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# Memorandum

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**To:** Mayor & Members of Council  
**From:** Jon Bisher/rd  
**Subject:** General Information  
**Date:** May 24, 2013

1. **CALENDAR**

2. **AGENDA – Finance & Budget Committee;** Tuesday, May 28<sup>th</sup> at 6:30 pm

I. **Approval of Minutes** – the April 22, 2013 meeting minutes are enclosed

II. **Mayor’s Presentation on Spending Plan** (Tabled)

III. **Tuition Assistance for Paramedic Training** – the enclosed Memo from Chief Bennett explains his request

3. **CANCELLATION – Safety & Human Resources Committee**

4. **AGENDA – Civil Service Commission;** Tuesday, May 28<sup>th</sup> at 4:30 pm

5. **AGENDA – Parks and Recreation Board;** Wednesday, May 29<sup>th</sup> @ 6:30 pm

6. Items Greg has asked be included:

- i. BWC to Give Back a Billion
- ii. Senator Seeks to Restore Some Local Government Monies

| April 2013 |    |    |    |    |    |    | May 2013 |    |    |    |    |    |    | June 2013 |    |    |    |    |    |    |
|------------|----|----|----|----|----|----|----------|----|----|----|----|----|----|-----------|----|----|----|----|----|----|
| S          | M  | T  | W  | T  | F  | S  | S        | M  | T  | W  | T  | F  | S  | S         | M  | T  | W  | T  | F  | S  |
|            | 1  | 2  | 3  | 4  | 5  | 6  |          |    | 1  | 2  | 3  | 4  | 2  | 3         | 4  | 5  | 6  | 7  | 8  |    |
| 7          | 8  | 9  | 10 | 11 | 12 | 13 | 5        | 6  | 7  | 8  | 9  | 10 | 11 | 9         | 10 | 11 | 12 | 13 | 14 | 15 |
| 14         | 15 | 16 | 17 | 18 | 19 | 20 | 12       | 13 | 14 | 15 | 16 | 17 | 18 | 16        | 17 | 18 | 19 | 20 | 21 | 22 |
| 21         | 22 | 23 | 24 | 25 | 26 | 27 | 19       | 20 | 21 | 22 | 23 | 24 | 25 | 23        | 24 | 25 | 26 | 27 | 28 | 29 |
| 28         | 29 | 30 |    |    |    |    | 26       | 27 | 28 | 29 | 30 | 31 | 30 |           |    |    |    |    |    |    |

 Calendar

| Sunday            | Monday                                      | Tuesday  | Wednesday                 | Thursday                           | Friday                             | Saturday          |
|-------------------|---|--|---------------------------|------------------------------------|------------------------------------|-------------------|
| <b>28</b>         | <b>29</b>                                   | <b>30</b>  | <b>1</b>                  | <b>2</b>                           | <b>3</b>                           | <b>4</b>          |
| <b>5</b>          | <b>6</b>                                    | <b>7</b>   | <b>8</b>                  | <b>9</b>                           | <b>10</b>                          | <b>11</b>         |
| <b>12</b>         | <b>13</b>                                   | <b>14</b>  | <b>15</b>                 | <b>16</b>                          | <b>17</b>                          | <b>18</b>         |
| <b>19</b>         | <b>20</b>                                   | <b>21</b>  | <b>22</b>                 | <b>23</b>                          | <b>24</b>                          | <b>25</b>         |
|                   |   |  |                           | VACATION - Ro<br>BISHER - VACATION | VACATION - Ro<br>BISHER - VACATION | BISHER - VACATION |
| <b>26</b>         | <b>27</b>                                   | <b>28</b>  | <b>29</b>                 | <b>30</b>                          | <b>31</b>                          | <b>1</b>          |
| BISHER - VACATION | BISHER - VACATION<br>HOLIDAY - Memorial Day | 6:30 PM Finance & Budget<br>Committee Mtg.<br>AV - Shery | 6:30 PM Parks & Rec Board |                                    | 7:00 PM Rally in the Alley         |                   |

City of Napoleon, Ohio

## **FINANCE & BUDGET COMMITTEE**

LOCATION: City Offices, 255 W. Riverview Avenue, Napoleon, Ohio 43545

### **Meeting Agenda**

Tuesday, May 28, 2013 at 6:30 PM

- I. **Approval of Minutes** *(In the absence of any objections or corrections, the minutes shall stand approved.)*
- II. **Mayor's Presentation on Spending Plan (Tabled)**
- III. **Tuition Assistance for Paramedic Training**
- IV. **Any Other Matters Currently Assigned To Committee**

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Gregory J. Heath, Finance Director/Clerk

