 2006 is over $1 million.

- Utilities – Energy Conservation Measures: Starting in January 2009 PFM supervised the installation of $25 million in energy conservation measures in County facilities, which contributed to a total energy cost reduction of about $651,000 during the last measurable 12 month period. In May 2013 the County awarded a second round of contracts to install additional energy conservation measures. When complete in 2014 the 2 contracts totaling $8.6 million will produce annual guaranteed energy savings of $596,855.
- Telecommunications: In 2012 PFM completed a countywide migration from the aged AT&T Centrex system to a County-owned VoIP phone system that impacted 3,200 lines and 24 County agencies, an effort that resulted in cost savings, more efficient system management and increased security.
- Telecommunications: In 2012 PFM facilitated a special project in support of the operations of the Public Defender, leveraging its new system to secure a capital savings of $58,339.90 on hardware and an ongoing annual cost savings of $20,000 in network charges and at no increase to PFM.
- Telecommunications: In 2012 PFM converted the agency's cell phone service from Sprint to AT&T Wireless, generating an annual savings of $6,000 and improved service coverage.
- Recycling: PFM is the lead agency for the Commissioners charged with implementing County agency and office wide green, sustainable, cost savings efforts to repurpose, reuse and recycle product, including:
    - Created and continues to expand and manage the Blue Bag Recycling Program to divert solid waste from landfill disposal and generate revenue. In 2012 one million pounds of materials were recycled in actions that generated $41,000 in revenue.
    - In 2012 developed a partnership with Goodwill Columbus that insures the County's electronic equipment is recycled at no charge and in a safe manner consistent with our zero-landfill policy. In 2012 over 12 tons of equipment was recycled, reducing greenhouse gas emissions equal to the use of 3,363 gallons of gasoline. To date in 2013 almost 22 tons of electronic equipment have been recycled, eliminating greenhouse emissions equivalent to 5,830 gallons of fuel.
    - Developed, implemented and manages the County's cost savings Surplus Program and virtual showroom to reuse and recycle surplus office furniture and miscellaneous product.
- Construction: PFM promotes green, sustainable, cost savings practices in the agency's new construction projects (e.g., Common Pleas Courthouse – LEED Gold) and renovation projects – reusing salvaged HVAC equipment, recycling carpet, recycling construction materials, installing green lighting, etc.
- Operations:

- In 2011 PFM negotiated a modified (reduced) schedule of housekeeping services for all major County facilities, essentially reducing them to minimal level, which generated annual cost savings of $170,000.
- PFM has deferred action on customary and desirable services, e.g. window cleaning, cutbacks in landscaping activities, etc.
- PFM has installed solar powered compacting trash receptacles.
- In its agency operations, PFM reduced its paper consumption and secured cost savings by implementing scanning operations and programming all network printers to print duplex documents.

2009-2013 Budget

FUND	Original 2009	Original 2010	Original 2011	Original 2012	Original 2013
General	$27,250,327	$25,932,391	$25,625,199	$24,405,867	$26,137,491
Parking	$3,121,856	$3,198,124	$3,041,626	$2,737,678	$3,026,653
Telecom	$45,284	$45,827	$948,230	$598,969	$171,845
Permanent Impr	$594,000	$494,000	$370,000	$394,566	$5,638,325
Animal Shelter	$6,920,347	$6,250,280	$9,630,201	$1,660,000	$150,000
HOJ	$0	$0	$7,500,000	$7,090,000	$19,486,096
ECM	$0	$6,311,987	$200,000	$0	$0
Stadium	$19,170,383	$7,381,003	$6,824,486	$3,300,000	$0
New Building	$54,265,954	$40,489,583	$12,018,975	$2,000,000	$1,050,256
ARRA EECBG	$0	$3,053,000	$0	$0	$0
Antenna Systems	$470,517	$0	$0	$0	$0

State and federal funds 2005-2013 (2013-2015 projected)

- In 2009 PFM was awarded an ARRA EECBG grant for $3,053,000 in support of the installation of Energy Conservation Measures in County facilities.
- In 2009 PFM secured $144,328 from the Ohio Department of Development, Ohio Energy Resources Division in support of a solar panel installation as an Energy Conservation Measure at the County's Service Building, located at 80 East Fulton Street, Columbus.
- In 2009 PFM received $16,174.12 from FEMA for reimbursement to repair of for damages to facilities sustained in a windstorm.
- PFM has been the recipient of $200,000 from UASI grants from OHS&JP in support of facility security maintenance initiatives.
- PFM was the recipient of $7 million from the Ohio Cultural Facilities Commission in support of the construction of Huntington Park.
- There was no ongoing state or federal funding of PFM initiatives/programs for the period from 2005 through 2013 and none is anticipated from 2013 through 2015.

