

FINANCE COMMITTEE MEETING
MARCH 11, 2009

Finance Committee Chair Mr. Knuchel opened the Finance Committee Meeting at 6:07 p.m. In attendance from the Committee were Mr. Knuchel, Mr. D'Ambrosio and Mr. Lajeunesse. Also in attendance from Council were Ms. Vaughn, Mr. Morley, and Council President Mr. Elshaw. Mr. Zontini was late in arriving.

In attendance from the Administration were Mayor Andrzejewski, Finance Director Condon, Law Director Klammer, City Engineer Gwydir and Fire Chief Whittington.

Also in attendance were members of the public in the audience.

BID RECOMMENDATIONS:

HD SUPPLY WATERWORKS: SDR PVC PIPE: SOUTH RIVERVIEW PROJECT:

\$15,772.40

Mr. Gwydir: The unit price that was bid from one company for the project for this is \$13.14 per linear foot, another quoted \$15.50 per linear foot – therefore, it is my opinion that the bid price is competitive. I would note that the survey work along North and South Riverview is not complete and may have an effect on the size of pipe needed. It is my opinion that the bid should not be awarded right away subsequent to the survey.

Mr. Knuchel: I had a conversation with Mr. Semik this afternoon who is ill and will not be attending this evening's meeting – his line of thought was the same as Mr. Gwydir's and I would ask that this matter be held in Committee pending receipt of that information.

Also, Mayor Andrzejewski, could you provide an update on the progress in obtaining the easement agreements?

Mayor Andrzejewski: I have asked Mr. Semik the last three weeks to follow up with that – I was hoping he would be here tonight.

Mr. Knuchel: Does Mr. Klammer have to be involved in that also?

Mayor Andrzejewski: I have no idea. I do not think it will be under \$12,500.

Mr. Knuchel: No, not the pipe.

Mayor Andrzejewski: Until I see the document I would not know.

Mr. Knuchel: I would appreciate if that could be moved forward as quickly as possible.

Mayor Andrzejewski: I am waiting for the actual document.

Mr. Knuchel: When you are in receipt of that information could you forward it to Council? My concern is that we have all our ducks in a row before we award any contracts.

Mr. Lajeunesse: I agree with Mr. Knuchel – shouldn't the Law Director be involved in that process?

Mr. Knuchel: This is the Administration's matter – let them deal with it the way they want to – this matter will be held in Committee for further information.

PRIMARY LANDSCAPER: DMS LANDSCAPING

BACKUP LANDSCAPER: HOWELL LAWN MAINTENANCE

Mr. Knuchel: Mr. Condon or Mr. Mayor – would you like to take this as Mr. Stigalt is not here?

Mr. Condon: DMS was the backup landscaper in 2008 and ended up being the primary by mid year – the feedback was that they did a good job.

Mayor Andrzejewski: And, the other one too.

Mr. Knuchel: The only question I had on this issue – I looked at DMS Landscaping's bid – as everybody can see things have been crossed out – that bothers me.

Mayor Andrzejewski: Maybe you should hold this until Mr. Stigalt is here.

Mr. Knuchel: All the Directors were invited – the only one I heard back from was Mr. Semik who said he would not be here. Mr. Condon, did you open the bids?

Mr. Condon: I did.

Mayor Andrzejewski: Was the bid like this or changed afterwards? Do you have the original bids?

Mr. Condon: We will take a look at this and clarify it.

Mr. Knuchel: We have two choices here – since we are coming up on the season I suggest we move this matter forward to Council-as-a-Whole pending receipt of this information.

Mr. Condon: I will ask Mr. Stigalt tomorrow.

Mayor Andrzejewski: We will send you a memo.

Mr. Knuchel: I just want to be careful – when I see something like that I want to be sure.

Mr. Morley: It looks like Howell is cheaper – unless I am missing something. They are picking DMS as the lowest and best bidder – but, they are not.

Mayor Andrzejewski: You are talking about the grass and leaf pickup. We hauled away a lot of stuff last year – I suspect Mr. Stigalt looked at the bid for grass and leaf pickup.

Mr. Morley: How many cubic yards are in a ton?

Mr. Knuchel: There are two issues – but, without Mr. Stigalt here we don't know exactly what the reasoning was. It may not have been the lowest and best bidder – but it was the best bidder. Mr. Condon – you will send a memo asking for clarification?

Mr. Condon: Yes.

Upon review, the Committee agreed to move these matters forward to the next Council-as-a-Whole Committee meeting.

There were no further questions or comments.

2009 BUDGET REVIEW

Mr. Knuchel: We will be reviewing the actual budget dated February 10, 2009.

Mr. Condon: How about the 5-year forecast dated February 27th?

Mr. Knuchel: We will run through the Revenues and Expenses and then the 5-Year forecast and see how that relates.

Mr. Elshaw: I would be okay with that. Mr. Condon, maybe you would remember what changes you made from the budget to the forecast – it is my understanding you had changed some of the numbers – you revised some of the stuff that was in the budget – so, we will have to go through that. I did not go through it – I have it in front of me – it will impact the budget. It is Mr. Knuchel's meeting but I would go through the budget and keep the forecast available.

Mr. Knuchel: I know at sometime this will become a heated discussion. Please use the utmost decorum and ask the Chair for recognition before you talk. This budget does represent our 2009 proposed budget – one thing it shows is we have deficit spending this year - \$500,000 give or take – is that correct Mr. Mayor?

Mayor Andrzejewski: Yes.

Mr. Knuchel: That is the way it is now – just know that other cities have been looking at their budgets and making cuts – we have been there – we have been down that road before – we do have to have a budget that is appropriate for our Departments and will take care of the needs of the residents of the City.

Mayor Andrzejewski: When we talked about this we said there would be a \$500,000 deficit – part of what will make up that deficit are our expenses normally come in lower than our revenues – the other part we will have to take out of the General Fund surplus. If you look at the other

cities around us all of them are saying this year they will have to dip into their surplus. One of the main considerations we did in this budget was not to lay off anybody.

Mr. Knuchel: That is a given – we do not want to lay off anyone – we do not want to be in that position. In looking at other cities budgets their carryover is much, much larger than ours – so they have a little bit more of a buffer than we do. You have to take that into consideration also. We will go over the General Fund Revenues. Does anyone have any questions on “Taxes.”

Mr. Elshaw: As an additional comment – I do understand the carry over but if you do look at the forecast – which did not include 2013 – if you just take the numbers you put in for 2012 with no changes the surplus will be gone. You have to keep that into consideration too. That is why we have now requested to have the five year forecast when looking at these budgets so we are not just looking at one year in a vacuum – you cannot do that – you have to see where you will be. I know it is hard to predict where you will be in five years – let alone three – but, you need something to look at.

TAXES

#4110 “Income Tax-City”

Last year it came in at \$6.7 million – this year we are predicting an increase of \$6.8 million – as the budget stands right now. Mr. Condrón, please explain.

Mr. Condrón: The first couple of months are up – people may be cutting back a little bit but there is also an issue of increases for those who have not been downsized or lost their jobs. If you took the \$6.7 million and multiplied it by a 1.5% increase you end up with that amount.

Mr. Elshaw: Do we really think we will have an increase in income taxes? That is the question. I am not comfortable with it. I am not asking for you to go below that – I did tell both you and the Mayor this the other night.

Mayor Andrzejewski: Our answer is yes – most people who are working will assume to get a small increase – some won’t – we are not putting in a 3% increase – I think the full impact of Bryant & Stratton will be this year – that is 100+ employees – yes, we are comfortable with it.

Mr. Elshaw: Normally in a situation like this you would probably flatten the income tax line – in my opinion.

Mr. Knuchel: So, do we want to make that adjustment? And if we did what would be an appropriate adjustment?

Mr. Elshaw: If you flatten it out it would be \$75,000 less.

Mr. Knuchel: Mr. Condrón, how do you feel about that?

Mr. Condrón: How about \$6,750,000?

Mr. Knuchel: So, that will be \$6,750,000.

Ms. Vaughn: I was going through the 2009 Projected Revenues and it matches the revenue of the 5-year forecast – there are no changes line by line.

Mr. Elshaw: The next question is the income tax from #4101 “Income Tax Skrl Collections” – last year we collected \$75,000 – we had in the interim \$112,000 – we kept that- but, we are expecting more from them.

Mayor Andrzejewski: You are missing the fact that they owe us for October, November, December, 2008 which they have committed to pay by the end of April. That is \$45,000.

Mr. Condron: We received a check for \$22,500.

Mr. Elshaw: So, you are at \$67,000.

Mayor Andrzejewski: With the past due money and what they have agreed to pay you will see our number is way below what we expect to get from them.

Mr. Knuchel: Are you comfortable those numbers will hold up – just seeing the economy the way it is – my impression was they were tied to the automotive business. Is that correct?

Mayor Andrzejewski: Yes, okay? They just don’t pay it until we put the foot down.

Mr. Elshaw: If they follow the same pattern and we expect the \$45,000 and the \$22,000 we are at \$67,000 – so, we are still below.

Mayor Andrzejewski: 15 x 12 is 180 – plus \$45,000 – they should pay us this year \$225,000 – we put in half.

Mr. Knuchel: I think Mr. Elshaw’s point is that we only received \$75,000 last year.

Mr. Elshaw: What did we receive in 2007?

Mr. Condron: \$60,000 – this time we have a signed agreement with them.

Mr. Elshaw: Mr. Condron, are you comfortable with the \$112,000?

Mr. Condron: Yes, I am.

There were no further questions.

INTERGOVERNMENTAL RECEIPTS

There were no questions.

LICENSE, PERMITS & FEES

Mr. Knuchel: #4543 “Towing Fees.

Mr. Condon: We followed up on that and found out why it did not come in. The Police Department did not bill them for the last five months of the year – we called their attention to that when we saw the discrepancy – we are five months in arrears. You should see the check in your February statement. They are caught up.

There were no further questions.

CHARGES FOR SERVICE

Mr. Knuchel: #4428 “Northshore Preps Rental” – are they still behind?

Mr. Condon: We have been working with them to get them caught up – they got \$11,297 last year.

Mr. Knuchel: We got \$11,297 last year and we are projecting \$13,351?

Mr. Condon: We will follow up on that one.

Mr. Morley: #4410 “Pool Passes” and #4420 “Pool Fees” - \$30,000 – what are you basing it on – projected sales and if you have a cost of what you are going to charge the residents for a pool pass.

Mr. Condon: We looked at past history and some of our neighbors – the City had an early bird special the last time the pool opened in 2005 – it was \$75 per family until May 31st and then it went up to \$85. The Seniors were \$80 and there was an extra \$25 charge for non-residents. We suggest \$85 with no early bird special and \$40 for the single rate and a \$25 surcharge for non-residents – we would keep the day passes at \$5. Willoughby was \$101 and \$110 – Willowick was even higher.

Mayor Andrzejewski: The reasoning is – unfortunately we do not have the slides and the rest of the things Willoughby or Willowick has so we cannot charge what they charge.

Mr. Morley: We have no revenue for concessions – are we going to not sell concessions?

Mayor Andrzejewski: When we did it last time it was a loser.

Mr. Condon: There is always a concern about...

Mayor Andrzejewski: No, no - let me handle this one – we tried it last time – the profit we made did not pay for the person we had to run it. It is not worth it.