City of Napoleon, Ohio  
**FINANCE AND BUDGET COMMITTEE**

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**Meeting Minutes**

Monday, April 22, 2013 at 6:30 PM

**PRESENT**  
**Committee**  
**City Staff**

Christopher Ridley – Chair, John Helberg, Jason Maassel  
Dr. Jon A. Bisher, City Manager  
Tony Cotter, Parks & Recreation Director  
Trevor Hayberger, Law Director  
Gregory J. Heath, Finance Director/Clerk of Council  
Kristyn Honemann, Administrative Asst. (backup training)  
Chad Lulfs, Public Service Director  
Sheryl Rathge, Executive Assistant  
Robert Weitzel, Police Chief  
Barbara Nelson  
News Media, Tammy Fein

**Recorder**  
**Others**

**ABSENT**

Mayor Ronald Behm

**Call To Order**

Chairman Ridley called the meeting to order at 6:30 PM

**Approval Of Minutes**

Minutes from the February 25, 2013, meeting stand approved with no objections.

**Mayor's Presentation  
On Spending Plan  
Remained Tabled**

*Mayor's Presentation On Spending Plan* remained tabled.

**Review Of Income  
Tax Credit & Other  
Areas Of Savings**

Travis Sheaffer presented a memo (attached) *re: Potential Revenue Enhancement/ Cost Savings in Lieu of Eliminating Dispatching*. He does not want any action tonight. He is presenting this information as an alternative to the elimination of police dispatch. His recommendations are:

1. Reduce the out of town income tax credit from 100% to 75% over a 2 year Period (15% reduction in credit in 2014 for approx. savings of \$66,573 and 25% reduction in 2015 for approx. savings of \$110,955)
2. Reduce one Police Lieutenant (by attrition for approx. savings of \$96,111)
3. Eliminate one Dispatcher (approx. savings of \$59,782)

This would be a total savings of \$222,466.00 in 2014 and \$266,848.00 in 2015. If the Sheriff says the cost of moving dispatch is more than \$85,000, Council would save more money by implementing these recommendations and keeping dispatch here.

Maassel asked how many people would be affected by the income tax change. Heath said he does not have that information, but will obtain it. Sheaffer said the income tax change would impact him too. Helberg said eliminating the Police Lieutenant makes him nervous. He's not sure about eliminating a dispatcher. That can be discussed at tomorrow's meeting.

Bisher said eliminating the police lieutenant was an alternative offered by the performance audit since Lt. Mike Brown is leaving. Sheaffer is correct to bring this

**Adding Conveyance Fees To Recreation Programs Paid With Credit Card**

tonight. Tomorrow we will be looking at issues with costs of moving dispatch. We don't have the information yet and neither does the Commission. This plan can be in our back pocket for tomorrow night. This enhances the performance audit's alternative plan which included eliminating 2 dispatchers. That is not practical due to vacations, etc. It is hard enough to work with 5 dispatchers. Previous Councils didn't have the votes to do the income tax change. Sheaffer said he would not be in favor of the income tax change if it was presented separately. He offers it only as an alternative to cutting police dispatch.

Ridley said he appreciates this alternative. He would like to table this item for tonight. Reduction by attrition is smart, but the last place to do it would be in safety services. The proposed reduction of credit will feel like a tax increase. It is hard to support an increase when we haven't fully implemented tax savings. Sheaffer said we are enforcing the existing tax that is already there. Ridley said people will pay more out of pocket for taxes.

Helberg said there is merit in eliminating a portion of the credit in any way we can do it. He pays here but another person in his household, who works and pays tax in Defiance, would be affected by this change. Ridley said the magic number is not \$266,000. It is much larger than that. We need more ideas like this in combination with ones identified by the auditors. Hayberger said there is no need to table this item. It has been discussed and information brought forward. It can be added to a future agenda if needed.

Tony Cotter, Parks & Recreation (P&R) Director, said Council recommended that fees be charged for P&R programs. We needed a method for online registration using credit cards. Council policy added a conveyance fee of \$3 on top of this cost. The resident fee is \$20 and non-resident is \$30. The \$3 conveyance fee is a 15% surcharge. Online registrations dropped significantly and no one used their credit card at the counter. We had 168 online registrations in 2012 and 21 this year. The P&R Board has recommended that Council eliminate the conveyance fee on recreation programs. If this amount was paid by the City, it would allow a normal card swipe. The fee would be about 3%. 168 registrations (2012) X 3% would cost just over \$100.

Heath said if people use their credit cards more, that number would go higher. Even if half of the people used credit cards the cost would be between \$300-\$800 for P&R programs. The Board is asking to modify it to say all recreation programs. Ridley said these fees are currently absorbed on the golf course. Heath said golf rates were not raised to cover those fees, but they could be.

