

Bob Mollette

3rd Ward Councilman

1705 Franklin Blvd.
Portsmouth, Ohio 45662

Phone: 740-353-0099
email: mollette@mollette.info
website: www.mollette.info

Correspondence#: 09-015

June 29, 2009

Jim Kalb, Mayor
728 Second Street
Portsmouth, Ohio 45662

Re: Street Resurfacing, Funding, and Informed Decision Making

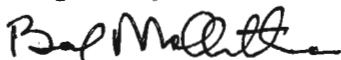
At the June 22, 2009 Regular City Council meeting a majority of Council members supported a second reading to an ordinance that would create City debt with the issuance of \$800,000 in bonds. This funding, together with the \$200,000 already appropriated in the 2009 Capital Improvement Program (CIP), would provide \$1,000,000 to resurface portions of the street listed in your memo dated June 19, 2009. Again, I was unable to support the issuance of City debt on the taxpayers (property owners) without a comprehensive plan. A lack of information prevents informed decision making.

Citizens have stated the City is currently collecting funds for street construction, maintenance, and repair through gasoline taxes and auto registration fees. A review of the City of Portsmouth 2009 Operating Budget Street Construction Maintenance & Repair (SCMR) Fund 231 indicates \$927,000 is expected to be collected; \$680,000 from the gasoline tax, \$150,000 from auto registration fees, \$95,000 from auto registration permanent fees, and \$2,000 from earned interest. The January 1, 2009 carryover balance was \$57,000, which gives the grand total of \$984,000 for SCMR Fund 231. The budget indicates a total expenditure of \$943,162, which includes \$557,814 for Personal Services and \$385,348 from others. The Personal Services amount of \$557,814 includes charges from other funds (charge offs) in the total amount of \$286,674. The partial list of charge offs include Executive \$27,305, Public Administration \$38,563, Finance \$19,282, Traffic \$129,780, Garage \$31,739, and Grounds \$16,083. The number of City employees indicated is ten (10) full-time and one (1) probationary laborer (July through December). Please elaborate on the services provided, the revenue source, and the expenditures including the charge-offs.

Citizens are researching potential cost reduction ideas from other cities for our application. A citizen submitted a May 26, 2009 article from "The Vindicator" newspaper in Youngstown, Ohio with an article titled "City gets cheaper deal on summer repaving." The City hired Shelly Co. of Twinsburg for \$1,155,962 to repave portions of 57 streets which was about \$400,000 less than in past years. The 57 streets are equivalent to 25 lane miles (12 feet wide). It was reported the price of petroleum, a key component in asphalt, dropped from \$131 a cubic yard last year to \$121. Also, the City made changes to their contract to repave the streets by permitting the contractor to use a ground-up, recycled pavement mix for ten percent (10%) of the asphalt used and gave up its right to retain all salvaged ground-up asphalt because they seldom used it. Please evaluate these items for cost saving applications.

If you should have any questions contact me.

Respectfully,



Bob Mollette, 3rd Ward Advocate and Representative on City Council

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Honorable Council Members
Michael Jones, Solicitor
Trent Williams, Auditor
Jo Ann Aeh, Clerk (Record)