Mr. Knuchel: There is another option we may look at in future years – I know that some caterers do that as a side business – we may want to look into leasing out that area.

Mayor Andrzejewski: There was not a lot of volume.

Mr. Knuchel: I realize that and this year is our first year back – that is why I suggested we wait until next year to look at it.

Mr. Morley: I would at least try to put in pop machines.

Mayor Andrzejewski: We will get vending machines.

Mr. Lajeunesse: I am not good with the \$21,000 and \$9,000 – how many pool passes does \$21,000 add up to?

Mr. Condrón: A couple hundred maybe. 180 to 190. I am going to pick it apart.

Mayor Andrzejewski: Why don't you tell us what number you want and we will put it in there?

Mr. Lajeunesse: I don't like the number. I don't think pool passes should be in here as a projected revenue.

Mr. Knuchel: I do not have a problem doing projections – because those are exactly what they are – projections. These are revenues – these are what come in – will they be used to offset costs? Yes. I think it is unrealistic for him to be able to give an exact number. He is basing his numbers on the last year we had the pool available. They are the only numbers available to work off of.

Mr. Lajeunesse: We are talking about an established price of \$85 – is that out of the blue?

Mr. Knuchel: I think Mr. Condrón just explained it to Mr. Lajeunesse.

Mr. Lajeunesse: I am just letting you know that I disagree with these two.

Mr. Knuchel: I guess the question is what would you want?

Mr. Lajeunesse: I don't want either one included – projection or not. I want -0- in there.

Mr. Knuchel: I am not comfortable with that.

Mr. Zontini: Is that for the entire year, Mr. Condrón?

Mr. Condrón: Yes.

Mr. Zontini: So, we are anticipating the pool will be open in time for the season?

Mayor Andrzejewski: Yes.

Mr. D'Ambrosio: To answer Mr. Lajeunesse question – when Mr. Condrón said \$85 per pool pass – that would come to about 247 passes at \$85,000.

Mr. Condrón: We can sell singles too.

Mr. Knuchel: Mayor, if we are going to charge more we must do something with the ordinance to change the price – please anticipate something going over to the Ordinance Committee.

Mr. Lajeunesse: Just to make sure it is clarified – I agreed that we disagreed on this – it is my opinion that projection or no – I don't think these numbers are good and that the pool passes and pool fees should be included.

Mayor Andrzejewski: This makes no sense. You are going to sell family pool passes. You are going to sell individual day passes. To say you are going to put -0- in there makes absolutely no sense.

There were no further questions.

INVESTMENT EARNINGS

Mr. Condrón: It used to be higher – Ohio still as an interest rate for CD's at .6% & .7% - we have other CD's for which there is no Fed rate and we don't have much chance of earning that much money. Right now you don't know what will happen.

Mr. Knuchel: What are they invested in now?

Mr. Condrón: Ohio has a Treasurer's Pool Savings Plan. We have some CD's with Charter One and they are still getting between 1% and 2%.

Mr. Knuchel: What is the maturity?

Mr. Condrón: 9-12 months.

There were no further questions.

FINES & FORFEITURES

There were no questions.

ALL OTHER REVENUE

Mr. Knuchel: #4790 "W/C Refunds" Why is it -0- for this year and \$5,000 for next year?

Mr. Condrón: We did this for going to the monthly meeting of the Lake County Safety Council – we actually about \$6,200 – we reduced the revenue.

Mr. Knuchel: Are you comfortable with the \$5,000?

Mr. Condrón: Yes, because our rate went down a little.

Mr. Knuchel: One thing you did leave out - #4768 "Civil Service Test Fees" – in 2008 it was \$145. Do you have a projection for that for this year?

Mr. Condrón: We will probably put about \$2,500.

Mayor Andrzejewski: How many showed up for the last tests?

Chief Whittington: About 97.

Mr. Knuchel: Please check into that.

Mr. Morley: For the Police Department too.

Mr. Elshaw: The only adjustment we talked about earlier was the \$75,000 decrease in the income tax that we agreed upon. Even if you agree to disagree will you go along with that?

Mayor Andrzejewski: I think we will stand by our numbers – we will watch and see what happens.

Mr. Elshaw: But, at this point when compared to our interim budget our revenues have decreased at least \$300,000 and if you add the \$75,000. But, on the expenditure side we are increasing by \$100,000 from our previous budget. In the interim we did understand that right now that is \$1.5 million in deficit spending. You did point out that \$910,000 – but we are still deficit spending by \$500,000.

Mr. Lajeunesse: If we are deficit spending how will we make that up?

Mr. Elshaw: As the Mayor has stated it will eat into our surplus – we did understand that at the interim – I agree with Mr. Knuchel's statement – I don't think at this point we should start cutting services or do anything drastic – and I think that is where the Administration has gone with this. I agree that we should not be cutting at this point until we see where we are with the economy. If it gets worse next year then you may have to make some difficult decisions.

Mr. Lajeunesse: Mr. Condrón, as the Finance Director for our City what is your anticipation on taking corrective action?

Mr. Condrón: We just keep on doing what we are doing until the mid-year review – hopefully we will be better next year – we do have some relief with the debt payments for the stadium – we will have to wait to see if we get any breaks in the economy. This is assuming the State of Ohio will not do anything with the revenue and the State income tax stays low. It is a worst case scenario but hopefully it won't be as bad as \$500,000. Usually the last few years we have had a record of beating our projections. I think Mr. Elshaw is correct that this could be the year we dip

into our carry over a little – but, as far as the long term I think 2010 will be better for us because we drop our stadium debt contribution from \$1.2 million to \$560,000.

Mr. Lajeunesse: So, it is wait and see.

Mr. Condon: I think from the Council President and the Mayor – we just want to see if we can get through this year –we knew we were going to have to have a lot of expenses in our Rec program and also the work at South Lakeshore and Quentin.

Mr. Knuchel: The Mayor and Mr. Condon have assured me they will track this month to month and take corrective actions when needed.

Mayor Andrzejewski: Historically, our projected expenses and our actual expenses are lower – what we are basing our confidence in is that the Departments can stay below their budgets and some of the things we are projecting in paper will turn out to be a less actuality – and some if it we may have to take from the surplus. Last year we ended up a little farther ahead then we thought – and we did not add anything at mid-year – so, we do have a little from last year. We will really look at April and May – this will tell us what is going on. I have been up front with the Department Heads at every meeting that every nickel counts and that our intention is to not lay off anyone. That is as honest as we can be.

Mr. Knuchel: I appreciate what you have done as far as keeping the budget in the parameters we have set for you. Also, I thank the Department Heads for doing an excellent job in keeping everything in check. Mayor, please realize that as we look at this we have to anticipate spending the amount of money you put into this budget – that is the other side of the coin.

There were no further questions.

EXPENSES

Mayor's Office

Ms. Vaughn: I have a question on the overtime?

Mr. Condon: That should be longevity.

Ms. Vaughn: What is the \$1,800?

Mr. Condon: That should be the “Insurance Opt-Out.”

Ms. Vaughn: And the \$2,500 should be the longevity.

Mr. Zontini: For the salaries – I assume that is for the Mayor and Mayor's secretary salaries?

Mr. Condon: Correct.

Mr. Zontini: The Mayor's position is currently being paid illegally – for two reasons – since the title Mayor/Safety Director should be split. It is in violation of the Charter as we have already discussed – the other reason is the ordinance that separates that is illegally done. Just in a nut shell – as we all know Elected Officials salaries cannot be increased or decreased during a term of office. This change from separate lines for Safety Director and Mayor to Mayor/Safety Director was done in 2004 – midterm – which makes that part of the ordinance illegal and unenforceable – so that change should not have been enacted and it should revert back to the prior ordinance which has it separate as Safety Director and Mayor's office. My personal opinion is that this is overvalued by \$27,000 – but, that is my opinion and I will discuss it in 155.

Mr. Knuchel: Mr. Klammer, do you want to render an opinion on the point Mr. Zontini brought up?

Mr. Klammer: I thought this was discussed a long time ago and addressed – this is the first I am hearing that this is an issue again. If we have to go through it again I guess we will deal with it in 155.

Mr. Zontini: Actually, it is two separate issues – first – whether or not it is a violation of the Charter as to whether or not he is Safety Director – When I made a proposal in late 2008-2009 to make the change from one item of the Mayor/Safety Director to two items of the Mayor and Safety Director Council said no because that is basically decreasing the Mayor's salary which we cannot do according to the Charter midterm. By logic taking it from one line item to two is decreasing – logically taking it from two to one is increasing. That was done in 2004 midterm. So, we can't have it both ways. If my proposal is against the Charter by decreasing it – then increasing it is also against the Charter – one or the other would have to fail.

Mr. Knuchel: The proper place for this discussion to take place is in the Ordinance Committee. We will look at this from a budget extent – as it has been for the last four years I have been here – we will discuss the other issues in the Ordinance Committee when we discuss 155.

Mr. Elshaw: When we do discuss it I prefer we will discuss anything new instead of reiterating the same. What is included in the increase on "Salaries Wages F/T?"

Mr. Condron: The Mayor would be at the \$82,400 and the Mayor's secretary makes her salary plus the 3% increase per the collective bargaining units.

Mr. Knuchel: You added the 3% to all line items?

Mr. Condron: We did the 3%, the 3% and the difference between – just like we did for the collective bargaining.

Mr. Knuchel: So, all the 155's will be treated the same?

Mr. Condron: Yes.

Ms. Vaughn: Did you include retroactivity for 155?

Mr. Condron: Yes.

Mr. Zontini: Mr. Condron, you gave the 3% actual for 2008?

Mr. Condron: That is what the Mayor's secretary would have made had it been higher?

Mr. Zontini: Is the 3% also in the Mayor's salary?

Mr. Condron: No - \$82,400.

Mr. Zontini: 3% of \$120 would make it \$123,000.

Mayor Andrzejewski: The Mayor's is flat.

Mr. Elshaw: So, you only increased the Mayor's secretary's salary?

Mr. Condron: Yes.

Mr. Zontini: Mr. Condron, I am still confused because the actual \$120,344 – that includes both salaries. If you add 3% to that you will get the \$123,800 or close to it.

Mr. Condron: You have to multiply the secretary's salary at \$18.24 by 3% - that is \$54 and multiply that by 2,080 – that comes to \$1,138 – if you add up the wages at \$1,138 you come to about \$123,789.68.

Mr. Zontini: So, it is just coincidence that it looks like it is 3% of the whole total?

Mr. Condron: Yes.

There were no further questions.

Economic Development

Mr. Knuchel: Mr. Mayor, you proposed \$45,000 – is that for a person for economic development?

Mayor Andrzejewski: No, we revised that and put in the contract services.

Mr. Elshaw: This is a new addition – were you going to circle back to these new items at the end?

Mr. Knuchel: I thought we would just review them as we go through.

Mr. Elshaw: My stance on this is although when we discussed the revenues that I would not be in favor of cutting anything because of our deficit spending – and we seem to be going the opposite way – we are increasing expenditures when our revenues are decreasing from our interim budget. I would not be in favor of additional items - especially new people. Mayor, you mentioned you revised this – how?