Bisher said people who pay \$100 for a utility bill don't mind paying \$3 more. The Technology Committee wants more automation. We have come a long way in this regard. Allowing credit card payments helps get people to register online, but they don't want to pay a \$3 fee for a \$20 charge. We are not asking to raise rates initially. This does not have to be done overnight. Fees can be raised next year if needed.

Maassel asked if the fee can be combined when registering multiple children in one family. Cotter said we try to stagger registrations, but it would be one transaction if both kids are playing at the same time. Ridley asked if processing credit cards makes more work for staff than other forms of payment. Heath said there is more work accepting credit cards now, but a swipe would be easier. You still have to process the payment through the accounting system no matter what form it is in. Bisher said a credit card is easier because you have to carry cash to the bank. Cotter said the current credit card transaction process is like doing an online purchase. If someone makes a



# Memo

**To:** Dr. Jon A. Bisher, City Manager  
**From:** Chief Robert J. Bennett, EFO   
**CC:** City Council  
**Date:** May 16, 2013  
**Re:** Tuition assistance for paramedic students

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Sir,

I have received requests from 3 part time staff member for assistance with tuition cost for the paramedic certification program at Four County Career Center.

In the past the City has supported this education opportunity for our part and full time employees with considerable success. Three of the staff who currently serve the City have received tuition assistance for their paramedic education including Asst. Chief Druhot and Lieutenant Steele. In the past full and part time staff to complete this program include Capt. Hamrick, Lt. Meniffee, and FF/PM Gillen, FF/PM Morhing and others.

The issue this year is that the simultaneous request for assistance can not be supported by the budget without an additional appropriation. Cost to train personnel to the paramedic level is considerable and the three personnel who have requested assistance are good candidates for support. Two of the requestors are currently on our civil service list as potential full time staff members.

The City has long committed to providing paramedic level EMS to our community and contract partners. The availability of paramedics to work in the part time/volunteer capacity is very limited. Currently we have only one certified part time paramedic and one just finishing the training that must undergo testing for certification. The addition of potentially three additional staff members to the rolls would enhance our ability to provide paramedic level service on second and third calls, increase our staff capacity in the event of an injury or resignation of a full time member and provide more direct path for promotion from part time to full time status with the department. These people are residents of our community and provide an additional umbrella of protection to our citizens while off duty because they live and work here in our community.

Accordingly I am requesting that City Council support an additional appropriation in the amount of \$20,000 to cover the cost of tuition. Students will be responsible for their own books, time and travel.

Should the City support their tuition request each student is required to sign a contract committing to serve the City for three years after certification or return to the City the tuition on a prorated basis. (Refer to Employment Policy Manual Section 19.4)

Your kind consideration is appreciated.

# Memorandum

**To:** Safety and Human Resources Committee, Township Trustees, Council,  
Mayor, City Manager, City Law Director, City Finance Director, Department  
Supervisors

**From:** Gregory J. Heath, Finance Director/Clerk of Council

**Date:** 5/21/2013

**Re:** Safety and Human Resources Committee Meeting Cancellation

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The Safety and Human Resources Committee meeting scheduled for Tuesday,  
May 28, 2013, has been CANCELED due to lack of agenda items.

City of Napoleon, Ohio

## **CIVIL SERVICE COMMISSION**

LOCATION: City Hall, 255 West Riverview Avenue, Napoleon, OH 43545

### **Meeting Agenda**

Tuesday, May 28, 2013 at 4:30 PM

1. Approval of Minutes from April 16 and May 11 (In the absence of any objections or corrections, the minutes shall stand approved.)
2. Review Letter from Sgt. Patrick Lannan
3. Review of Eligible List for Firefighter/Paramedic
4. Review of Applicant Qualifications for Police Lt. and Fire Lt. Exam
5. Any Other Matters to come before the Commission

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Gregory J. Heath, Finance Director/Clerk of Council



with the diploma / transcript / GED.

The committee continued down the list of applicants. 25 applicants found to be qualified.

**Pick Test Document For Captain Test In June**

Bennett says there are two variations of the test which we can use. One includes an EMS component. He would recommend using the one with the EMS component because that's 80% of their business.

Meekison wants to know the official name of the test.

Bennett states it is FCO101 and FCO102. He assumes it's version 1 and version 2.

Or, like Chief Weitzel suggests, it could be one of them is for captain. We should have Sheryl look into that and only order the one for the Captain.

**Motion To request Sheryl Rathge find out which test is the captain's test. FCO101 or FCO102. And order only the Captain's test.**

Motion: Meekison                      Second: Mitchell

Motion To request Sheryl Rathge find out which test is the captain's test. FCO101 or FCO102. And order only the Captain's test.

