

City of Gahanna

*200 South Hamilton Road
Gahanna, Ohio 43230*



Meeting Minutes

Monday, January 28, 2002

Immediately Following Previous Committees or

8:00 PM

City Hall

Finance Committee

Debra A. Payne, Chair

Karen J. Angelou

L. Nicholas Hogan

Robert W. Kelley

John McAlister

David B. Thom

Michael O'Brien, ex officio

W. Jerome Isler, ex officio

Members Present: Debra A. Payne, L. Nicholas Hogan, Michael O'Brien, Karen J. Angelou, Robert W. Kelley, John McAlister and David B. Thom

ADDITIONAL ATTENDEES:

City: Stinchcomb, Isler, Davies, Franey, Komlanc, Hall, Wetherholt.
Visitors: Richard Thomas, Jay Haver, Brad Hayes, Press.

PENDING LEGISLATION:

ORD-0009-2002

SUPPLEMENTAL APPROPRIATION - No On State Control Of Property Rights

Payne stated this legislation was prepared with the suggested amount of \$10,000; referred to Finance Committee from Development. Thom agreed stating no specific amount had been requested. Kelley stated he felt this was important enough to stay on top of it; need to fight that bill. D'Ambrosio stated she had been contacted late this afternoon by Pickerington; company we are using to obtain the signatures has a 65% return rate; if they don't meet that our money will be returned.

Recommended for Adoption, Consent

ISSUES:

Phone System:

Franey stated that City had contracted with TTG to evaluate our current phone system; looking for ways to improve effectiveness and cost; Brad Hayes and Jay Haver are present to present the option that fits us best; is not the most expensive one.

Haver stated they are a local firm and were hired to do a complete review of phone system; including developing a benchmark for all communications; a detailed written analysis is in Franey's office if you wish to review with all findings and recommendations; as to specific recommendation on platform, you are currently using Centrex; looked at other opportunities; if deemed necessary, we will design and negotiate the RFP process and oversee entire implementation; we own our recommendations; will be here through the process; baseline we used are current bills of \$3,200 monthly on cellular; local service is \$4,500 and usage is per call basis; internet access is \$1,200 monthly; long distance is \$300 monthly; pay phone is \$150 monthly and pagers are \$100 monthly; this is benchmark for our report; interviewed staff members and went to each site; performed test calling and looked up your records to get cross reference; Centrex is with Ameritech and you rent services and enjoy the features; rent voice mailboxes through Ameritech but not everybody has one; all resources are not available all the time; certain lines are segmented to certain groups; is City managed; lines are segmented and not bundled together; can be cumbersome; current service is a vendor dependent service; Centrex is more costly than newer technologies; has limited access to features; there is no call accounting.

Haver continued that they noted desired features from staff interviews - music on hold, specific auto attendants, sports hotlines, paging through the phone sets, integrated voice mail for all, ineffective message waiting lights, call accounting, desire to manage more effectively, caller ID.

Haver stated it is their recommendation that the City purchase and manage its own

system and not be vendor reliant; move into newer digital technologies; lay of land on network is that private fiber runs through City Hall to Mifflin Fire Station and through golf course to new Mifflin Township hall; also from here to Police Station and then private copper to the Senior Center from Police Station; also have private copper between the Water and Parks Departments; this is connectivity we can take advantage of; from this we recommended T1 circuits rented from a private carrier for Water and Service areas; both data and voice need connectivity and fiber is not planned in the near future; recommended phone system for main location carries a need to make the network seamless for all users; recommend phone system at this location with own voice mail; also recommend from a local provider newer digital circuits; Centrex is not dynamic; when idle they are not available to others; with these circuits, they are available all the time to all users; it is bundled and is cheaper; from there can install system phones since we have connectivity; this kind of design would apply further to some kind of connectivity for high speed internet access; could be installed there; can also take advantage of some wireless links; also looking at redundant link should one of those circuits go down.

