

FINANCE COMMITTEE MEETING
MARCH 4, 2008

Finance Committee Chair Mr. Knuchel opened the Finance Committee Meeting at 6:30 p.m. In attendance from the Committee were Mr. Knuchel, Mr. D'Ambrosio and Mr. Lajeunesse. In attendance from Council were Ms. Vaughn and Council President Mr. Elshaw. Mr. Zontini was absent and excused. Mr. Morley was late in arriving.

In attendance from the Administration were Mayor Andrzejewski, Finance Director Condron, City Engineer Mr. Gwydir, Service Director Mr. Semik, CBO Mr. Voros, Fire Chief Sabo, and Police Chief Ruth.

Also in attendance were representatives from the Fire Department and the Building Department.

ODOT/EASTLAKE CITY WIDE SIGNAL PROJECT

Mr. Gwydir: I have been in contact with NOACA and it has been confirmed we will receive the \$456,500 in CMAQ funds, which is approximately 76% of the project. The local share of the project is \$144,100 – that is 23.99% of the project. The local share is a little bit higher and the federal share is a little bit lower than the normal 80%-20% split because of the signal at McDonalds which is not warranted by ODOT but, nonetheless necessary. The cost for that signal is \$29,975. Presently the project is slated for November, 2009 – we are working with TraffPro to get the documents in and get that moved up to potentially this year if we can. We are asking Council to recommend the consent legislation for participation in the project now that the funds are locked down.

Mr. D'Ambrosio: I have discussed this with Mr. Gwydir – having the LED lights is a no-brainer and saves a lot of money – however, there is a potential problem – I have seen this in the City of Wickliffe – the lights do not generate enough heat – a horizontal snow actually sticks to the lens because there is not enough heat to melt it. Wickliffe has had to use the light truck to wipe off the lights in a snowstorm. I brought this to Mr. Gwydir's attention and he forwarded information on this question.

Mr. Gwydir: They have found some information – they also have questions out to different people as to whether this is a real problem or not. I sent this information as a potential solution but I do not know if this is a solution the City needs to implement quite yet. I have heard of problems but I do not know if there is another solution. I do not have a cost on them.

Mr. D'Ambrosio: Would you get a cost?

Mr. Gwydir: Absolutely.

Mr. D'Ambrosio: That was the only concern I had – there is a safety factor with this – that is why I brought it to Mr. Gwydir's attention – it is something that has to be known and has to be addressed.

Mr. Elshaw: What fund will this come out of?

Mr. Condrón: Fund #202 and Fund #204.

Chief Sabo: With the upgrade – will anything be done with the traffic preemption?

Mr. Gwydir: Yes, all the signals will have preemption on them?

Mr. Lajeunesse: Since this has been discussed I have had several questions directed to Service Director Mr. Semik regarding the timing of the signals, especially Hillcrest and Lakeshore and up and down S.R. 91 – will this include the timing?

Mr. Gwydir: Yes.

Upon review the Committee agreed to move forward with this item for passage at the next regular Council meeting with Mr. Gwydir to research and provide costs on the question raised by Mr. D’Ambrosio.

There were no further questions or comments.

MISCELLANEOUS

Mr. Knuchel: I have distributed documents, which I would like to review prior to the evening’s budget discussion:

QUESTIONS FROM FEBRUARY 7, FINANCE MEETING (see attached)

Mr. Condrón responded in the numbered items:

Mr. Condrón: The reason for the variance in Fund #312.5100 “Police/Administration” was because I may have just underestimated it.

Mr. Knuchel: Was that addressed in the 2008 budget?

Mr. Condrón: Yes.

2. The difference between #510.5351 and #510.5352 which both say “Repair/Maintenance” – the expense report does not print out enough characters – one is “Repair/Maintenance/Land” and the other is “Repair/Maintenance/Buildings.” Repair for land would be items not specifically tied to a building such as repairing a fence – I would keep them both – one is land and one is building.