**Passed**  
**Yea- 2**  
**Nay- 0**

Roll call vote on above motion:

Yea – Mitchell, Meekison

Nay-

**Waive Rules For Posting Dates For Captain Test**

Bennett says the current rules require a 30 day posting and 60 day study period. We are already inside that envelope. We could waive the rule and give test in parallel with the police lieutenant test or schedule a date later this summer for the fire captain test.

The specific test date is June 27, 2013. There will only be 3 people eligible to take the test.

Meekison asked how many police are expected to test for lieutenant.

Weitzel says there are seven but he doesn't know if they all will apply.

Meekison wants to know if there would be any potential claim from a candidate that they had less time to study?

Bennett says it will be an abbreviated time period but it will be abbreviated for all 3. Only one person would have a hard time showing a disparity.

Hayberger says we need to get going on this because of the time period.

Bennett informs the committee that we're at day 72 out of the 90 days right now.

**Motion To Waive the rules for the posting date for the Captain's test and that the Captain's test be held on June 27, 2013.**

Motion: Meekison                      Second: Mitchell

Motion To Waive the rules for the posting date for the Captain's test and that the Captain's test be held on June 27, 2013.

**Passed**  
**Yea- 2**  
**Nay- 0**

Roll call vote on above motion:

Yea – Mitchell, Meekison

Nay-

**Any Other Matters**

Bennett wants the Committee to set a date and time for applications to be accepted.

Meekison agrees.

Bennett thinks 2 weeks from today. They would need to have their applications in to Sheryl by then.

Rathge suggests they do it the same as police which is May 6 – May 17, 2013. Bennett agrees to release applications on May 6<sup>th</sup> and have them returned by May 17<sup>th</sup>.

Meekison wants all applications to be filed no later than closing on May 17, 2013.

Rathge suggests then Meekison can certify them at the next regular meeting on the 28<sup>th</sup>.

**Motion To Release Applications on May 6, 2013 and have all Applications turned in by May 17, 2013 at 4pm**

Motion: Meekison                      Second: Mitchell  
Motion To Release Applications on May 6, 2013 and have all Applications turned in by May 17, 2013 at 4pm

**Passed**  
**Yea- 2**  
**Nay- 0**

Roll call vote on above motion:  
Yea – Mitchell, Meekison  
Nay-

**Motion To Adjourn**

Motion: Mitchell                      Second: Meekison  
To adjourn the meeting at 5:06 PM

**Passed**  
**Yea- 2**  
**Nay- 0**

Roll call vote on above motion:  
Yea – Mitchell, Meekison  
Nay-

**Date Signed:** \_\_\_\_\_

\_\_\_\_\_  
David Meekison, Chair



Jeremy Hamilton 81.67%  
Kyle Brodbeck 78.89%

**Motion To Certify  
The Fire Fighter/  
Paramedic List**

Motion: Meekison Second: Flory  
That the final placement scores for Fire Fighter/Paramedic be approved and that the Commission certify the eligible list for Firefighter/Paramedic as read.

**Passed**  
**Yea – 2**  
**Nay - 0**

Roll call vote on motion:  
Yea – Flory, Meekison  
Nay –

**Creation Of Eligible  
List For Police  
Officer/Patrolman  
Grade**

Meekison said seven candidates passed both mental & physical testing. Patrick Lannan's name was rolled in from the previous list. Lannan will be given time for time served in the armed forces in Afghanistan and his expiration date on the list will be determined after he returns from that service.

Meekison reported the final results of civil service testing for Firefighter/Paramedic candidates in order of priority from the highest to the lowest percentage score, as follows:

Michelle Jones 85.05%  
Matthew Roesel 83.60%  
Gregg Harter 83.00%  
Patrick Lannan 80.85%  
Derek Beardsley 77.00%  
Timothy Dennie 75.60%  
Travis Flint 70.00%  
Joe Knight 70.00%

Both those who passed and failed will be notified by the Commission no later than May 27, 2013.

**Motion To Certify  
Police Officer List**

Motion: Meekison Second: Flory  
That the final eligible list for Police Officer/Patrolman Grade be approved and that the Commission certify the eligible list for Police Officer/Patrolman Grade as read

**Passed**  
**Yea – 2**  
**Nay - 0**

Roll call vote on motion:  
Yea – Flory, Meekison  
Nay –

Meekison noted that Travis Flint & Joe Knight both received a score of 70%. Neither of them had any military service. According to Civil Service rules, Travis Flint will be listed before Joe Knight due to Flint's application being received sooner.