Haver continued that the benefit of the recommendation is that it is a centralized managed system that is easy to access; will pick up call accounting for individual users and accounts, departments and facilities; digital delivery; clear and distinct calls; caller ID, direct dial to desk top; can have voice mail as E-mail allowing saving of critical voice mail and E-mails to other users; in our recommendation that would be a possibility as we get to the bid process; may be pertinent to get that far; estimated costs at the \$125,000 to \$145,000 range; that should be the awarded contract depending on what we put in bid package; this is not the highest; feel this is the most effective for the City; will develop, issue, and negotiate through RFP.

Haver stated there will be a monthly savings; using our benchmark figure all communication services will realize a savings; under cellular retooling, can save \$1,100 monthly; local service and usage can save \$2,400 a month by going to this newer technology; internet access could see a savings of \$400 a month; for long distance we pay a higher rate; leverage some and feel we can save \$185 a month on that; Voice Mail rental can have a savings of \$275 a month and first year, maintenance would save \$100 month unless we can negotiate a longer warranty; total monthly savings of \$4,400; also found some one time credits; cellular had some overcharges and we got \$840 back; that's been done; also with regard to reference of calls when move was made we had \$1,458 that was paid back to City; based upon all savings accrued, should see a return on investment within 48 months of purchase given the current savings; will see further soft savings; only wanted to use hard savings we could verify at this time; depending on bids and other soft savings could be realized in a shorter time; lease option would produce a wash in cash flow but incur interest charge so should have zero impact.

Payne stated she had served on the committee, along with Angelou and Stinchcomb, when we had review and went to current system; was a slick presentation and here we are; that was only a couple of years ago; is it guaranteed for 4 years so we can recoup our costs. Haver stated that back then we purchased Centrex, the platform, not the system. Hayes stated that anyone can put together a slick presentation; we're not saying buy any phone system; asking you to settle on a design; is then our job to negotiate and find what you want once design is set; different situation than you were in last time; have experience in a wide range of communications; trying to present an independent view; looking for a fit closest to the one we have recommended. Payne stated she was a little leery. Thom stated he had pulled up their web site; list Dublin City Schools as a client. Hayes stated that is an old system; has been in place 6 years or more; they use a TDM backbone; bought a system for each school for a total of 21 systems and they linked

them together; you are looking to buy one phone system and network; other major difference in terms of design is that they may have 50 phones in each location; can offset the cost much more readily than if you have 3 or 4 in different locations. Thom also noted Ruscilli Construction. Hayes stated they are a long time client; they have one building at one location plus we also manage their job trailers; it is a single phone system at Ruscilli. Thom asked how easy it is to upgrade if we would have to. Hayes stated that we would be locked into a manufacturer; part of our job is to provide you with necessary information on strength of that manufacturer; this industry changes so fast; like to guarantee but we can't; will talk about those things in our recommendations so you are aware of their history. Thomas asked if they had done any cities. Hayes replied they did Upper Arlington 4 years ago, Westerville 3 years ago; and Dublin about 10 years ago. Hogan stated that if he understood correctly, were saying that 5 years from now our system will work but there could be something cheaper out there; like what we now have with Centrex. Hayes stated that with regard to Centrex and their recommendation, this would require a capital investment; Centrex was an operating cost. you are leasing your PBX; just a little section of that phone switch; all phone lines run in and out of that; your feature set, your upgrades are all controlled by Ameritech decisions; likewise, proposal is a manufacturer featured set and upgrades are controlled by manufacturer you select; Ameritech provides phone service and they are not pushing Centrex; is a different type of service with Centrex and when you have your own system; operational versus capital investment. Franey stated that what exacerbates our problem is that we have P-phones; everything that we've said is going against us as to monthly fees; Ameritech controls us; from a lay person's standpoint the technology that we have Ameritech no longer understands; no employees left that know how it works; has been this way from the beginning; can take 8 months to get telephone service; we can get the line but we can't get the phone; is a proprietary Centrex phone made to speak to their central office; very cumbersome to learn and know commands; difficult to get because it is not a predominant product. O'Brien asked about flexibility in being able to adjust to our central system that we would purchase. Hayes stated that it is built on an IP backbone; in design will look at manufacturers open to 3rd party; need to be concerned about flexibility and options in the future; need someone who has an open architecture; don't have to wait for that manufacturer; want to get software that matters to you. Angelou asked about redundancy. Hayes stated that the capabilities are there for complete redundancy; just looking at costs involved; as we look at power supplies, power into the building, physical network, etc., they all have prices associated with them; any system would have capabilities to have those levels, but at your choice; most people don't purchase 100% redundancy because of the physical cost; can be expensive and then you're back into operating costs.