Cost savings or reprogramming initiatives implemented since 2005

- In 2012 Public Facilities Management instituted a major organizational restructuring that maintained budget and FTE neutrality. The benefits include:
    - Providing a global view of County's facilities management
    - Developing an overall vision and shared goals for Property Management (construction & support services)
    - Advancing consistency in facility development and management
    - Offering additional focus on long-term strategic planning and "big picture" initiatives
    - Strengthening the senior and operational management structure to recognize the many large acquisitions of space and responsibility undertaken in recent years – Common Pleas Courthouse & Pavilion, Dog Shelter & JFS Northland
    - Improving our organizational efficiency & effectiveness by -
        - Eliminating redundancy of duties and responsibilities
        - Expediting decision making and problem resolution
        - Enhancing accountability for County's facilities and delivery of customer service
        - Reducing response time for tenant facilities issues
        - Determining priority of goals and allocation of resources based on the overall good of the County's facilities
    - Allowing for a more focused effort in creating and implementing operational programs & practices which emphasize the Commissioners' commitment to green and sustainable principles

Most prominent unmet and deferred needs

- Funding for utilities. In each budget year, PFM has not been allocated sufficient funding for county utilities. Supplemental appropriations must be requested in the 4th quarter of each fiscal year.
- Funding for Capital Improvements at adequate, industry standard levels. For example, PFM is not performing actions in the Franklin County Courthouse (replacement chillers, chilled and condenser water pumps, refurbishing the cooling tower, installing a new dry cooler) and Jackson Pike Correctional Facility (lighting retrofit) – that would require an expenditure of $3,102,497 at today's verified costs. The inability to fund these initiatives have a cost impact in 2 areas – lost maintenance dollars to maintain inefficient equipment that has exceeded its useful life, and lost dollars that could be recouped in annual energy savings of $113,842.
- Funding for Master Plan projects. The current renovation of the Hall of Justice is only a next step in the other long term initiatives identified in the county's Master Plan. It is a substantial list that revolves around restacking and reconfiguring spaces in the 2 primary buildings the Courthouse and the Hall of Justice. In general, the cost to build out the full space on a floor in the Hall of Justice is @$2 million. The funding required to complete the initiatives in the coming years is in excess of $20 million (see attachment).

- Funding for replacement and additional vehicles to maintain operational efficiencies. The PFM fleet includes 19 vehicles – none purchased in the last 3 years, 5 purchased in the last 10 years, and 7 with mileage ranging from 108,381 miles to 177,227 miles.
- Funding for training. The lack of funding for training forces PFM to rely too heavily on expensive service contracts, limits our ability to provide needed safety and security training for staff and is damaging for staff morale that value and appreciate educational opportunities.
- Funding for additional FTEs. The assignment of significant, mandatory vacancy credits has forced PFM to absorb and manage additional workload, resulting in an increase in overtime wage costs and reductions in service levels for basic services.

Brief Narrative: Ability to provide current level of services, or inability, over the next three years with no increase in funding.

PFM is struggling to maintain current, reduced levels of services for building residents and visitors. A flat, unilateral, across the board approach that does not allow for increases in funding, or mandates reductions in appropriations for all county offices and agencies will be crippling for PFM. This agency does not anticipate any relief from a rising tide of increasing costs of basic services that we provide - utilities, service contracts, etc. As an example, we are hearing a constant refrain from service providers that they anticipate increases in operating costs for them to provide competitive and mandated wages and benefits for their employees.

PFM continues to maintain and control service levels, but costs for supplies, equipment, labor, etc continue to increase. If asked to add services, or increase levels of service or expand services to additional facilities, PFM would not be able to absorb these expenses without additional funding.

In addition, in a separate silo, PFM is not receiving sufficient funding required to maintain dated facilities and infrastructure. Deferring these critical, proactive maintenance actions is reflected in increasing operating and maintenance costs. For example, in the Franklin County Courthouse PFM is deferring actions such as cleaning the high voltage gear, replacing high voltage switchgear PLCs, updating building automation systems, etc. – tasks with a cost in excess of $2 million. The county's portfolio of properties includes other aged facilities with comparable issues with serious risk of building system failures.

Possible Options for Securing Long Term Cost Savings

2. Implementation of an Automated Parking Ticket Dispensing and Fee Collection System

Conversion to an automated parking ticket dispensing and fee collection system would allow PFM to examine the opportunity to reduce its work force by 6 FTEs, which would equate to a cost savings of $268,000 in salaries and benefits and $10,000 in overtime in 2014.

The completion of a detailed analysis is required to determine the payback period for the capital expenditure and ongoing maintenance costs.

PFM could consider reassigning these 6 FTEs to other positions within PFM, but the duties required for these positions may offer limited ability to reallocate the skill set.

3. Utilities – Electricity. In 2012 PFM expended $2 million for City of Columbus electricity in servicing five major facilities. In 2013 PFM will be initiating discussions with the City

to explore opportunities to reduce electricity costs for their regulated facilities which are non-PUCO rates established by administrative actions of the City.

4. Voice Mail Charges. Explore opportunity to level an increased charge for voice mail services in support of the Telecommunications Fund.

5. Telecommunications. Explore opportunity to consolidate Job & Family Services independent phone system into the County's core VoIP infrastructure. Depending on existing contractual agreements and system configuration, there is a potential to realize significant cost savings, increased security, and more efficient system management as was achieved with the Public Defender special project.

6. JFS Security. Defer action on a contract with the Sheriff to provide additional an additional security presence at Job and Family Service locations. Estimated annual savings: $750,000.

7. New, consolidated BOE location. Defer action on this initiative. Estimated annual savings: $500,000- $1,000,000.

8. Sheriff's Inmate Vending Operation. Explore opportunity to secure a portion of the estimated revenue. Estimated Annual revenue: Substantial.