Mayor Andrzejewski: This is included because we were successful in getting the deed restriction off – in the event we decide to do something with that property we would hire a consultant – Silverlode would be one to consider. There are two things here – this would be for a specific project and looking at long term that is an area there – now that we have finally got control of – it is an area we can look at developing and make some additional revenue for the City which we know we all need. Secondly, if we do decide to do something with it – sell the property – that would also be additional revenue to the City. I cannot do it. That is why we put this in here. Would that happen this year? I would be hopeful we could do something with it – but, ideally we would wait for the best time to do it. I don't know if these funds will be used this year but we need to include it in case we decided to do something with the property.

Mr. Elshaw: Thank you for that answer. I do agree with the Mayor that it is difficult for him to handle this – and also I know Mrs. Keneven-Zanella is bogged down most of the time with taxes and she needs help. I would be hesitant to hire somebody that we may end up laying off. However, we kept in the interim budget \$15,000 for dredging – which we are giving to the Port Authority. In this case, I know we had projects such as S.R.91 and Vine Street – I would like to see some of these places developed appropriately with some professional help. The Economic Development Council did have Silverlode Consulting sit in one of the meetings – this was requested by the Mayor and brought forward by Law Director Klammer who had worked with these people in the past. I would be okay if you dropped it to \$15,000 – and I would be okay with a project by project basis – that is what was discussed. If you have a project in mind then you could get some professional help on it. If we end up doing no projects this year then we won't spend the money – that would be better than hiring someone who may be laid off.

Mayor Andrzejewski: It is wiser to account for the money if we need it then to throw it in there later and say – where are we going to get the money from?

Mr. Knuchel: So, are we at the \$45,000?

Mr. Morley: If you look at the February 27th document has the adjustments - it is \$20,000. My understanding is the estimated expense for 2009 is \$20,000 – Mr. Elshaw wanted to drop it to \$15,000.

Mr. D'Ambrosio: Mr. Elshaw, you mentioned the dredging – are you saying to take that \$15,000 out?

Mr. Elshaw: No, Mr. Lajeunesse had mentioned at a Council meeting that the Port Authority is still asking for that – dredging is important and we recognize that – that is why we put it back in. We will do the best we can with the economy the way it is.

Mr. Lajeunesse: I agree with Mr. Elshaw. I think we should go on an individual basis – if the Mayor does have a project that is fine. I think \$15,000.

Mr. Knuchel: We will go with \$15,000 – we don't know how much it will cost and this will give us a starting point.

Ms. Vaughn: I hate to throw cold water on – but, I think with the economy right now – unless there is a turnaround – you are whistling in the wind. Because, no one can even borrow money to build anything or do anything. You could be throwing good money after bad until it turns around. I am not saying not to do it – I just think the timing might be premature.

Mr. Knuchel: This is just in the budget – if we do not spend it we don't spend it. But, we need to have some leeway here.

Mr. Morley: If we left it at -0- and they came to us in the middle of the year we would have a problem. If the numbers is there and we do not spend it we are good. I would rather put a number there instead of a -0-.

Mr. Elshaw: That is a good point, Ms. Vaughn. There is a good possibility there may be no projects. In that case that is why I would be against hiring someone – it may be a waste at this point. And, then you may end up laying them off on top of that.

Council Office

There were no questions.

Clerk of Council

There were no questions.

Finance Department

Mr. Condon: We reorganized ourselves – we had someone leave and promoted from within – instead of filling an Account Clerk II we are filling an Account Clerk I.

Mayor Andrzejewski: Chances are that won't be filled until April 1st.

Mr. Condon: We have two more people other than 155 who have not settled their contracts. We did include the same process for them.

Mr. Knuchel: Mr. Condon, could you explain what you are doing with the high school kids?

Mr. Condon: We tried to work with the business program – the first part of the year is the busiest part – we did not hire anyone at that time because there would be no time to train anyone. We did need some help so we are using an intern for a while - and in the Building Department.

Mr. Knuchel: Both the Finance Department and the Building Department are very pleased with the two young ladies who are helping out.

There were no further questions.

City Income Tax

There were no questions.

Legal Administration

Ms. Vaughn: We have the Law Director and we have a Prosecutor – is the Prosecutor included? He does not make \$116,000.

Mr. Knuchel: That is for two people.

Mr. Elshaw: #5345 “Special Legal Services” – last year we spent \$85,000 – I want to refresh our memory about our discussion last year – Council wanted to increase this item to get the projections more in line with the past. I know the Administration took a stance of decreasing that – it looks like it came in closer to what we predicted. How do you feel about the \$55,000?

Mr. Condron: That includes the money we encumbered for the last couple of months or last year. Of the budget that you gave us – initially I don’t think we spent – in fact we even re-appropriated some of that money you gave us – the \$85,000 is total cumulative. We started at \$90,000 or \$110,000. We actually paid for the 911 system from some of the excess. Out of the money you gave us last year we went down to \$75,000 and spend \$39,195.

Mr. Elshaw: What is the \$85,000?

Mr. Condron: That is the actual expenses. What you gave us is new money on top of that – money that we carried over.

Mr. Elshaw: You are encumbering for the next year – and, you have been doing that consistently so you are still at \$85,000.

Mr. Condron: We carried over some this year too – so, \$55,000 should be good.

Mr. Elshaw: The number we have is \$85,000 that we spent on that line – whether it is encumbrances or not if you are going to continue to do that same methodology it has to be comparable. I guess the end question is – are you good with the \$55,000?

Mr. Condron: Yes.

Mr. Lajeunesse: Are we still paying for Atty. Esposito? Is he still billing us?

Mr. Condron: When he provides services, yes.

Mr. Lajeunesse: So, is he done in the City?

Mayor Andrzejewski: Mr. Condron said there are still two more contracts that have to be finished.

Mr. Lajeunesse: I think Mr. Elshaw's original idea...

Mr. Elshaw: I was not going to suggest – I was just making a point. I just wanted to know if they were comfortable with the \$55,000. That is what we have and we will make the same statement that we do not want to come back at the mid-year point and say we need more in there. What did you charge to this account – the 911 system?

Mr. Condron: No, we transferred money into the dispatchers during a Special Council meeting on Monday night – we transferred \$80,000 internally – that is one of the accounts we took some money from.

Mr. Elshaw: The number is still \$85,000?

Mr. Condron: Yes.

Mr. Elshaw: Then, I am not sure I understand the point. We are saying we had \$85,000 for special legal services last year. Never mind – if we are good with the \$55,000 that is fine.

Mr. Lajeunesse: I think it will be higher but if you are good with \$55,000 that is fine. That is why I asked if Atty. Esposito still had business with the City – anything can happen – is he not involved in the part-time firefighters discussion?

Mayor Andrzejewski: The dispatchers are in the final stage – it looks like we will go to conciliation with them. The other one will be settled. We are at the very end of the contract negotiation. We will spend nowhere near \$55,000 for Atty. Esposito this year.

Mr. Lajeunesse: I will agree to disagree – but, that is my opinion.

Mr. D'Ambrosio: I would like to go back – “Clerk of Council” #5381 “Printing” – it went up from \$33 to \$2,000 and also in “City Income Tax” #5381 “Printing” went from \$7,000 to \$11,000. Is that for the copiers?

Mr. Condron: That is what we use when we budget – if you don't spend it you don't spend it.

There were no further questions.

Municipal Court

Mr. Knuchel: Last year we had \$101,522 – this year we have \$97,000 – why are we anticipating a decrease in Court costs?

Mr. Condron: Because we always pay the first top bill in January – it came in at about \$38,000. I went to the annual meeting – I don't think we will spend \$60,000 in the second half of the year.

It will be a stable year – it may go up a little bit from the \$38,000 but some of those terminations they had in their system finally worked their way out. We pay twice a year – in January and July or August.

Mr. Knuchel: You are basing it on the meeting you attended?

Mr. Condon: And that first bill we already paid.

Mr. Knuchel: So, you are confident with the \$97,000?

Mr. Condon: Yes.

There were no further questions.

City Hall

Mr. Elshaw: #5100 “Salaries Wages F/T.” This was grandfathered under the AFSME contract – he moved to the working rate in the month of January, 2008 – it was previously a one year wage scale and was entry level.

Ms. Vaughn: What is #5101 “Salaries Final/Cash-in?”

Mr. Condon: That is for the custodian who retired.

There were no further questions.

Post Office Building

There were no questions.

Civil Service Commission

There were no questions.

Election Expenses

Ms. Vaughn: Is that enough for our election this year – we may have a primary?

Mr. Condon: We are billed in arrears. We will pay it next year. We pay in the even number years. The odd numbered years are good for us.

There were no further questions

Misc. Government Expense

Mr. Knuchel: I think we are going to want to take out #5381 “Printing – News Letter” \$6,000. Considering our position and where we are at and where we are going – I do not see the necessity in doing a news letter this year.

Mr. Lajeunesse: I agree with the Finance Chairman.

Mr. D'Ambrosio: #5407 "Other Contracts." In the 5-year forecast we have \$38,000 and in the budget there is \$21,000. What is the difference of \$17,000?

Mr. Condrón: I know last year we had some one-timers we were not anticipating – it went to \$38,000 to pay for the deed restrictions – we have to pay \$30,000.

Mr. Knuchel: That is other contracts for this year? If you are going to change it you have to let us know.

Mr. Elshaw: I have not been following what the differences were between this.

Mr. D'Ambrosio: In #240.5407 the forecast says \$38,000 but the budget is \$21,000. I was curious which number we were going to go with.

Mr. Condrón: \$38,000.

Mr. Morley: This happens every time we do this. We have to pick which one we are going to do. That is the only way we will keep track when Mr. Condrón gives us the final budget to vote on.

Mr. Knuchel: I agree. We are working on the budget.

Mr. Elshaw: I agree that we will be voting on the budget and not the forecast but I think Mr. Condrón's intent – as we discussed earlier – was that – you prepared the budget and then when we asked for the forecast he went and did the forecast and changed some numbers. Overall, I think I saw some decreases.

Mr. Condrón: Yes.

Mr. Elshaw: But, I did not individually track those – has somebody marked those. Have any of the funds above #240 been changed that we did not put in here?

Mr. Knuchel: There is \$15,000 on economic development.

Mr. D'Ambrosio: Under #220.5471 "Testing Supplies" – I did not catch this one before but the budget is \$3,800 and the forecast is \$950.

Mr. Elshaw: So, that one should be decreased. Were there any others we missed Mr. Condrón that you are aware of?

Mr. Condrón: Not that I am aware of.

Mr. Knuchel: And, we took the \$6,000 out for the news letter.

Mr. Condrón: I could read the forecast and discuss any differences we have.

Mr. Knuchel: Let's just go over the budget – if you have anything that has to be changed we can discuss it.

Ms. Vaughn: #240.5734 “Transfer to Emp Term Fund” – we have \$50,000 in the budget and it is not shown in the forecast.

Mr. Elshaw: The reason we set up that fund was to try to anticipate retirements so we are not hit as hard. You want to reduce that down to -0-?

Mr. Condrón: We don't have any...

Mayor Andrzejewski: If the year goes okay we can always do it later in the year.

Mr. Elshaw: That is a good point.

Mr. Knuchel: So, it will be -0-.

Mayor Andrzejewski: We are also going to start planning for later in the year – putting away money for the new radios that will be needed with the new telecommunication system – depending on how things go.

Mr. Knuchel: As I understand Mr. Mayor – through the Mayors and Managers Association we may go out for grant money or do this on Lake County wide.