Mr. Knuchel: Yes, we were going to go with that – we just did not know the difference between the two and what could be charged off to the funds.

1. Regarding the PAL contract and the GREAT grant – the Police Chief sent a memo on this.

Mr. Knuchel: That memo dealt with the agreement we made to keep the Police officers. What concerns me is this was brought to us to review and agree to – I had a hard time with this because we asked on several occasions questions revolving around this and these accounts and they were not properly answered. There was an \$18,000 amount that was supposed to come in from the GREAT grant, which was to be applied towards the Police officers. Chief – can you explain that again?

Chief Ruth: When I responded to these questions they were simply questions I heard from Mr. Condrón and he did not know the context. I responded, as I understood it. The answer I gave regarding the GREAT grant is referenced to the GREAT grant – it is not referenced to the agreement that was part of the layoff. If you look at the total plan for the layoff there were two sections – one was for \$160,000 for two officers and the other was \$80,000 for the third officer. In fact, when Patrolman Roberts left that was the third officer so we did not save that position so we did not need to keep that position funded.

Mr. Knuchel: That was the \$18,000.

Chief Ruth: The GREAT grant money was in that block of money that was to be for that – so, we did not bring in \$18,000 but we did bring in about \$5,000 or \$6,000. I do not know the total we committed to under that but that was the portion to save the job – we did bring in a portion of that money but not the full amount. We did not feel obligated to that because you had already realized savings in the salary.

Mr. Knuchel: That clears up that portion of the question. My concern was that there was an agreement made and we had asked questions after the agreement was made and they were not answered. Mr. Condrón, I am sorry but we asked on several occasions for an update on this and we did not get it. It looks like in this that something was agreed upon back in the fall – is that correct?

Mr. Condrón: Yes.

Mr. Knuchel: Then why is it when we asked the questions they weren't answered. That is concerning to me.

Mr. Condrón: You were asking about the rest of the account money in the fall and I went back to the Chief and asked if we could do something else to get the rest and he did not have it – we were going over options and looking for alternatives so we would not lose the \$20,000. At the end of the year the Chief got his Federal Law Enforcement – all transfers have to go through Council – there were really no funds to transfer – we were just looking for alternatives in case we got anymore grant money to satisfy the commitment. So, naturally you are asking me what did we do with the other \$20,000 – we were searching for other possibilities.

Mr. Knuchel: In the future I would appreciate being kept in the loop about things – in my mind this was a big deal because we did sit down and talk about it and agree to certain things and criteria and if those criteria were being changed I really feel we should have been advised that was happening.

Chief Ruth: He will take a little credit for that but again the dynamics were that changes had occurred. Originally we were going to save three officers – the third officer left – so, that changed that scenario.

Mr. Knuchel: And, I understand that – my problem is not being kept in the loop on what was going on.

Chief Ruth: As far as PAL – I was pretty clear on your question.

Mr. Knuchel: The questions were raised prior to your recent memo.

Mr. Condron:

4. Regarding the \$692 charge for small tools – this was for two drills at a cost of \$299 each.

5. The budgeted amount for the Police Contracts was a bit high – we budgeted \$26,901 for the Lakeline Contract and collected \$26,000.

6. #4576 “Licenses/Building Department” – that was a change in nomenclature by the State – they are no longer referred to as licenses but are referred to as registrations – money is placed in #101.000.4578 – that is why you see a lot of collections in 2006 and just a little in 2007 – that actually occurred last year.

7. “Garbage Collections” were \$200,000 up – there was a discussion about the raise in fees – in reviewing what we took in versus what we collected since the inception of the garbage fee in 2004 it looks like we will have enough with the surplus to cover increasing costs starting April, 2008. In the spreadsheet he included the cost of the collection of the fees, the public contract and the actual cost of printing – he left off the leaf and Finance Department payroll and everything else – this is just simple comparison as to what exactly a public contract costs year by year versus public services and what was taken in. There is a surplus – so, as you go through the Republic contracts you can see there has been enough of a collection over and above the actual cost of the garbage to cover the costs.