**Motion That Time  
Limit On Lists Will  
Be 5/11/15 Except  
Lannan TBD**

Motion: Meekison Second: Flory  
That the time limit for those on the eligible lists will be two years (May 11, 2015) with the exception of Patrick Lannan, who must have his time serving in Afghanistan included after he returns

**Passed**  
**Yea – 2**  
**Nay – 0**

Roll call vote on motion:  
Yea – Flory, Meekison  
Nay –



City of Napoleon, Ohio

## **PARKS & RECREATION BOARD**

LOCATION: City Hall Offices, 255 West Riverview Avenue, Napoleon, Ohio

### **Meeting Agenda**

Wednesday, May 29, 2013 at 6:30 PM

1. Call to Order
2. Approval of Minutes
3. Discussion and/or Action on Fourth of July Celebration Activities
4. Miscellaneous
5. Any other Items to Come Before the Board

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Gregory J. Heath, Finance Director/Clerk of Council



|   |  |
|---|--|
| <p><b>Passed</b><br/><b>Yea - 6</b><br/><b>Nay- 0</b></p> | <p>based on a survey of eight other public courses he contacted. This would be dependent on the weather. Mike Willhite determines that each morning.</p> <p>Roll call vote on above motion.<br/>Yea – Thompson, Hardy, Saneholtz, Prigge, Funchion, Schnitkey<br/>Nay –</p>  |
| <p><b>Miscellaneous</b><br/><b>Schnitkey</b></p>          | <p>Schnitkey asked about credit card fees at the golf course. Cotter said the recommendation from this Board was to eliminate conveyance fees. This recommendation went to the Finance &amp; Budget Committee and they will recommend to Council to waive conveyance fees for P&amp;R programs. This is already in place at the golf course. If the recommendation is approved by Council, any fees charged by credit card companies will be borne by the City. Funchion said this cost \$1,800 for the golf course last summer. Will it come back on us? Cotter said about 30% of transactions at the course were by credit card. There is a 3% surcharge on credit card transactions. Based on last year’s numbers for credit card fees at the course, the cost was about \$1,600. If we look at P&amp;R programs based on last year’s numbers, 168 registrations online with a credit card would cost just over \$100. There would typically be a 3% charge for a simple transaction. This can be done with a swipe at the counter. A debit card is a lesser charge. Credit card fees vary dependent on the type of credit card used. We try to use the same bank for all transactions, which would most likely be F&amp;M’s third party processor.</p> |
| <p><b>Prigge</b></p>                                      | <p>Prigge asked if conveyance fees will be changed in time for the next season. Cotter said this will go to Council on May 6. If they approve the policy, conveyance fees will be waived in time for fall registrations.</p>   |
|   | <p>Prigge asked about how Rt. 424 will affect the boat ramp. Cotter said there is a traffic issue. We plan to open the western side of the ramp as soon as possible when river conditions improve, but not both sides. The engineering department believes the project will end sooner than expected, maybe by the end of May. We can’t open both sides of the launch area due to traffic issues. This is inconvenient.</p>  |
| <p><b>Thompson</b></p>                                    | <p>Thompson said he recently accepted a position at the City and must resign from the P&amp;R Board. Funchion said Thompson did a great job on the Board. Cotter thanked Thompson. Hardy appreciates Thompson’s dedication and service.</p>  |
| <p><b>Hardy</b></p>                                       | <p>Hardy – no items</p>  |
| <p><b>Funchion</b></p>                                    | <p>Funchion – no items</p>   |
| <p><b>Saneholtz</b></p>                                   | <p>Saneholtz – no items</p>  |
| <p><b>Cotter</b></p>                                      | <p>Cotter said we have had two flood events at the golf course in the last month. People are asking why we don’t pump flood water off the course. They don’t understand that the level of water on the course is dictated by the level of the creek and the river. We can’t pump the water off until the creek lowers since this is the lowest point in town. If we pump it off before the creek lowers, it comes back.</p> <p>We are not contracting outside for pool management this year. Cotter hired Kelly Dopp as the pool manager. She has worked here for a couple of years and did a good job. We will begin patching, painting, etc. at the pool next week. We hope to</p>   |

open on June 1.

Girls softball is up and running. Next week is the first scheduled game for older girls in softball. We are down about 24 girls from last year. Baseball signup just ended and Senior Little League tryouts are done. We are up by four players from last year. Teams have formed for Junior Little League. Cotter is working on Youth Little League and T-ball.

We had few problems overall with collecting fees. We processed 36 applications for the reduced fee program. The process worked and the schools cooperated.

