

## **PUBLIC WORKS COMMITTEE**

**DATE:** November 13, 2008

**CALLED TO ORDER:** 5:31 p.m.

**ADJOURNED:** 5:59 p.m.

### **ATTENDANCE**

#### ATTENDING MEMBERS

Benjamin Hunter, Chair  
Ginny Cain  
Angela Mansfield  
Janice McHenry  
Christine Scales  
Mike Speedy

#### ABSENT MEMBERS

Dane Mahern  
Mary Moriarty Adams

### **AGENDA**

PROPOSAL NO. 461, 2008- appoints Kelly L. Russell to the Air Pollution Control Board  
"Do Pass" Vote 5-0

PROPOSAL NO. 496, 2008 - approves a transfer of \$290,000 in the 2008 Budget of the Department of Public Works (Consolidated County Fund) to fund the necessary maintenance services needed to continue to repair and maintain aging City/County vehicles through the end of the year  
"Do Pass" Vote 6-0

PROPOSAL NO. 497, 2008 - approves an appropriation of \$802,105 in the 2008 Budget of the Department of Public Works (Consolidated County Fund) to offset expenses incurred due to an expanded scope of service and increases in wrecker and other fees for vehicles towed by the Indianapolis Metropolitan Police Department (IMPD), funded by revenues generated through the program  
"Do Pass" Vote 6-0

PROPOSAL NO. 498, 2008 - approves a transfer of \$1,118,575 in the 2008 Budget of the Department of Public Works (Solid Waste Collection Fund) to fund chargeback payments for vehicle fuel and maintenance  
"Do Pass" Vote 6-0

## **PUBLIC WORKS COMMITTEE**

The Public Works Committee of the City-County Council met on Thursday, November 13, 2008. Chairman Benjamin Hunter called the meeting to order at 5:31 p.m. with the following members present: Ginny Cain, Angela Mansfield, Janice McHenry, and Christine Scales. Mike Speedy arrived shortly thereafter. Dane Mahern and Mary Moriarty Adams were absent.

### PROPOSAL NO. 461, 2008- appoints Kelly L. Russell to the Air Pollution Control Board

Ms. Russell said she is currently the Human Resources Director for Multi-Packaging Solutions (MPS), a print packaging company located by the former airport. She said she commutes between the Louisville and Indianapolis facilities. Previously she worked for Master Brand Cabinets, a wood fabrics manufacturer. She said much of her responsibility revolves around environmental health and safety, so she is familiar with regulations such as OSHA, and Title V permits. Chair Hunter said Ms. Russell comes highly recommended by the Department of Public Works (DPW). He said the committee was looking for someone with expertise in the area of air pollution control, and he appreciates her willingness to serve.

Councillor Cain moved, seconded by Councillor Scales to send Proposal No. 461, 2008 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

{Clerk's Note: Councillor Speedy arrived at 5:35 p.m.}

PROPOSAL NO. 496, 2008 - approves a transfer of \$290,000 in the 2008 Budget of the Department of Public Works (Consolidated County Fund) to fund the necessary maintenance services needed to continue to repair and maintain aging City/County vehicles through the end of the year

Pat Carroll, Deputy Director Maintenance, DPW, introduced Ron Stinson, Chief Financial Officer and Manager, Fleet Services, DPW. Mr. Carroll said they are requesting approval to transfer \$200,000 out of Character 02, and \$90,000 out of Character 04, into Character 03. The funds will be used for outside services, suspensions, transmissions, tires, and wrecker services with an outside contractor. He said they under-budgeted in this category for the year, and they have the money in Character 02 and Character 04. He believes the \$290,000 will cover their expenses for services through the rest of the year.

Councillor Mansfield asked why the expenses are higher this year. Mr. Carroll said an aging fleet is one reason. He said it is not uncommon for the repairs of heavier equipment to cost between \$5,000 and \$10,000. He said as the equipment ages, if they break down on the street, there is an increase in towing and tire services, as well as costs for outside services.

Councillor Speedy moved, seconded by Councillor Cain, to send Proposal No. 496, 2008 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

PROPOSAL NO. 497, 2008 - approves an appropriation of \$802,105 in the 2008 Budget of the Department of Public Works (Consolidated County Fund) to offset expenses incurred due to an expanded scope of service and increases in wrecker and other fees for vehicles towed by the Indianapolis Metropolitan Police Department (IMPD), funded by revenues generated through the program

Jimmie White, Finance Manager of Operations, DPW, introduced John Williams, Administrator of the Solid Waste Division, DPW.

Mr. White said they are requesting \$802,105 to cover expenses for the abandoned vehicle program. The merger of the Sheriff's and Police Department's caused an increase in expenses. These expenses were not foreseen for this year. He said they have actually postponed paying some invoices.

Councillor Cain asked how the abandoned vehicle program works. Mr. Williams said the city has two separate contracts. The Indianapolis Metropolitan Police Department (IMPD) has one for franchise haulers, and DPW has a contract with wrecker services for hauling as well. DPW conducts most of their business in residential areas. He said if there is an abandoned or inoperable vehicle, there are certain guidelines that have to be followed before DPW can tow the vehicle; and there is a certain period of time before they can dispose of the vehicle.

Councillor Speedy asked if the increase in the budget amount is a result of more aggressive enforcement or fuel costs. Mr. White said the Sheriff's Department used to dispose of their vehicles, but after the merger, there was an increase of vehicles being towed, which generated a bigger expense. Mr. Williams said there is also an increase in pricing as it relates to the franchise hauling fee.

Councillor Mansfield asked Mr. Williams to explain a little more about the program. She said it seems like the Sheriff's budget would have been a part of the merger with IMPD. Mr. White said once the Sheriff's Department towed the vehicle to the towing company, the responsibility of the bill was left with the towing company. He said the Sheriff's Department had no interest in the fate of the vehicle. But, after the two departments merged, IMPD's responsibility is to dispose of the vehicles.