Mr. Elshaw: I would like to see the full-blown analysis as soon as possible – with everything in there as we did in the past – like you did it last year.

Mr. Condron: With the leaf it?

Mr. Elshaw: Yes, like you did in the past – can you update that?

Mr. Condron: I can but to be a true comparison it is sort of a misnomer – you put the money in the General Fund – some of the leaf pickup is paid for out of another road fund because when they pickup leaves they have three crews – some are road employees – there is depreciation for equipment that was purchased out of the road levy, some of it is the Finance Department’s salaries. My feeling would be the taxpayers are already paying our salaries in the Finance Department – I think there as an amount of \$30,000 and Mr. Slocum calculated hourly rates at so many hours - I think those were overstated – we have a new system now and don’t spend anywhere near that amount of money – so, some of those full-blown calculations he is not comfortable with. What we spent to collect the garbage – the Republic contracts and the Service contract before we got the new system – that is a cost – the cost of printing the bills – those are all direct costs but the cost of somebody else in another fund or depreciation on equipment bought from another fund – that would be in a general sense but just in fund accounting if you look at the fund where the money goes into as the General Fund you would compare that with the cost to go out – General Fund to General Fund.

Mr. Elshaw: At the next Finance Committee meeting I would like to go over the comparison of what has changed from last time to this time. I understand there are changes from what you are saying, but I would like to see it and go through it line by line to see what is no longer included within the analysis.

Mr. Morley: We should just have costs from the garbage collections without having the leaves – that is a whole different Department.

Mr. Condron: That is where my thinking was – that was General Fund Department #730 – I did not include that.

Mr. Morley: Before we were doing the costs just from Republic so we could figure out the garbage fee for the residents – we should not be adding in those things.

Mr. Condron: Initially, they were used to justify the costs.

Ms. Vaughn: You can’t charge the resident more than the actual cost – so they included some additional expenses – this should be considered whether it is right or not – I can’t feel comfortable with it.

Mayor Andrzejewski: When we started looking at this one of the questions was – do we have to raise the fee and the answer was no. We had said we would put the excess money into a separate fund – at that time we knew we were going to get a huge increase when the new contract came into effect. We said we would put that aside, which we did, so that when these new rate increases hit we don’t have to go back to the people for more garbage fees. When he and Mr. Condron figured it out – Mr. Condron, we can give them that – the numbers we put together - showing that with the money we saved over it will cover most of the contract – it may be a little short.

Mr. Condron: I think it will cover just about all.

Mayor Andrzejewski: What we decided to do was maybe we had to had to cut down the yard waste a month but it doesn't look like we will have to do that now. That is why this analysis was being done – it was to show we don't have to raise the rates – that we can live with the \$36.00 even with the big increase we got. Mr. Condrón, is that correct?

Mr. Condrón: That is correct. But, our analysis was just the General Fund cost of Republic contracts versus the actual fees without looking at the others.

Mr. Elshaw: I would still like to see the comparison – it makes sense but I would like to see it.

Mr. Condrón:

8. Cubby Club House – in 2006 we received the rent in December – in 2007 we received the rent for December of 2007 and 2008. They did fall one month behind and they are paying \$200 per month and we expect them to be caught up at the end of the year.

9. The last year we received the EMS grant was in 2006. We applied but did not get it.

Mr. Knuchel: What does that grant cover, Chief and what do we need to do to get it?

Chief Sabo: All we have to do is make sure the request gets in – it is almost guaranteed – last year for whatever reason it failed to reach the State.

Mr. Knuchel: What is the deadline?

Chief Sabo: We have not received any applications yet – we will let you know when we do. It would probably be for about \$3,000.

Mr. Condrón:

10. Regarding the question on the gas amount of \$11,901.60 – it wasn't for all departments – the actual voucher was \$23,077.94 – that was more than the Police Department – the other Departments had their gas charged to their own Department.