Mayor Andrzejewski: It would not include the radios but would still include the backbone and all the stuff that goes with the County equipment. There has been some talk about trying to get money for the radios but I would not assume that.

Mr. Lajeunesse: How much would that be?

Chief Whittington: Our portion would be about \$600,000.

Mayor Andrzejewski: And add another \$600,000 for the Police Department.

Chief Whittington: We have ours set aside.

Mayor Andrzejewski: We would need radios for the Service Department because they are included - \$700,000?

Chief Whittington: They are laying the backbone but we won't be required to change the radios until 2012.

There were no further questions.

General Government Benefit Expense

There were no questions.

Police Law Enforcement

Ms. Vaughn: *comment could not be understood*

Mr. Condrón: We had someone who was on administrative leave. The \$2,119,000 is based on the current payroll. It looks like it is the same number but with that person pulled out and the raises for 2009 implemented it comes out to a wash. We average about \$81,100 per pay. We also added in our shift differential – the difference between what we pay – there is enough in there for the shift differential. I would say \$2,119,851.

Mr. Knuchel: Is that \$500 also included in there?

Mr. Condrón: That was a one-time payment last year.

Mr. Lajeunesse: We have yet to review 155 so we have not included any raises for 155 in these numbers.

Mr. Condrón: Yes.

Mr. Lajeunesse: At what percent?

Mr. Condrón: 3%.

Mr. Lajeunesse: So, if anyone gets anything more?

Mr. Condrón: We did not budget for that.

Mr. Lajeunesse: So, how will the Administration handle if there is more than 3%?

Mr. Condrón: Council has to increase something – we kept the internal parity and 3%.

Mr. Knuchel: So, do we anticipate in giving extra money out of 155?

Mr. Lajeunesse: No, I was just asking for clarification – we have not discussed 155 yet.

Ms. Vaughn: #310.5424 “Fuel Oil Lubricants” – 2008 expenses were \$76,348 and estimated 2009 is \$83,983 – the forecast says \$76,348.

Mr. Knuchel: Are you going with the \$76,000?

Mr. Condrón: Yes.

Mr. Elshaw: #5100 “Salaries Wages F/T” – that line item includes the present levels with an increase of 3%?

Mr. Condon: Yes.

Mr. Elshaw: #5407 “Other Contracts” – last year it came in around \$40,000 – we are bumping it up to \$48,000?

Mr. Condon: I will have to get with the Chief on that one.

Mr. Elshaw: So, you did discuss these numbers?

Mr. Condon: Yes.

There were no further questions.

Police Communications

Mr. Condon: There is an increase in #5100 for adding a full time dispatcher.

Mr. Elshaw: How much was that?

Mr. Condon: For the dispatcher it is 17 pays at \$23,000.

Mr. D’Ambrosio: #311.5112 “Comptime Wages” – the forecast is at \$10,000 – the budget is \$15,000.

Mr. Condon: We hired someone which helps with the overtime.

Mr. Elshaw: In my opinion – I think we do need a dispatcher – I will not disagree with that but is there any way we can wait a year to see what happens with the economy? I would not want to put it in there and lay off the person. That is just not right – do you agree?

Mr. Condon: Yes.

Mr. Elshaw: Maybe we could re-evaluate this next year.

Mr. Condon: I can give you the figures if you want to make that revision?

Mr. Knuchel: Yes.

Mr. Condon: Salaries would be \$149,685 and comptime wages would be \$16,000.

Mr. Morley: That is the difference between hiring a full time dispatcher - \$20,000.

Mr. Condron: That is because they start out at entry level – and, they have step increases and we would not have to budget it for a full year – with the process we are talking about May. That step goes from about \$12 to \$17.

Mr. Morley: Last year I was in favor of having another dispatcher – I am still in favor of it. I understand what Mr. Elshaw is saying but I don't think the Chief wanted one just to have an extra – I think it would be good for us.

Mr. D'Ambrosio: I was hoping to keep the dispatcher in. But, I understand what Mr. Elshaw is saying. I have been in the dispatch rooms quite a few times and I see what they do – sometimes there is only one person in there.

Mr. Morley: I am good with having the dispatcher.

Mr. Elshaw: I do not disagree that a dispatcher would be nice but I can think of other positions where I think we are short – I guess I don't feel it is fair to not include other positions in this budget. But, if you are going to put that in there you should put in the other ones – why pick that one over the others. Again, with the economy the way it is I think maybe one year – it is just my opinion.

Mr. D'Ambrosio: I am not trying to debate – I remember doing this last year and the last conversation was a Building Department employee or a dispatcher and we ended up going with a full time Building Department employee. I thought if we just followed the same format this year we would be able to go with the dispatcher. That is my reasoning behind it.

Mr. Morley: Also, we vetoed the economic developer – so, that opened up some money. Every Department needs personnel – I think this is one we have talked about for a few years since I have been on Council – that is why I am adamant about it. If no one else wants it besides me and Mr. D'Ambrosio then we lose 5-2. I don't mean lose but I don't hear anyone else speaking in favor of it.

Mayor Andrzejewski: We have also talked about an economic developer for the last couple of years. Last year we indicated we would review the budget after six months and after six months we were ahead of schedule and we did not hire an economic development person.

Ms. Vaughn: I know what the situation has been and with the volume increasing – particularly with the Fire Department – we should have one dispatcher just for fire.

Mr. Elshaw: We did talk about reviewing it last year and I would say it is probably a good thing that we didn't because we are in a much worse situation then we were last year – in my opinion. It is also the opinion of many news papers out there, the federal government. My stance is – I am not for a lot of these additions at this point in time because of the economy. I am not disagreeing with the need or the want to hire – I think there are other wants I would like to see. I discussed this with the Mayor and our Fire Chief – I would like to see another fireman. There are different

areas I would like to see too – I understand the need for a dispatcher too – we could also use a mechanic. There are different areas that in my opinion we would wait on.

Mr. Knuchel: Maybe what we need to do on this particular item is to hang onto it until we are done with the whole review and then come back to us – there are other things we need to look at in the budget and we can come back to this at the end.

Ms. Vaughn: #5114 “Overtime” – we have \$3,500 and in here there is \$5,500 – that is a \$2,000 difference.

Mr. Condrón: I would like to go with the \$3,500 – the AFSME contract has changed a little bit – some of that overtime was a trade off for the \$.15 in wages for them.

Mr. Klammer was excused from the meeting at this time.

There were no further questions.

Police Administration

There were no questions.

Police Station

Mr. Condrón: #5100 “Salaries/Wages F/T” – it is at \$27,800 – we did some internal changes – we had a person leave in the Service Department – a new person was hired. I am good with this.

Mr. Knuchel: #5374 “Repair/Building” is that for the generator?

Mr. Condrón: Yes.

Mr. Elshaw: How much is the generator?

Mr. Condrón: \$45,000 – we thought there may be some FEMA funding – I just checked with the Lake County Director of FEMA and he said the Commissioners to him to put everything towards the radios. So, we indicated to Mr. Semik that they may fund that.

There were no further questions.

Police Substation

There were no questions.

Police Communication Equipment

There were no questions.

Community Education

There were no questions.

Firefighters

Mr. Knuchel: I know a lot of questions will be on #320.5107 “Part-time Firefighters” – in my opinion right now we are in discussion stages of this particular item – I would like to pull that item out of the budget for the time being and hold onto it until we come to a conclusion as to what we will do with the part time firefighters. At this point we have no numbers, no idea of what this will cost. So, I would like to address this issue at the time a final presentation is brought to us by the Mayor. Also, realizing if we do take out the \$60,000 temporarily we may run into overtime problems. Maybe we need to adjust comptime and overtime.

Mayor Andrzejewski: I disagree strongly. This was an item fairly negotiated in the firefighters agreement – it is a reality. The Committee is there to implement the part-time firefighters. Part time firefighters will happen in this City. You have to put some money in there.

Mr. Knuchel: Mr. Mayor, it is my opinion that until we come up with a plan...

Mayor Andrzejewski: So, you are saying you would put this in later?

Mr. Knuchel: What I am saying is this will be discussed at the time you provide us with a plan.

Mr. Elshaw: I do not have a problem with that except for – you said increase. Chief, what do you think about the overtime and the comptime?

Chief Whittington: They are low. Compared to what we were last year. You went from \$101,000 which we spent in 2008 to \$30,000. You don’t think that is a big difference?

Mayor Andrzejewski: We are going to have part-time firefighters.

Mr. Elshaw: How much, Mr. Condrón, did we adjust the overtime and comptime wages in anticipation of the part-timers in the budget? You put \$60,000 in #5107 – how much did you adjust #5112 and #5114?

Mr. Condrón: The overtime is out of the ambulance trust fund.

Mr. Elshaw: How much did you adjust #5112 - \$50,000?

Mr. Condrón: *comments could not be understood* We did have some injuries involved. We should probably *comments could not be understood due to background noise*.

Mr. Elshaw: What is included with #5100 – is that current staffing levels with the increase for the Unions.

Mr. Condrón: It is current staffing levels. There is one item which is outstanding.

Mr. Lajeunesse: Mr. Knuchel, I agree with you about taking this out as far as the part-time firefighters. But, these are just projections so would this not be the same thing as having

revenues generated from the passes – to me those two should be taken out also. We have the Fire Department Chief here and we asked the Directors to attend. I think he should be able to explain his own budget to us from top to bottom and explain how this budget came about for his Department. I would like to hear his thoughts and ideas. It is his budget. As the Mayor stated he expects the Directors and Chiefs to work within their budget. He has put his time in here and he is here tonight.

Mr. Knuchel: As always, Chief, if you have anything you would like to add. I don't quite understand what your question is Mr. Lajeunesse. If you have question for the Chief could you ask it at this time?

Mr. Lajeunesse: I believe when the statement was made about the overtime – did you and the Finance Director talk about that.

Chief Whittington: Yes, my initial plan was – and, I can tell you when the revisions were made. I started making the budget about November 13th and I met with Mr. Condrion early because it is my first time and obviously I wanted to present something that is acceptable. Mr. Condrion worked with me a lot and I do appreciate it. I think that when we first discussed this I presented numbers based on increasing full time staffing. That was in November and a lot of things have changed since the November presentation. I had been able to work out some numbers and I feel the most efficient way to do business is to have 10 full time people – that is the most efficient way. Again, I understand the implications of doing that – that it is impossible for us to be at that point and I am not looking for anyone here to say you are going to give me three full time people – I know that is impractical. So, when I did work out the worksheet and in looking at the overtime there is a significant reduction in overtime. So, when we made that first initial budget it was based on being able to operate with more full time people. I actually put down reduction in overtime because of those increased staffing. Obviously, things have changed and now we are working in a different environment. So, that was the initial reflection. There were some changes made in the numbers from what Mr. Condrion and I talked about because part timers are integrated in. I did not have that in my budget. My initial claim was based on increasing full time staff but I understand that we cannot do that. I am not asking anyone here to give me full time people. I am not saying I don't want three full time people – don't misinterpret that.

Mr. Lajeunesse: So, you have not seen some of these figures we are talking about tonight?