There is a new State law regarding concussions. Coaches have to go through an online course. This must be completed by May 26. An informational sheet will be distributed to parents. Hardy said the online training takes about 20 minutes. Schnitkey asked if we must change helmets. Cotter said no, but we talked about it. Some of the girls leagues have the helmet with the face mask. We haven't done that for baseball yet, but it will be coming.

Cotter said we are getting the parks ready, working with one less maintenance employee due to budget cuts. It hasn't been easy, but staff is absorbing the extra duties. We are doing more with less.

Saneholtz asked about adult softball. Cotter said it doesn't look like that will go. Three teams from last year indicated they may come back. It is hard to get payment from them. One coach wants to try and recruit more teams. This was popular in the '90s. Hardy said there were 18 teams in the '90s. Cotter said slow pitch softball has faded.

Prigge asked if any outlying parks will be closed. Cotter said not so far. The two parks we talked about aren't too labor intensive. Port-a-potties cost \$100 per month. Funchion recommended planting wildflowers and letting them go back to nature to avoid mowing. Cotter said the one across from the hospital is definitely the one we would consider closing.

Prigge asked about the wheelchair assistance lift at the pool. Cotter said we bought one due to Federal law. It was purchase two weeks ago and came in at about \$1,000 under budget. It is portable and a person in a wheelchair can operate it alone with a remote on a tether.

**Motion To Adjourn**

Motion: Funchion                      Second: Thompson  
To adjourn the meeting at 7:07 PM

**Passed**  
**Yea - 6**  
**Nay- 0**

Roll call vote on above motion.  
Yea – Thompson, Hardy, Saneholtz, Prigge, Funchion, Schnitkey  
Nay -

**Date Approved**

\_\_\_\_\_  
Matt Hardy, Chair

**Fw: BWC to give back a BILLION!**

From: "Gregory J Heath" <gheath@napoleonohio.com>  
To: "Roxanne Dietrich" <rdietrich@napoleonohio.com>  
Attachments: ABillionBack.pdf (45.2 kB);

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05/20/13 09:20 AM

Attachment For Council Packet.

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-----Original Message-----

From: "Sandra Markley-Dick" <smarkley@northweststate.edu>  
To: "Sandra Markley-Dick" <smarkley@northweststate.edu>  
Date: 05/20/2013 07:51 AM  
Subject: BWC to give back a BILLION!

See attached information on BWC's plan to give back a billion dollars!

Have an awesome day,

--

Sandie Markley-Dick  
*Dept Secretary, Institutional Advancement*  
419.267.1405 phone  
419.267.5588 fax  
[sandie.dick@northweststate.edu](mailto:sandie.dick@northweststate.edu)

# A Billion Back

## A three part plan for making workers' comp work for Ohio

Reiterating his administration's singular focus on creating jobs and improving Ohio's economy, Governor Kasich endorsed three specific actions proposed by BWC Administrator/CEO Steve Buehrer with respect to managing the portion of net assets that exceeds the board-approved ratios.

### *The proposal:*

- Requests that the BWC Board of Directors authorize a one-time dividend of \$1 billion for private employers and public-taxing districts.
- Expands the agency's successful Safety Grant Program from \$5 million to \$15 million to support expanded statewide efforts to promote workplace safety and encourage further investment in protecting Ohio's workers.
- Asks the Legislature to modernize the premium collection model by authorizing BWC to move toward a prospective-payment system and subsequently requesting the board issue an additional \$900 million to mitigate transition costs. This switch would also result in rate reductions of 2 percent for private employers and 4 percent for public employers.

### \$1 billion dividend

Citing the need to continue improving Ohio's business climate, BWC is proposing a \$1 billion dividend for private employers and public-taxing districts paying into Ohio's workers' compensation system. Under the proposed dividend, more than 210,000 Ohio private employers and public-taxing districts would receive approximately 56% of their annual premium in the July 1, 2011 to June 30, 2012 policy period. BWC may present the dividend proposal to its Board of Directors as soon as May. If approved by the Board of Directors in May, dividend checks could be mailed as early as June.

**Strong financial picture:** The ability to provide employers with a dividend is a reflection of BWC's current overall financial picture. BWC's combined funds, including the State Insurance Fund that pays for the care of Ohio's injured workers, are in a strong position as a result of prudent management and a careful, conservative investment strategy. BWC has generated a three-year annual return of 11.4 percent, far exceeding the expected 4 percent return.

One way the independent BWC Board of Directors has promoted financial stability is by establishing a target funding ratio of assets to liabilities to ensure there is enough money to pay its obligations to injured workers.