In response to question, Franey stated they are requesting permission to develop a bid package and then go out to formal bid; will need a motion resolution.

RECOMMENDATION: Motion resolution, consent agenda.

Investment Committee

Sherwood stated this issue had been in limbo since July, 2000; State Auditor has recommended for several years the need of an investment committee; original discussion centered on naming the chair of the Finance Committee as a member of this committee. Hogan stated that he felt it dated back to a discussion on what would happen if something happened to Isler; felt there was a need for this committee; somebody else would know what was going on; believe the question is whether current Mayor feels the need for this since original request came from McGregor.

O'Brien stated that he might suggest to Council to look at outside resources such as John

Rosan or someone like Randy Rogers. Angelou stated she felt it needed to be a member of Council; feel it is our choice of who that should be.

Isler stated that Rogers does advise now; Hairston, Mumma and myself serve as the committee currently; all we're in now is cash because there is nothing to invest in.

RECOMMENDATION: Carry as a monitor item.

ISSUES FROM PREVIOUS COMMITTEES:

Thom stated that Communications & Technology Committee discussed a contract with Novinity Inc. for a marketing brochure; brochure they are currently using was done in 1997; need to get it updated; will have a place for the promotional CD within the packet; will follow same design scheme as our web site; money is already appropriated to the development promotions account.

Hogan stated that Service Committee had talked about the parts person for the garage; have a person on board who is parts qualified; want to move internal person from mechanic to parts and hire a new mechanic; have a mechanic 1 list now; want to bring him on under mechanic 1 and then move to mechanic 2 in 6 months following civil service procedure. Angelou stated she has new figures on this; would be hired at \$29,349 and go to \$35,256 in 6 months; that's a \$7,000 increase and that doesn't take into account that negotiations are ongoing for a new contract. Hall stated the other option is to wait 3 months and test for a mechanic 2; put us way behind, Hogan stated that waiver and emergency has been requested to hire this person; felt it needed to come to Finance because of that.

Angelou stated she has a problem with a \$7,000 increase in 6 months. Hall stated there is an existing mechanic 1 list but no mechanic 2 list; this person is qualified to work as a mechanic 2 but is willing to come in as a mechanic 1 understanding this move would happen in 6 months; have an existing mechanic 1 who was qualified as a 2 but McGregor was only willing to hire a 1. Angelou stated she still has a problem with that type of a raise in 6 months; would then be making more than an existing employee; if we started him as a mechanic 2 would be starting him at \$32,000. Kelley stated that if person is willing to be hired as a 1 should be willing to work as a 1.

In response to question, the person doing parts would be a lateral move and we would be hiring a mechanic 1. O'Brien stated he remembered discussion when previous mechanic was hired; although had qualifications for 2 was hired as a 1; at some future date he would be upgraded to a 2; all were uncomfortable at hiring a mechanic 1 who might not be able to hit the ground running; have a problem with a new hire leap frogging over an existing employee.

Kelley stated prospect knows it is a mechanic 1 position and is talking about a \$6,000 raise before he starts; hired in at probationary rate of \$29,349; in six months in that position he would go to \$31,533; in this case, because of the grade change he would go to \$35,256.

Hogan suggested they go back to prospect and tell him they can hire as a mechanic 1 but there is no guarantee of going to mechanic 2 in 6 months; will get a raise in 6 months; if in a year or so can justify a promotion to mechanic 2 it can be considered; if that doesn't fly then will need to test again. Kring stated he does not have a problem with a mechanic 1 for the probationary period; if in 6 months he does what he is supposed to can go to mechanic 1 A step; give him another 6 months or so and re-evaluate; if meeting qualifications can consider a promotion.

RECOMMENDATION: Motion Resolution to redesignate funds appropriated for a parts person as a mechanic 1.

ISOBEL L. SHERWOOD, CMC/ Clerk of Council, reporting.