Chief Whittington: There are some changes – very few. The comp time wages were reduced from what I had and the holiday pay adjustment – I do not know if I am allowed to speak on that but there is still some question about the holiday as far as the contracts go. I think there has been an adjustment on that – very small. The way the contract currently reads there is some discretionary on my part during times of trial if guys want to cash in holidays that should be afforded to me. But, again we did not budget for that. I think that Mayor can speak on that better – the goal is for everyone to use their holidays as opposed to cashing them in. But, the way the contract reads there was some discretionary given to me. Right now would be a nice time to tell these guys instead of scheduling two people off everyday but I am running three guys short. It would be real nice to let these guys have flexibility in using some of their holidays as cash in

but I know that is not the intent from the Administration. That would be the only two main areas – the comp time wages. Another area and we talked about it earlier – about breaking overtime out in line items so you can see where we are spending the money. I initially put together a training plan that I gave Mr. Condrón and we broke it out. I see it is only \$25,000.

Mr. Condrón: We were to get more information.

Chief Whittington: I gave it to the Mayor.

Mr. Condrón: He did a nice job – he broke it down into teams.

Chief Whittington: I think it is important to note that I gave you totals based on every team training every month with everyone showing up – and, that is very impractical because that is not how we do business. I wanted you to see the total numbers. Based on some of the things we are discussing internally right now with some of our overtime issues because of people – we have already started making adjustments in the training schedule. So, the teams that were initially scheduled for every month will probably train every other month, except for the water team. The water team and the training division have to train every month because of their value to the organization. So, the Technical Rescue Group, FIU, Public Education, Hazmat – we are going to try to make adjustments on when they are training to try to reduce some overtime. Until I can get 9-9 and 9 and get me back to minimum staffing – since getting sworn in May 13th I have had 27 days where I ran with 9, 9 & 9. That is after 10 months. The other nine months I have been short three or four people and I have adjusted it the best I can. I can tell you with all my heart that we have sat down and looked at every aspect to try to curb overtime – we cut training out last year in August – we did not train the entire year after August. I am trying to make an effort in that. We have done some of the same this year and I have talked to Mr. Condrón about a couple of things – that is the way we are headed.

Mr. Knuchel: We do appreciate you doing all that work.

Mr. Condrón: Chief, will that help our ISO score?

Chief Whittington: ISO is basically water supply and equipment issues. Where the training comes into play is – it is through litigation. That is not the only reason. We are probably one of the best trained fire departments in the area. We boast that and are prideful of that because we spend a lot of time. I told the Mayor – about 6,100 hours we train annually and that includes the special teams. Out of those 6,100 about 70% is done on duty which is at no cost to the Community. Again, that 30% can involve some cost but a lot of the training we try to do in-house. We try to make sure we are in that area – along with the training records if there were a litigation the first thing an attorney would do would be to pull training records. So, if one of our people messes up on an ambulance or we have a fire that somehow gets away from us – even with the fatalities we have been having – our insurance company wants to see training records and see what we are doing. That is where it comes into play. We provide a very high quality service to this community and we are very proud of that. I think by understanding some of the overtime issues – that is why we made some revisions in some of the divisions and teams.

Mr. Zontini: From my understanding and your understanding and from what the Mayor said is skewed about the part time firefighter issue. The Committee that is going on right now is kind of a step two – if the City does decide to use part time how are they going to be used and implemented into the system. However, by no means is it a foregone conclusion that the City is going to use part time – that is Council’s decision to make. And to do that I sent an email to both you and Ms. Vaughn and I now guess it should be Mr. Morley’s decision because it is his Committee. I would like to see presentations from both the Administration and the Union to explain to us why they think it should or shouldn’t be done so we can make an educated decision as to why we are going to create that part time position. By no means is it that the City must use or shall use part time firefighters – it is they have the ability to do so. The ultimate decision is ours.

Mr. Knuchel: We will get into this at the proper time.

Mr. Zontini: I just wanted to clear it up because I misunderstood what you were saying and I wanted to make sure we were on the same page.

Mr. Lajeunesse: I agree with Mr. Zontini – I think I mentioned that to Mr. Morley when we attended the meeting. As a bystander I was not allowed to be included too much in some of the discussion but I said all this would have to be redone again and presented to us from both sides and go through Committee and go through legislation and ordinances and be voted on. It is a long process and may or may not happen.

Mayor Andrzejewski: Whether or not to employ people, to staff people, how many to staff, how to use them is absolutely, positively a function of the Administration. You can pull a technicality and say you are not going to give us the money – that is wrong. It is our job to run the City – it is Council’s job to do legislation. And, if the Administration sits here and says in order to reduce the overtime we need to start implementing part time firefighters it is wrong for Council to say we are not going to give you the money, therefore, you can’t do it. Now you are overstepping your bounds.

Mr. Elshaw: Mr. Chairman, I would like to get back to the budget. I don’t mind a clarification on both sides. Both sides have given their opinions now – I would like to get back to the budget.

Mr. Knuchel: For now, we will take out \$60,000 for part time firefighters.

Ms. Vaughn: #320.5118 “FLSA Overtime”- in the forecast will impact #320.5142 “Clothing/Gear Purchase” – that was to cover the turnout gear – so, that could be reduced by \$17,000 back to \$14,688 because I know there is money put in there for the turn out gear which you have to have.

Mr. Knuchel: Personally, if it was a big number...

Ms. Vaughn: In the forecast it is \$27,000 instead of \$17,000.

Mr. Knuchel: Mr. Condrón, what kind of number would work?

Mr. Condrón: \$17,000.

Mr. Knuchel: You are comfortable?

Mr. Condrón: Yes.

Ms. Vaughn: They changed the fuel - #5424 "Fuel Oil Lubricants."

Mr. Condrón: The expenses were \$28,746.

Mr. Knuchel: \$28,746 is the same as last years – we will leave everything else along and take out \$60,000 for part timers until we are able to have a better idea as to the real costs involved.

Chief Whittington: I would like to publically thank Mr. Condrón for helping me through – this was my first time and he was a big help and I got a good education with him.

Mr. D'Ambrosio: #320.5436 "Motor Vehicle Supplies" – the five year forecast says \$12,100 and the budget says \$8,000.

Mr. Condrón: They spent \$12,000 last year so I would go to \$12,100.

Chief Whittington: Mr. Condrón and I have really tried to put an effort to put every vehicle on a solid preventative maintenance program and we have spent a ton of money the last two years to do that. My hope was that eventually we start seeing a reduction on these vehicle costs. I agree with the \$12,100 but I am hoping we do better.

Mr. Knuchel: Ms. Vaughn just pointed out that #320.5427 "Operating Supplies" should be \$16,000 instead of \$15,600 per the forecast.

There were no further questions.

Fire Communications

There were no questions.

Fire Administration

Ms. Vaughn: #5100 "Salaries Wages F/T" – It went up \$3,000.

Mr. Condrón: I used the Chief's number originally but I double checked the number and there was a difference.

There were no further questions.

Fire Station

There were no questions.

Smoke Detectors

There were no questions.

Auxiliary Police

Mr. Condron: I had a chance to talk to Chief Ruth about his numbers. We did hire a bunch of auxiliaries lately and he would like consideration to go up in one of his line items - #340.5252 "Auxiliary Police Expense" from \$500 to \$1,000.

Mr. Knuchel: I don't see that being a big deal. We will change it from \$500 to \$1,000. That is for?

Mr. Condron: He felt he would have some additional costs with the new personnel.

Mr. Knuchel: We had about six or seven sworn in. Basically, they get a summer shirt, a winter shirt and a pair of pants.

There were no further questions.

Street Lighting

Mr. Elshaw: Last year it came in at \$137,000 – we are dropping it to \$120,000. Why is that?

Mr. Condron: We have some money put away in the #202 fund.

Mr. Elshaw: So, the \$120,000 is good?

Mr. Condron: Yes. On your #370 accounts just go with the budget – that was some changes with the part time initiatives that we may be able to get back into so I would go with the February 10th submission.

There were no further questions.

Public Health Expense

Mr. Knuchel: This went up a little bit to \$200,000?

Mr. Condron: Slightly.

Mr. Knuchel: Is that something we are billed for once a year?

Mr. Condron: Yes – they take it off the taxes.

There were no further questions.

Recreation Administration

Mr. Knuchel: This is new.

There were no questions.

Recreation Parks

Mr. Elshaw: #510.5100 “Salaries Wages F/T Includes Road Dept Salaries Beginning” – what is included?

Mr. Condon: Our road crew for 2009 – South Lakeshore comes in at a \$1.3 million budget. We can’t charge any salaries to that because we want to be able to do a \$900,000 match.

Mr. Elshaw: We cannot support it?

Mr. Condon: We cannot do \$900,000 and pay a \$400,000 payroll – and then do asphalt too.

There were no further questions.

Houston Fisher Pool

Mr. Knuchel: #520.5108 “Salary Wages P/T Temp” – Mr. Condon, we had some discussions and I think you also had discussions with other members of Council on this.

Mr. Condon: We went online and looked at the City of Willowick today – their budget is online. In their 2008 budget for part time pools they had \$106,000 – I talked to the Finance Director and they have two pools – so, she said about \$50,000 per pool would be reasonable. In checking the historical records for Houston Fisher we have been in the high \$40,000’s – we also used \$15,000 for this year’s operation. It will be all part time.

Mr. Lajeunesse: How many life guards and what is the amount of pay you are talking about?

Mr. Condon: I think in the past we have hired between 25-30 youth during the summertime to fill the programs. If you look at the minimum wage and what you would want to pay to the Director or Assistant Director between \$10 and \$12 per hour. I am looking at talking to some of the workers here who used to work in the Recreation Department. I guess we had a morning crew and an afternoon crew with about 8 people. They had 4 life guards, a standby, a couple of ticket takers and a grounds person.

Mr. Lajeunesse: I had the answer before I asked the question – we don’t even know the pool hours yet. And I read where Mentor cut back on their hours and I believe there is another community that cut back on their hours. I know this is for future discussion but I will agree to disagree on this and I do not believe – we cannot even get a part-time dispatcher and we are talking about spending \$50,000 as an expense for wages for a pool. In my mind this should not even be on there.

Mr. Elshaw: I agree with Mr. Lajeunesse. As I said earlier as far as hiring new people within the budget with the economy the way it is I would not be for that. However, I think there is a way we can make this work with the pool. We have \$150,000 that we got from the State, \$142,000 we put in last year from the inheritance taxes – so, you are at \$292,000 – we just got \$41,500 for the HUD home. There are a couple of considerations here though. I agree with Mr. Lajeunesse as far as the salary line item – that is at \$50,000 right now. Can we reduce that to \$40,000 – cut the pool hours, reduce the number of days – we need to look at that. Natural gas, electricity, water, telephone - I understand. #5353 “Imp/Other Than Building” - \$5,000. If we are going to stay within \$300,000 on the repair of the pool I am not sure what this “Imp/Other Tan Building” would be in here. I would charge that to the \$300,000 that you have in the other fund.

Mr. Condron: Okay.

Mr. Elshaw: The next line item #520.5354 “Repairs Equip/Mach” – I would charge that to that fund. Fund #52-.5407 “Other Contracts” – I am not sure what this is – I would charge that to the fund. Chemicals you need – cleaning supplies is understood. #520.5434 “Paints/Painting Supp” – I would charge that also. #520.5920 “Refunds” - what exactly is this – we have never had that in there before?

Mr. Condron: I will have to check.