Currently, BWC's \$8.3 billion in combined net assets exceeds the target funding ratio of assets to liabilities established by its board in 2008. The guidelines of between 1.15 and 1.35 mean that for every dollar in liabilities, BWC must have between \$1.15 and \$1.35 in assets. The ratio currently stands at 1.49, a strong indication of financial strength and security, but above the upper range established by the board. This proposal moves BWC to within the established guidelines.

**Eligibility:** Private employers and public-taxing districts that pay premium into the State Insurance Fund and have active, up-to-date policies will be eligible for the dividend. Each employer's dividend will reflect 56% of what they were billed during the last policy period (July 1, 2011 to June 30, 2012 for private employers; January 1, 2011 to December 31, 2011 for public taxing districts).

Private employers must be in an active, reinstated or debtor in possession status as of April 1, 2013; public-taxing districts must be in an active or reinstated status as of March 31, 2013. Employers that do not meet all criteria will not be eligible to receive a dividend.

Employers that have an outstanding balance with BWC will have their dividend payment reduced by the amount of the outstanding balance. If an employer's outstanding balance exceeds the dividend amount, the employer's account will be offset by the amount of the dividend.

**History of BWC dividends:** Between 1996 and 2005, BWC issued multiple dividends or rebates for private employers totaling \$6.6 billion and an additional \$1.4 billion for public-taxing districts. BWC last granted a dividend for the first half of the July 1, 2004 policy year equal to 20 percent of premiums. The largest dividend ever granted was 75 percent which reduced premiums by approximately \$1.3 billion.

## The safety campaign

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Investing in workplace safety generates a return on investment for everyone. A dollar spent on improving workplace safety results in \$3 savings in accident and injury costs. Arguably more important, however, is that grant recipients see an average reduction in claims of 66 percent. That means Ohio workers are less likely to be injured and more likely to return home safely each day to their family, their friends, and their community. That's why BWC is proposing to expand the program's budget from \$5 million to \$15 million for the July 1, 2013 policy year.

**The Safety Grants Program:** The Safety Grants Program provides matching funds up to \$40,000 for employers to purchase equipment that will substantially reduce or eliminate injuries and illnesses. The program was further expanded in 2012 to include wellness and encourage employers to improve the overall health and wellbeing of their employees. In addition to accepting new applications, BWC will make modifications to the program that will allow prior recipients to apply for additional grants. Additionally, BWC will now match every dollar spent by an employer with three dollars, up to \$40,000.

**Eligibility:** There are four main criteria:

- The applicant must be an employer that pays into the State Insurance Fund.
- The applicant must be current on monies owed to BWC.
- The applicant must maintain active coverage.
- The applicant must not have previously purchased the equipment proposed in the application or otherwise have started a program similar to what's requested in the grant application.

## Prospective payment

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BWC currently bills its employers "retrospectively." Ohio employers pay their workers' compensation premium for the previous six months of coverage, or in "arrear." Most recently, for example, private employers paid in February 2013 for the July 1, 2012 to December 31, 2012 coverage period.

Prospective billing is an industry standard and builds upon ongoing efforts by BWC to modernize its operation. Under prospective billing, BWC would follow the lead of most every other insurance company and collect employer premiums for the upcoming policy period. In other words, employers make upfront payments to BWC for their workers' compensation coverage. Theoretically, for example, employers could report estimated payroll and pay their premium in April for the coverage period that begins July 1.

**The benefits of prospective payment:** A switch to a prospective billing system could provide the following benefits to Ohio employers:

- Opportunities for more flexible payment options (e.g., monthly, quarterly, yearly) with possible discounts for those who pay a year in advance for example
- Ability to better anticipate budgetary impacts of workers' compensation coverage, especially for public-taxing districts
- Better opportunities for BWC to provide quotes online or via phone
- Fewer costs from employers who either don't pay premiums timely or have workers injured without coverage being mutualized among employers in good standing

Moving to prospective payment also increases BWC's ability to detect employer non-compliance and fraud.

**Transition:** BWC hopes to gain legislative approval in 2013 but does not expect to implement prospective billing until mid-2014 at the earliest. If given the authority by the legislature to transition to prospective billing, BWC will request that the BWC Board of Directors authorize a credit for all employers equal to the full amount of their previous six months' premium (their last retrospective payment). This would allow employers to make their first prospective payment without worrying about their last retrospective payment. This would equate to an estimated \$900 million savings to businesses. In addition, this switch would result in rate reductions of 2 percent for private employers and 4 percent for public employers.