There were no further questions.

Mr. Knuchel: This questionnaire and response will be a standard practice and will be done every month at Finance Committee meetings.

Mr. Lajeunesse: Was this at your request, Mr. Knuchel

Mr. Knuchel: Yes.

Mr. Lajeunesse: Very good – it is an excellent idea.

2008 BUDGET

Mr. Knuchel: As I watch TV on Saturday night one of my favorite shows is Suzie Orman – she gives counseling to people who are in financial difficulties – the things she says is – 1 – get out

of debt, 2- establish an emergency fund, 3- then you can spend money on other things. This is wise, wise information and I think we should heed it when we are looking at the 2008 budget.

There are going to be guidelines this evening as there is a lot of people here who may not know how we conduct budget hearings. Please, especially during the budget portion of the meeting – wait to be recognized by the Chair – I want to make sure the Clerk can understand who is talking, what they are talking about and how that is significant. I am sure there will be heated discussion and there will be some things people don't like. Please, let's get through this in the most expeditious way possible. We will start with the Expenditure portion of the budget and if there is time we will go into the Revenue portion – we will have one more meeting within the next two weeks to discuss the adjustments and anything else we decide to do with the budget.

EXPENDITURES

“Mayor’s Office.”

Mr. Elshaw: Department #110.5214 “Membership Dues.” Mr. Condrón, last year we budgeted \$2,200 and spent \$2,091 but we also had an encumbrance for \$1,200 – what was that?

Mr. Condrón: The encumbrance would have been our share of the OML dues?

Mr. Elshaw: Then is the \$2,000 enough on that budget line?

Mr. Condrón: He thinks it should be enough.

Mr. Morley: #101.110.5212 “Incidental Expense” – in 2007 \$69 was spent with \$2,000 being budgeted. We are budgeting \$1,500 – do we need to budget that much?

Mr. Condrón: We cut it down by \$500.

Mr. Morley: \$500 is \$500 – what if we go down to when we get to the wish list? \$69 was spent – what if we take off another \$500?

Mayor Andrzejewski: That is fine – you can probably see I don't spend much money – that is what that reflects.

Mr. Morley: What I am trying to do is if we reduce all \$500 per line we will have \$5,000 somewhere to use for something else - \$1,000 would be good.

Mayor Andrzejewski: I have no objections.

Mr. Condrón: We will reduce it to \$1,000.

Mr. Knuchel: #110.5381 “Printing” – what do we print from the Mayor's office?

Mayor Andrzejewski: This year we printed Christmas cards.

Mr. Knuchel: It was a \$27 cost.

Mr. Condron: Business cards.

Mayor Andrzejewski: Yes, business cards.

There were no further questions of the Mayor's Office.

Economic Development

Mr. Knuchel: "Salaries" and "Economic Development Contract Services."

Ms. Vaughn: Are those new line items?

Mr. Knuchel: Yes.

Ms. Vaughn: I am not aware of them - were they discussed previously?

Mr. Knuchel: No, they were not.

Mayor Andrzejewski: This is the only place they could have been discussed?

Ms. Vaughn: I meant these could have been discussed last year? I was not here last year.

Mayor Andrzejewski: Ms. Vaughn – on any of these items we were asked to hold discussions until this meeting. The way I took your question was – did we discuss this before we put this in. The answer is yes and no – I am sure Mr. Knuchel and Mr. Elshaw knew it was going to be in there but we had no discussions about it until now because that is what we were asked to do.

Mr. Knuchel: Mayor, you put it on your wish list so everyone would know about it.

Mr. Elshaw: Around November or December, 2007 we went over a list including some of these items as a wish list.

Ms. Vaughn: I was not here – does that mean we will put this aside as a wish list until we are done with the budget?

Mr. Knuchel: We can discuss it now or wait until the end.

Ms. Vaughn: I do not know what your process is.

Mr. Knuchel: I have no problem discussing it now – if you would like to put all the wish list items at the end we can do that to.