Mayor Andrzejewski: We will put up a notice that states once a pool pass is paid for there are no refunds – there is no need to have a refund.

Mr. Elshaw: In my opinion if you can stay under the \$300,000 for the repair of the pool – you have \$30,000 in pool passes and fees, \$40,000 for the HUD home – and that can offset the operational costs for the current year – you would be at \$70,000 and would be extremely close to that. If you can reduce the pool hours – just with those suggestions I have eliminated \$24,000 – you are at \$76,000 so you are pretty close. One other thought – we did talk about having the expenditures on the cost side – the repairs – do we have an estimate?

Mayor Andrzejewski: I talked to Mr. Semik again today – they are very close. I asked him to get with the consultant and to get bid specs together for the electrical, plumbing repairs.

Ms. Vaughn: What about the test – blowing out the line?

Mayor Andrzejewski: I asked Mr. Semik to get me those bid specs so we can get them to Committee and out for bid as soon as possible – then we will know approximately what we are talking about.

Mr. Knuchel: And, that would come out of the fund.

Mr. Morley: Do we have an estimate on what the boiler will cost?

Mayor Andrzejewski: About \$50,000.

Ms. Vaughn: Mr. Mayor, I believe in-house you told me they were going to blow out the lines. Did Mr. Ramski do that this week?

Mayor Andrzejewski: No – as far as I knew this afternoon Mr. Semik was doing another final test but he is not here and I have not seen it.

Ms. Vaughn: It would be a major expense if they aren't – and, you agreed with me – if there is a problem with those pipes that could be a very major expense – we would have to tear up the decks to replace those pipes.

Mayor Andrzejewski: I did not say that – I said if the repairs and something major occurs where it goes over what we have allocated we would not be able to open the pool. I don't know what the costs are – I don't know how many times I have to say that. I wish I did – but, until we get the information I won't know if it is major repairs or minor repairs.

Ms. Vaughn: The only reason I guess I am confused is because someone dropped off a copy of a letter that went to Council – before I was on Council – and it gave a range that it could be as high as \$382,000 to repair the pool.

Mr. D'Ambrosio: I think it was \$282,000 or \$287,000.

Ms. Vaughn: Whatever it was – that is where my question came from about the actual cost.

Mayor Andrzejewski: Believe me when I get the estimates you will be the first to get a copy.

Mr. Elshaw: My question is – is the Administration receptive to those changes?

Mayor Andrzejewski: Well, except I don't know how long you will close the pool to get down to that number. You are taking 20% of the salaries.

Mr. Elshaw: You are going to have to cut these down.

Mayor Andrzejewski: I agree with the improvements and repairs and contracts – those are no brainers and we can take that out of the fund. What we are missing is there are State requirements for the number of life guards you must have on duty. I do not want to commit to cutting – why can't we take \$10,000 out of the HUD home and put it in.

Mr. Elshaw: However you can do that to get this to break even so that way we are not hitting the General Fund I would be okay with it. The other point of this is that in the separate fund – this is a separate fund that we set up for recreation – you have \$333,000 in that fund now. You cannot go over that. So, you charge no repairs at all to the General Fund. If that is the deal then we know you are not putting anything in the General Fund. If you stay under that amount in that separate fund you can open the pool. If not – you cannot spend more than is in the fund. Let's cut out #5353 "Imp/Other Than Bldg" – 0-, #5354 "Repairs Equip/Mach" -0-, #5407 "Other

Contracts” -0-, #5434 “Paints/Painting Supp” -0-. That reduces it to approximately \$70,000 – you would have to charge \$10,000 of salary to the

Mayor Andrzejewski: The fund was to be used for recreation programs – this is absolutely a recreation program.

Mr. Elshaw: I would be okay with that – if you can reduce these salaries by \$10,000 by charging it to that account. In other words no impact to the General Fund.

Mr. Knuchel: So, there is no impact to the General Fund.

Mr. Elshaw: If we can get it to that – can we Mr. Condrón by the reductions we just did?

Mr. Condrón: Yes we can.

Mr. Morley: I know Willowick is one of the cities that changed their pool hours and days for this year. I don’t know if they did it for both pools or just Dudley.

Mayor Andrzejewski: We will look at it.

Mr. Lajeunesse: I appreciate Mr. Elshaw agreeing with some of my comments. As much as I would like to think that everything will be kept under \$330,000 I still don’t think any pool expenses or revenue should be included in the 2009 budget.

There were no further questions.

Surfside Pool

Mr. Knuchel: Surfside Pool is -0- except for electricity. I thought I saw \$100 someplace for #525.5355 “Close Out Surfside Pool” – it is -0- on the budget but I penciled in \$100.

Ms. Vaughn: The total is \$350.

Mr. Knuchel: The total is \$350 and it should be \$250.

There were no further questions.

Recreation Programs

Mr. Morley: In regards to the Youth Athletics – the Smokey Doggie Park, Softball, Basketball?

Mr. Lajeunesse: They used to get \$1,000.

Mr. Morley: I don’t know about \$1,000 but there should be something we can do. I think we should look at the Safety Town if nothing else.

Mr. Condrón: I think part of our thinking when we factored in the earlier line item for the part time person – if we did that it would be for something like Safety Town because it is all labor intensive.

Ms. Vaughn: PAL wanted to run Safety Town last year at no charge to the City. The only thing that stopped it was the Unions did not want the PAL kids painting the buildings because they were taking jobs away. But, nobody actually sat down and talked one-to-one. It became a disagreement with no conversation. I think if someone talked to both of them we could have a Safety Town this year at no cost to the City.

Mr. Morley: I am fine with throwing it into Safety Committee if that is what we want to do and invite all parties.

Mr. Elshaw: Ms. Vaughn, I think that would be excellent if PAL could take that on – that would be great.

Ms. Vaughn: At the next Board meeting I will make sure that someone makes contact.

Mr. Morley: I would suggest if it goes through the channels that we could have a Safety Committee meeting and say we are looking at opening Safety Town again – I will talk to both sides. Are you okay with that, Mr. Mayor? Do we have a problem with giving any money to the leagues – perhaps \$100 or \$200 a piece?

Mayor Andrzejewski: Mr. Morley, with all due respect, your thoughts are good but I would not insult them with \$100.

Mayor Andrzejewski: \$500.

Mr. Knuchel: I think we will discuss this at the end – that is spending and right now we are in deficit spending. Are we going to want to compound that? I do agree we need to do something for the leagues – but, in reality.

Mayor Andrzejewski: Why can't we take that out of the HUD money? It is supposed to be used for recreation activities programs for the City. Why could we not take \$500 for each league out of the HUD home?

Mr. Knuchel: That may be something you would want to look at.

Mr. Morley: We had a lot of residents at the meeting yesterday. We keep saying we have to do something for the kids but then we can't. If we want to – let's try. That is why I am bringing up the Safety Town – I'll talk to both parties. I still picture my kids at Safety Town at Eastlake Middle School – we have to do something.

Mr. Knuchel: Safety Town is a good idea – if we could do it at no cost that is one thing. If we are talking about incurring more costs that is another issue.

Ms. Vaughn: 90% of the fees are charged to the participants – that is how they are getting their funding. I think they were talking about the City doing something – not the leagues. The leagues are doing fine. They are talking about Safety Town as a City program. It is fine to worry about dollars and saving money but I think the residents want us to spend their money on them – not just concrete and asphalt and things that are necessary. Don't misunderstand me – police and fire are totally necessary but it is more visible if you do have a Safety Town or a playground for the little kid – hire a couple of college kids.

Mr. Morley: I agree.

Mayor Andrzejewski: Can we put \$5000 in there to be taken out of either the inheritance tax money – which is supposed to be used for recreation – or the HUD home and then we will decide how to use it. At least put something in the budget from one of those funds.

Mr. Elshaw: I would like to see what you spend on the pool – if there is anything extra. But, it is not looking that way.

Mayor Andrzejewski: So, we won't have it in the budget and if we come in other \$300,000 for the pool we can add money for recreation programs?

Mr. Elshaw: You have a fund set up.

Mayor Andrzejewski: And, we will move it to the General Fund.

Mr. Elshaw: Why would you move it into the General Fund?

Mayor Andrzejewski: I don't care how we do it as long as we can access that money.

Mr. Elshaw: We will look at it later and if Council decides we can do a re-appropriation we can do that. But, I am going to have to go back to a statement – we are deficit spending. The economy is not getting any better right now. I just want to make that clear. We are opening a pool – that is incredible right now – when other cities are cutting costs – they are cutting back. We are not asking to cut back. But the economy is not good. I don't suggest adding additional costs to this budget and especially hiring people – I just don't think that is a good idea right now. I don't want to turn around and lay people off.

Mayor Andrzejewski: I am not hiring anybody.

Mr. Elshaw: I just don't think it is a good idea – I apologize – I don't think it is a good idea at this time. If we can hold off and see where the economy is going – right now the only thing – we have kind of cut down on the economic development but if there are projects then you have some money to use on a project by project basis. If there is no project then we don't spend the money. I am good with that. The pool – we are able to have no impact on the General Fund. That is about it and I am good with that. But, any additional hiring and so on I am going to make a statement – I don't think it is a good idea.

Mr. Lajeunesse: I totally agree. I just want to make sure I heard the right thing. If between the pool expense and the payroll for the pool the total cannot exceed \$330,000. It has to stay within that.

Mr. Elshaw: No, that is not correct. I asked Mr. Condron if you can break even within the General Fund. If you have \$30,000 that you are bringing in for pool fees – can you make the costs in the General Fund equal \$30,000 and the rest gets charged to the recreation fund. You only have \$330,000 in the recreation fund to spend. There is nothing more – you cannot go over. That is what I stand on.

Mr. Lajeunesse: I appreciate the clarification. I just want to say again – for 2009 I do not think the expense or revenue from the pool should be in this budget.

There were no further questions.

Recreation Garage

Mr. Knuchel: We only have costs natural gas.

There were no questions.

JFK Senior Center

There were no questions.

Taft Senior Center

Mr. Elshaw: Are the salaries the same? The forecast is \$29,300 and your current budget is \$26,280.

Mr. Condron: I would go with the \$24, 930.

Ms. Vaughn: He is not getting a raise?

Mr. Condron: He gets paid out of two different funds – that is just a portion.

Ms. Vaughn: #555.5101 “Salaries Final/Cash-In” – there is \$1,840 in the forecast instead of \$2,630.

There were no further questions

Community Center

Mr. Condron: #560.5407 “Other Contracts” \$16,000. This is for HVAC systems.

Mr. Knuchel: So, you are doubling that?

Mayor Andrzejewski: It comes out of the money we accumulated from the bingo and gymnastics - the money that is over and above the expenses for running that building. In effect – it is no cost to the City.

There were no further questions.

Freedom Festival

Mr. Knuchel: #568.5920 “Freedom Festival” – this is a recreational expense.

There were no questions.

Building Department

Mr. Knuchel: #610.5100 “Salaries Wages F/T” – this seems a little high.

Mr. Condrón: We have to pay the Zoning Inspector for the whole year – also, all those contracts have not been settled. There are two AFSME but there is also a couple in the FOP Civilian and that contract has not yet been settled.

Mr. Knuchel: What should #5213 “Conference/Mtg” be?