**Fw: ARTICLE: Senator seeks to restore some local government monies**

From: "Gregory J Heath" &lt;gheath@napoleonohio.com&gt;

05/20/13 09:24 AM

To: "Roxanne Dietrich" &lt;rdietrich@napoleonohio.com&gt;

-----Original Message-----

From: "Michelle Jordan" &lt;datataxgroup@gmail.com&gt;

To: "undisclosed-recipients:"@napoleonohio.com

Date: 05/20/2013 08:16 AM

Subject: ARTICLE: Senator seeks to restore some local government monies

Dear DATA members:

Please share with your administration.

Have a wonderful day!

Michelle

--

Michelle Jordan

DATA

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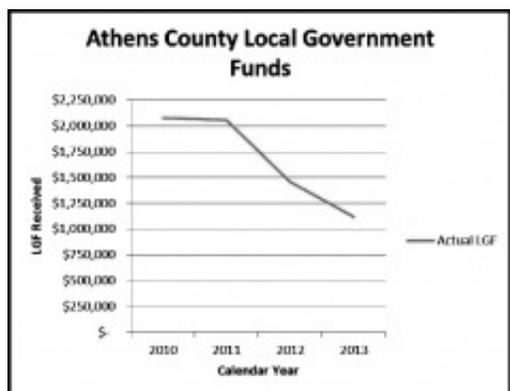
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## Senator seeks to restore some local government monies

By David DeWitt



Since 2011, local governments across the state of Ohio have experienced sharply shrinking funds from the state, but state Sen. Lou Gentile has now proposed a modest restoration of those monies.

Gentile, a Democrat from Steubenville, represents Ohio's 30th Senate district, which includes all of Athens County except for Trimble Township. Last week he announced he is offering an amendment to the state's biennial budget that would increase local government funds by 2.52 percent each year.

The city of Athens received \$709,374 from the state's local government fund in 2010. In 2011, after Gov. John Kasich, R-Westerville, got his first budget passed that slashed the funds, the figure went down to \$658,246.

Athens City Auditor Kathy Hecht said Friday she has projected the city to

receive \$366,705 in local government funds from the state this year.

For Athens County overall, including its political subdivisions, local government funding went from over \$2 million in 2010 to a projected \$1.1 million for 2013, according to the county auditor's office.

"It is time to restore some of the disproportionate funding cuts enacted during the last budget," Gentile declared in a press release last week.

He said that his amendment would make \$361 million available to communities across Ohio over the next two years.

This request for an increase in funding, he said, comes from a coalition of local government representatives that have been advocating on the issue. The previous budget, he said cut \$500 million from Ohio's Local Government Fund.

"Communities in eastern and southeastern Ohio continue to struggle to provide basic services," Gentile said. "These cuts have jeopardized the safety of our citizens and small business growth."

Gentile noted that local government funds typically pay for safety services such as police and fire, garbage collection and parks and recreation.

"The state has nearly \$2 billion in the rainy day fund and in the meantime local governments have been forced to lay off police officers and fire fighters and cut other critical services that our families rely on," Gentile said.

He added that in order to strengthen and grow the Ohio economy the state must invest in local services that enhance job creation.

"As state legislators we have an obligation to provide adequate resources to our local governments to ensure the health and safety of our citizens," he said.

A 2.52 percent increase would bump city funding from \$366,705 in 2013 to \$375,946 in 2014 and \$385,420 in 2015.

The increase would be modest but Auditor Kathy Hecht said Friday she'd be happy to have it.

"It's not a huge amount but we would take it," she said. "I'd be happy to take anything, or at least stop it where it is. It would be nice if they could stop (the cuts) and increase it a small amount each year."

She said that LGF money, after income taxes and property taxes, is the city's third largest source of revenue in its general fund, which goes toward the police, fire and code departments as well as city administrative offices. And the vast majority of general fund monies go toward paying personnel costs, she added.

As some legislators look to also impose a new municipal tax uniformity law, Hecht noted, the city is looking at losing even more money, projected now to be around \$200,000.

"We're going to lose revenue from that. That on top of the loss of local government funds, it's creating a hardship for the city," she said. "The local government fund issues have created lots of hardships for lots of other cities."

She said the city would be down on income tax collection this year if it hadn't instituted a program to find delinquent taxpayers through the City of Cleveland Central Collection Agency.

At the county level, Auditor Jill Thompson said Saturday that townships, municipalities and Athens County government has realized a 46.22 percent decrease in local government funds.

"While an increase as slight as 2.52 percent is a move in an upward direction it is a far cry from what Athens County has relied on in the past," she said.

Revenue coming in from new casinos in Columbus, Cincinnati, Cleveland and Toledo has offset some of the cuts, Thompson noted, "but not nearly to the extent the state projected," she said.

In 2013, the county and its political subdivisions received \$1,117,037 in LGF monies. A 2.52 percent increase would put that at \$1,145,186 in 2014 and \$1,174,045 in 2015.