Councillor Mansfield said it sounds like the procedures of the new program are more costly than those of the past. Mr. White said it is a self-sustaining program. He said revenue that is generated through the program is used to fund the program. He said they are not losing or spending any money, because it is a self-sustaining fund. Mr. Williams said there is not a change in the amount of money being spent, but the change is in the order of operations. He said after so many days, if the vehicle has not been retrieved, it is returned to the abandoned vehicle program for disposal. He said DPW

has to spend money up front, and once the vehicle sells through a weekly auction or for scraps, the money is returned to program. He said when the invoices are reviewed after the 13-month period, he believes there will be enough evidence that the program has generated sufficient revenue.

Councillor McHenry asked where the \$802,105 will come from, and if the program is self-sustaining, why the money is not available for use now. Mr. White said the money is already in the fund balance, where the revenue is deposited. Councillor McHenry asked how much revenue has already been deposited into the fund. Mr. White said he does not currently have that dollar amount, but he can provide that information to the committee. Mr. Williams said this is money that is expended, but as the program progresses throughout the year, the money is returned back to the fund balance. He said they do not know on a monthly basis how much money will be generated. He said that information is not available until the end of the year, but they have to budget a certain amount of dollars and spend that money up front. He said they pay for the program management through an outside source.

Councillor McHenry asked if DPW would make a profit if they sold the vehicle, or if the owner picked the vehicle up. Mr. Williams said it depends on what the scrap value of the vehicle is. He said a large amount of vehicles are not in the condition for resale, therefore, the value may be decreased. He said DPW may only get \$100 for a vehicle they actually spent \$300. That cost includes towing, storage, administration, and title searches. He said because there may be a deficit, the program is not always self-sustaining. Mr. Williams said this is when the fund balance becomes essential, because as the year goes on, there may be an increase in profit, and this offsets the deficit from a previous time. Councillor McHenry asked if the people that claim their vehicle have to pay all expenses. Mr. Williams answered in the affirmative.

Michael Williams, Chief Financial Officer, DPW, said the projected expense for the program is \$3.7 million for 2008. He said they have been collecting revenue throughout the year. Mr. Williams said the projected revenue for 2008 is around \$3.7 or \$3.8 million, but they may not collect the total revenue by December 31, 2008. Mr. Williams said as the money is collected, even in 2009, it will be deposited into the fund balance for 2008. He said this program will offset itself, but right now they would like to borrow money from the fund balance to take care of the expenses of the increased number of vehicles towed.

Mr. Carroll said they have already met with DPW and IMPD, and they are in the process of submitting a request for proposals (RFP). This will take place in the next few months. He said they will be coming before the committee and the Council to ask for some ordinance changes. He said they are concerned about enhancing the revenues through the RFP. Mr. Carroll said there is a \$65 towing fee and a storage fee paid by DPW when vehicles are transported to the abandoned vehicle program from the wrecker lot. He said when DPW picks up an abandoned vehicle, they can only charge \$25. They are not allowed to charge the full \$65 that DPW pays out of the fund balance. He said there are some inequities that currently exist. Chair Hunter asked if DPW is picking up

abandoned vehicles from the wrecker lot after a certain number of days. John Williams said after about 10 or 11 days, the franchise wrecker tows the abandoned vehicle to the abandoned vehicle lot. Chair Hunter said a lot of counties do not allow this happen. He said a lot of the franchise wrecker lots have to complete state mandated paperwork. Chair Hunter asked if it is to the benefit of the city to continue to run the program this way. John Williams answered in the affirmative. He said that it is to the benefit of the city, because if they did not do it this way, the franchise wrecker would have the right to those revenues. He said DPW runs the program very efficiently, and their main concern is making sure that the neighborhoods are in compliance. Mr. Williams said DPW does receive a good amount of the revenues after the final disposal of the vehicle.

Councillor McHenry asked what the average cost is for each vehicle. John Williams said it depends on where the vehicle comes from. He said he can provide the exact amount, but on average, upon disposal, it is approximately \$300.

Councillor Cain asked how many cars go through this program annually. John Williams said approximately 6,000 to 8,000 cars.

Councillor Speedy moved, seconded by Councillor Cain, to send Proposal No. 497, 2008 to the full Council with a "Do Pass" recommendation. The vote motion carried by a vote of 6-0.

PROPOSAL NO. 498, 2008 - approves a transfer of \$1,118,575 in the 2008 Budget of the Department of Public Works (Solid Waste Collection Fund) to fund chargeback payments for vehicle fuel and maintenance

Michael Williams said these funds are in Character 04. It was originally reserved for vehicle leases which they did not move forward. He said they had a similar fiscal ordinance earlier this year where funds were taken out to pay for pothole repairs. He said this money is in the Solid Waste Collection Fund. He said they are moving these funds from Character 04 to Character 05 to offset the increase in costs they have had for vehicle maintenance and fuel during the year. Councillor Speedy asked if this is the last time DPW will have to come before the committee this year for funds. Mr. Williams answered in the affirmative. Councillor Speedy asked Mr. Williams if he feels confident that the 2009 budget will accommodate the expenses for next year. Mr. Williams said it is hard to project. Mr. Stinson said DPW secured fuel at \$3.38 a gallon for 2009. Mr. Williams said costs have been so volatile, it is hard to keep track.

Councillor Speedy moved, seconded by Councillor Cain to send Proposal No. 498, 2008 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

There being no further business, and upon motion duly made, the meeting was adjourned at 5:59 p.m.

Respectfully Submitted,

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Benjamin Hunter, Chairman

BH/cj