Mr. D’Ambrosio: The five year forecast says \$2,200 and the budget says \$2,800.

Mr. Condrón: Go with \$2,200.

Mr. Knuchel: #5238 “Demolition Fees” – we have -0-. We are not planning on doing any demolition this year?

Mr. Condrón: Mr. Stigalt put it in the bid specs – that would be under #5391 “Grounds Maintenance.”

Mr. Elshaw: #5100 “Salaries Wages F/T” – what is included in that?

Mr. Condrón: The full year salary for the Zoning Inspector and a couple of employees who have not received their raises yet due to Union negotiations and also 155.

Mr. Elshaw: The same staffing?

Mr. Condrón: Yes.

There were no further questions.

Planning Commission

Mr. Knuchel: #620.5372 “Legal Advertising.”

Mr. Condron: \$1,800 is a good number.

There were no further questions.

Zoning Board of Appeals

There were no further questions.

Watershed Committee

Mr. Knuchel: #635.5407 “Other Contracts” – we paid them \$15,800 in 2006 which was a catch up year - \$8,484 in 2008. Did we get a bill from them?

Mr. Condron: I can check and see – I think the \$9,200 is probably up.

There were no further questions.

Architectural Board of Review

There were no questions.

Solid Waste Collection

There were no questions.

Service Administration

There were no questions.

Street Maint & Repair

There were no questions.

Service Garage

There were no questions.

Rivers & Harbors

Mr. Knuchel: This is where we have the Port Authority Grant at \$11,000 and the \$4,000 is for the ice.

There were no questions.

COMPARISON OF ACTUAL EXPENSES AND REVENUES

Mr. Knuchel: We have \$900,000 in one-time expenses here – Quentin Road, South Lakeshore, generator. Mr. Elshaw, do you want to go down the list?

Mr. Elshaw: The answer is yes. I tried to keep up with the adjustments. We made a \$75,000 decrease in revenues. In expenditures with reduction of the economic development, reduction of the pool to break even – that would be \$30,000 in expenditures. And, all the changes we incorporated what we talked about and what you had from the forecast – it was reduced by \$195,000 in expenditures. Right now we are at \$1.3 million of deficit spending – of that

\$900,000 is a one-time – we are still at \$400,000 in deficit spending. It is going to impact obviously the surplus. We will break into the surplus by \$400,000. A couple of other items that were not considered – at last night's Council meeting – before I get to that – local government fund cuts – we talked about \$80,000.

Mr. Condrón: Last year we got \$2,049,000. This year it is \$1,911,000 – that is a reduction of \$139,000.

Mr. Elshaw: Is that incorporated into the budget?

Mr. Condrón: Yes.

Mr. Elshaw: ODOT payments? How much was it going to be per year? \$30,000?

Mr. Condrón: That comes from the Road Fund.

Mr. Elshaw: We talked about the WPCC.

Mr. Condrón: I called Willoughby's Finance Director today and we discussed that – he expects a report by mid-year and his City will review it upon the recommendations. We will have to look at our sanitary sewer fund and see how that is – maybe we can use some to fund that study. He does not expect to have an answer until mid-year. I posed the question to him if it does come forward that the costs be spread out over more than one fiscal year – that is a possibility. He will not know anything until mid-2009.

Mr. Elshaw: In integrating that into the forecast – I took what you had Mr. Condrón and updated the cash balance with is \$2.8 million – put in the new numbers and using the same numbers for 2013 as 2012 – we will just break even – we are real close. This is just my figures. Mr. Condrón may come up with something different – I am just trying to get a ballpark on where we might be. Right now we would be pretty much used up at 2013. I am going to stand by my statements earlier that I made.

Mayor Andrzejewski: Part of the deficit this year will be covered by the surplus. Part of it I feel very confident that I still believe that our expenses on paper will be higher than our actual expenses. So, I don't expect to use \$400,000 from the surplus. Secondly, the five year forecast assumes that everything stays flat for the next few years. Unless we are all total pessimists if this country is in as bad a shape five years from now as it is now we might as well just chuck it. Things better be better in five years. If on paper we are at break even right now I would fully expect that in five years we should have a surplus. You have to assume things have got to get better in five years. It is what it is. Your other alternative is to cut people. Everybody has done a great job – we whittled it down as much as we can – we will have to live with this year – we have it down to \$400,000. We do have enough to survive this year unless things get worse – which we will monitor. So, let's go with what we have knowing full well that we may have to use a little bit of the surplus. You can't just stay here all night and pick this and pick that

because we are not going to get anywhere else. You have done a good job – we will have to survive on what we have because other than that you will have to cut people.

Mr. Knuchel: I don't think at this point – and the statement was made at the beginning – none of us are looking at cutting people. Is that the consensus?

All Council: Yes.

Ms. Vaughn: Let's be optimistic for a change – there are the incentive programs and you have applied for a lot of money from the federal government – let's pray that something comes down at the local level – let's call our representatives – let's do something about it. Let's write some grants – there is money out there.

Mayor Andrzejewski: You call the County officials. Because the County officials want to keep that money for big projects.

Ms. Vaughn: With the major road programs we have going on there has to be a way.

Mr. Knuchel: We are still at the crossroads here with these other items – dispatcher and recreation/admin person.

Mr. Lajeunesse: Based on what we just discussed I think both of those would not even be in the equation at this point in time.

Mr. Morley: I would just suggest from this Council – if you are going to continue to do that then we need to quit grandstanding in front of the residents. We need to stop saying we want something that we don't have the money for. You're Recreation Committee Chair – you have been wanting things and all of a sudden you want nothing with the recreation. And, that is fine if that is what you want to do. But, stick with that and keep that in mind. Sometimes it doesn't make any sense. I don't understand sometimes. We can't say we want to take care of these kids in the City and then we don't want to – that is with the rec thing. I understand a dispatcher but if we want to have something we either just tell the other people who are here now – that is their job – or, we say we really want rec. If we don't want rec lets say we don't want rec. Say it on the record and be done with it. I am tired of dealing with that.

Mr. Lajeunesse: Mr. Morley, I appreciate the balance. To me, you have the sale of the HUD home – you have the recreation funds we did set aside. So, you have other opportunities to distribute the monies.

Mr. Morley: No, we will find a way not to – we will. I have been on this Council now for almost four years – I know we have been in deep trouble the whole four years but one day we have to poo or get off the pot. We just stay on the pot. No disrespect to anyone – but, if we want something let's do it – if we don't then let's not waste time talking about it.

Mr. Knuchel: I think you have to look at what we have done over the past years.

Mr. Morley: It is not that we are not doing anything – but, we keep saying – I don't want to talk about recreation if we are not going to plan on doing anything. It is not about saying no one is right or wrong but if we are not going to do anything – which we don't usually – then why do we continually talk about it?

Mr. Knuchel: Because every year we go through budget hearings.

Mr. Morley: I understand it and every year it is the same thing - ever since I have been on Council – every year with recreation.

Mr. Knuchel: With all due respect – if we do put the pool out there that is something we have done that is huge.

Mr. Morley: I understand that. But, these little items and I don't agree with the Mayor on a lot of items but I agree for once on some of these issues. When it is like \$4,500 or \$5,000 and I understand – I don't want to be deep in deficit but we either want to do some stuff for the kids in this City or we don't. It is not that we don't want to – financially if we can't we can't. But, let's not discuss it.

Mr. Knuchel: I will make one comment and then we will get back to the budget. Personally, I am sick and tired of hearing the words “we don't have any recreation here – we don't have any programs here.” We have a lot here. We have baseball, basketball, football.

Mr. Morley: All self-sustaining.

Mr. Knuchel: Absolutely, but we still have them.

Mr. Morley: But, not the City.

Mr. Knuchel: Absolutely. But, we have programs – we have things for our kids to do. We have a PAL program, we have dances, we have activities.

Ms. Vaughn: For the kids that can afford to.

Mr. Morley: Exactly.

Mr. Knuchel: Back to the budget – the dispatcher and rec/admin. How does the Committee feel?

Mr. D'Ambrosio: You have to be realistic – I would like to see the dispatcher stay in there – it is a \$400,000 deficit without the dispatcher. I am not big on deficit spending as I am sure none of us are – but, the cash balance we have – that is why it is there – it is for times like these. If we had to eliminate the dispatcher I would not say I want to but I understand the reasoning for it. The pool is a big thing – it is an advantage for the residents. I am willing to be open minded. I understand Mr. Elshaw's position and some of the others – it is difficult to hire new people. We are deficit spending – the Fire Department is short and I talked to the Chief about that – he

knows how I feel about the Fire Department. That is all I have to say on it. I am flexible. I realize it is what it is and all the wishing in the world is not going to get everything everyone wants. There are things I would like to see too. Unfortunately, we cannot do it all. I guess if we are only going to deficit spend \$400,000 we should consider ourselves lucky.

Mr. Morley: On the rec/admin. person – instead of spending the \$20,000 to put another person on – right now the recreation person is the Service Director – then we bump him up – not by \$20,000 but more than the 3% and have him do the job.

Mayor Andrzejewski: No. He does not have time now to do what he has to do – we cannot throw another job on him – I will end up doing it – it is not fair. I do a lot now – other hats than just Mayor. No. I am going to step back to last year – put hindsight aside because we know the outcome – 20-20 vision is nice. We sat at this table last year – this is no disrespect to anybody. But, we said in mid-year we would do a mid-year review.

Mr. Knuchel: We are not going back to last year.

Mayor Andrzejewski: But, Mr. Morley is right. We talk about things and we say we will look at it later and then we don't.

Mr. Knuchel: We have looked at things later. I disagree.

Mr. Lajeunesse: Mayor, you chose to use the CDBG grant for playground equipment.

Mayor Andrzejewski: That is all it could be used for. There are guidelines.

Mr. Lajeunesse: We also got a part-time employee.

Mayor Andrzejewski: That is part of it – housing.

Mr. Lajeunesse: So, you might have been able...

Mr. Knuchel: We are not doing this.

Mr. Lajeunesse: There are grants out there.

Mayor Andrzejewski: Get them.

Mr. Knuchel: Mr. Elshaw, did you have something you wanted to say?

Mr. Elshaw: We are talking about whether we move forward with anything and whether we care about recreation or not. It goes without saying – everybody on this Council – the Administration – everybody wants recreation. We care about the youth in the Community. We talked about this last night. It is important for our home values, it is important for the Community to have a balance. We all understand that and we are trying to get what we can. Think about it – think

about the economy – think about what we are doing that no other city is doing – we are actually going to open a pool this year while other cities are cutting back on their budgets. And, not just a little bit – they are cutting back on millions of dollars in spending. At least it is a stride forward instead of backwards. Yes, I would like to see additional things – I would love to see us back up to the standards of other cities and I hope we can do that soon. All I am saying is maybe **it's** just really not the time right now. I know it keeps sounding like that but I cannot help it that we were in fiscal emergency. This City was put into that situation – I cannot help it that is the situation we came into and had to take care of – and, now we have a bad economy. We have to ride it out and make the improvements. But, at least we are doing things slowly and bringing things back. As far as revisiting things – like I said before – I am glad we didn't add because we are in worse shape than we were back then. I think it worked out okay. If things had gotten better maybe we would not even be having these “discussions” tonight. Hopefully, we would all agree – and I think we have. We have come to a consensus on what we can do this year. It would have been nice to add a lot more to our budget but we need to do it fairly. Yes, in one area – there are other Departments that have been talking to me since I came on Council on things they would like to see in their budget. Of course I would love to give everything for the Department Heads. We just cannot do that. We have a limited budget and we can only do so much. It just has to be fair.

Ms. Vaughn: I think in Eastlake's case we took a hit before anyone else – I laid off seventeen people – that was not easy – we never have replaced them. Right or wrong, good or bad we are to bear bones where other cities never were. They are where we were in 2003. We used to have 10 firemen on a shift. We took the hit well ahead of everybody else. We learned a bitter, bitter lesson and I think everyone should be complimented on being fiscally responsible. But, there is a line where you have to start giving something back to the community besides the streets and police and fire – who are important – because they are paying for this and they want something for their money besides the necessities. That is why I have been such a strong proponent for some recreation. Since the pool will not cost us anything out of the General Fund – or a limited amount – I think it is a great idea. If it was \$300,000+ out of the General Fund I would in no way support it. I think you took a good look at the budget and I think you made fair, honest decisions.

Mr. Knuchel: So, we are back to the dispatcher and rec/admin. Right now I would say to take both of them off. That is my recommendation and wait and see.

Mr. Lajeunesse: I agree.

Mr. D'Ambrosio: Yes, I hate to do it but unfortunately it probably is the right decision.

Mr. Lajeunesse: As much as I might disagree with Mayor Andrzejewski we have both sat through a lot of financial problems with this Community. It is not our fault that we are here. But, we have all teamed up to correct it. And, whether we can't give people what they want in the City we do the best we can. Mr. Morley, you were sitting in Council Chambers and saw the turmoil that went on here for a couple of years. We have all come through a lot.

Mr. Knuchel: So, we are going to go with that for the present time.

Mr. Elshaw: Are you going to go ahead with the outside funds and just get this over with?

Mr. Knuchel: Yes, because the outside funds should go very quickly.

REVENUE & EXPENSES OUTSIDE THE GENERAL FUND

102 – Local Gov't Retention

There were no questions.

201 – State Highway Fund

There were no questions.

202 – S.C.M.&R Fund

Mr. Elshaw: Projected revenue of #202 - \$821,000 – and we have \$868,550 in the requested expenditures. How will that work?

Mr. Condrón: We have a one-time expenditure on line item #201.821.5407 in anticipation of a match for some of our projects - \$75,000. We budgeted more for salaries – we have enough carry over – I don't think we will spend all we budgeted for.

Mr. Elshaw: So, because of our existing cash balance we will be covered?

Mr. Condrón: Correct.

There were no further questions.

203 – Municipal Motor Vehicle

Mr. Elshaw: We have \$142,000 in revenue and \$225,000 in expenditures.

Mr. Condrón: #203.000.5407 – we will use that for a match for the street lighting – we anticipated that. It was thought to use three funds and spread it out over different programs.

Mr. Elshaw: Existing cash balance – we are okay?

Mr. Condrón: Correct.

There were no further questions.

207 – State Grant Fund

Ms. Vaughn: It looks like the income on #207 – projected revenues - \$25,600 and it looks like your expenditures are only going to be \$12,000?

Mr. Condrón: It is \$28,000.

Ms. Vaughn: So you will have to come up with a few grand somewhere?

Mr. Condron: Yes.

There were no further questions.

208 – Federal Grants Fund

Mr. Condron: It is the same thing.

There were no questions.

209 – Police Pension Fund

Ms. Vaughn: So, you are bringing in more than you are spending on the pensions?

Mr. Condron: A little bit.

Ms. Vaughn: Can you do that?

Mr. Condron: We will probably use most of it.

Ms. Vaughn: Because if you are taking it in from your employees it should be expended.

There were no further questions.

210 – Fire Pension Fund

There were no questions.

211 – Taft Sr/Ctr Donation GT

Mr. D'Ambrosio: #211.000.4870 "Bequeathal Income" – for 2009 the income is \$50,000. Is that the CD that will mature?

Mr. Condron: Yes.

Mr. Elshaw: What is the total for that fund?

Mr. Condron: \$96,217.

Mr. Elshaw: I am seeing revenue as \$50,000 and expenditures of \$96,000.

Mr. Condron: Yes.

Mr. Knuchel: So, you have a \$46,000 cash balance?

Mr. Condron: More. Much more.

Mr. Elshaw: Do you happen to know what that might be?

Mr. Condrón: \$137,486.

Mr. D'Ambrosio: Mr. Condrón, on the expense side for #556.5455 "Bequeathal" - \$9,000 – do you have any certain projects that we submitted for the \$9,000?

Mr. Condrón: I will want to talk to you later about something else.

Mayor Andrzejewski: It is their decision – we just process it for them.

There were no further questions.

212 – Storm Water Management

There were no questions.

213 – Repairs/Maint Bldgs

There were no questions.

214 – Employee Termination Fund

Mr. Elshaw: We have expenditures of \$125,000 – how much is our balance?

Mr. Condrón: \$149,000. We may not even use it all.

Mr. Elshaw: So, we are projecting \$125,000 in expenditures. I thought we were not transferring anything into this?

Mr. Condrón: We transferred \$100,000 within the last year. We put \$100,000 in at the end of 2007 and are spending \$51,000 on the Fire Chief – that gave us \$49,000 and we put \$100,000 at the end of last year.

Mr. Elshaw: So, the \$100,000 on the revenue in 2009 is wrong – it should be -0-. And, then we will see later on.

Mr. Condrón: Yes.

Mr. Elshaw: But we have enough cash in the account to cover \$125,000.

Mr. Condrón: Yes, if we had to.

There were no further questions.

301 – General Bond Retirement

There were no questions.

304 – Callable Bond Retirement

Mr. Knuchel: Are we still on schedule to have that \$10,500?

Mayor Andrzejewski: Yes, we have the payment from the Federal Transportation and the naming rights.

Mr. Condon: It will be close to \$10,700 – we have \$175,000 in our budget and we will get to \$10,875,000.

Mr. Knuchel: When we do the bond retirements – are we able to retire the 2004 bonds first because they carry the highest interest rate?

Mr. Condon: No, the 2002 carry the highest interest rate. Remember we found that money in the #620 fund in 2007 and we said we would retire some of the debt that should have never been borrowed – so, we put that towards the 2004 – we want to wipe out the 2002 taxables – mixing and matching because of all the money we transferred in we can probably take a wack out of both – we can take down the 2002 taxables because they have the highest interest rate, keep our word to the State Auditor and anyone else that we would use this money that should have been transferred in 2004 to pay off the thing that was bonded, \$700,000 in recreation that is to be put on the baseball park so we will take a wack out of that and what is left we will do the 2004. It is our money that we put into that fund. The stuff we would run into regulatory problems with – and it is funny because you would think the government would give you money that is tax exempt – but, they don't look at it that way – they figure they are already giving you the break – the lower interest rate – so you can't use government money to retire government bonds. So, that is the money we have to put into the taxables. Because of the money we put in ourselves we can do both. That gives us the option though – when you first look it is either/or – you are going to take out the 2004's and the next call date was in 2012. This way by mixing and matching we still have the right to pay down the debt every single year.

Mayor Andrzejewski: They can be paid as we go along in future years. So, the more money we are able to save to pay those off the better off we will be and the better off the City will be. I think we can take a little credit for that – what we did in 2004 – what we said we were going to do is coming to fruition. And, I hope our residents see that.

Mr. Elshaw: The anticipated decrease in our payments?

Mr. Condon: Next year - \$1.3 million to \$560,000.

Mr. Elshaw: But, we are incorporating that into the forecast?

Mr. Condon: Yes. We are also figuring on paying a little bit less each year.

Mr. Lajeunesse: Mayor, when we both were on Council – we have come a long way – we paid off bonds, we paid off loans – think of all the things we have done – we may not have the most recreation but I know sometimes we have our disagreements but look what you have done.

Mayor Andrzejewski: I hear people say you don't do any planning. Thank you for your comment. It is paying a dividend five years later.

There were no further questions.

402 – Road Levy Income

There were no questions.

410 – Fire Levy Fund

There were no questions.

416 – Stadium R&I Fund

Mr. Condron: The CRIB money is going to be deficit spending – we have \$340,000.

Ms. Vaughn: #416.000.4685 “Ticket Fees” – under Revenue – in 2007 we earned \$60,000 in ticket fees and earned nothing in 2008 and now we are projecting \$36,000 in 2009.

Mr. Knuchel: Is that the admission tax?

Mr. Condron: Yes. We did not get anything.

Mr. Knuchel: We have an admissions tax on all non-baseball venues.

Mayor Andrzejewski: They promised us something this year.

Mr. Elshaw: What did they promise?

Mayor Andrzejewski: They have promised us a good faith effort to schedule concerts for 2009.

Mr. Knuchel: We will be addressing those issues.

There were no further questions.

420 – Eastlake Economic Development

There were no questions.

421 – Stadium Vine Project

Mr. Elshaw: This one is \$753,000 in expenditures versus \$708,000 in revenue. Does the cash balance cover that?

Mr. Condron: Yes.

Mr. Morley: #4121.000.4528 “Flea Market Fees.” Why don't we have any projected flea market fees?

Mayor Andrzejewski: We are cancelling them. But, a vegetable/fruit vendor wants to set up a sizable display on Friday through Sunday.

Mr. Elshaw: Should there be something in this account?

Mayor Andrzejewski: There should be income. \$4,800.

There were no further questions.

423 – Sewer Rehab Fund

There were no questions.

438 – Recreational Cap Impr

Mr. Elshaw: This is the rec fund that was set up – we had talked about this earlier with the pool – it will be \$330,000.

Mr. Condron: Yes.

Mr. Elshaw: And on the expenditure side? You don't have anything on here. You are going to add that to \$330,000?

Mr. Condron: Like you said – for the pool.

There were no further questions.

501 – Sanitary Sewer Fund

There were no questions.

603 - Commissions

There were no questions.

606 – Senior Citizens Trust

Mr. Condron: They get money from the Senior Levy to do improvements – they have been saving up.

There were no questions.

609 – Fireworks Trust Fund

There were no questions.

616 – Law Enforcement Trust

There were no questions.

617 – Fire Ambulance Trust

There were no questions.

619 – Unclaimed Trust Fund

There were no questions.

620 – Recreation & Land Acq.

Mr. Knuchel: How much do we have in the #620 fund?

Mr. Condrón: A couple hundred – expenditures are limited to green spaces.

Mr. Knuchel: The revenue says \$1,000.

Mr. Condrón: Yes, just in case – we did not have any activity.

There were further no questions.

622 – Steve Guard Memorial Fund

730 – Contractors Perf Fund

Mr. Condrón: Since this was submitted after the last Council meeting we will be adding our new fund for the Memorial – we are talking about \$5,000 just to be safe – you will see that on the appropriation sheet.

Mr. Knuchel: Are there any questions on the rest of the outside expenses or outside revenues?

Mr. Morley: Mr. Condrón, when should we look for the new sheet with all we talked about? I would like to look at it before the Council meeting.

Mr. Condrón: By Friday – I will get it out as soon as I can.

There were no further questions.

RECOGNITION OF THE PUBLIC

There was no one who wished to speak.

The meeting was adjourned at approximately 9:54 p.m.

dac