Mr. Morley: The wish list items should be discussed at the end because we could be on this for an hour.

Mr. Knuchel: Everyone's wish list will be discussed at the end.

Mr. Elshaw: I agree with Mr. Morley but as we go through the budget we should identify the wish list items – if there are any additional items – I have some questions throughout where I saw an increase in expenditures that may have not been on the wish list and I am wondering what that is.

Council Office

Mr. Morley: #101.120.5212 – we spent zero and have \$1,900 budgeted – and in “Conference & Meetings” we have \$3,000 and spent \$185 – he changed the incidental from \$1,900 to \$1,000 and the “Conference & Meetings” from \$3,000 to \$2,000. “Legal Advertising” – we had an actual expense of \$1,046 – we had \$2,650 – I reduced that to \$2,000.

Mr. Knuchel: If we start nickel and diming things it could get complicated – he does not know how to handle this.

Mr. Morley: All this will add up as we go through the budget and if there is something we want or the Administration wants we may be able to do something.

Mayor Andrzejewski: We agreed to a reduction on the first page – if there are items that are rather glaring we should look at that. Mr. Condrón can take all the comments in reductions – redo the budget and see how it works out. If you decide the amount should remain the same before the next meeting then we will have a chance to put it back in. If you do it for one you should do it for all.

Ms. Vaughn: I have a simple question which will provide an answer for many of the salary items – Council went up a small amount of a couple of thousand dollars – is Council supposed to get a raise?

Mr. Knuchel: Council received a raise this year.

Mr. Condrón: Council passed a motion to confirm – it is in the 155 legislation – Council receives \$300 every two years – this is the first time in many terms.

Ms. Vaughn: And my question applies to all the salary line items – are there raises included when figuring out the #5100 accounts – are the wages for everyone included when you did your budget and at what percentage?

Mr. Condrón: We are consistent with what we did in the past.

Ms. Vaughn: I wasn't here in the past.

Mr. Condrón: 2%.

Mr. Elshaw: I have no problem with reducing Council's "Incidental" account to \$1,000, "Conferences and Meetings" to \$2,000. He is not sure about legal advertising – going down to \$2,000 is fine.

Mr. D'Ambrosio: In regards to Ms. Vaughn's comments about the salaries. I notice on some accounts such as Council Clerk, Finance Department, Tax Department – it was basically about a 2% increase but other money was added in – such as Council's salary at \$36,866 – 2% of that is \$37,603 – there is an extra \$30 in that – in some others there is an extra \$30,000.

Mr. Condron: There may be extra people in some of those too.

Mr. D'Ambrosio: I figured for that. What do we spend on salaries – about \$5 million.

Mr. Condron: About \$8 million – this covers not just salaries but all compensation – overtime, holiday pay, longevity, vacation pay-outs.

Mr. D'Ambrosio: Just from other cities and the increases they have he was wondering if the 2% is actually low.

Mayor Andrzejewski: This is in negotiations – we can't talk about it.

Mr. D'Ambrosio: This is in the budget – I would think it would be better to over estimate expenses instead of under estimating – if the salaries could be bumped up to 1% or some type of a compromise – it seems like they are low balled and I would hate to see us get in trouble with that when figuring out the rest of the budget.

Mr. Elshaw: I have #5100 "Salaries/Wages F/T" – this does not include all the part-time, benefits, overtime - longevity - \$5.2 million. I agree with Mr. D'Ambrosio. I do not agree you should do it on each salary line item but we need to account for that somewhere in the budget in the case that should Union agreements call for more – we should look out for that. It would be dangerous not to do that.

Mayor Andrzejewski: I strongly disagree. First of all we are in the middle of contract negotiations – anything you put in there can be used in negotiations – I am sure they could go to anyone and say look – there is this amount of money they appropriated for that. It is our job as Administration to determine that and through fair negotiations determine the amount of money to be given to the Unions. Secondly, everybody keeps referring to the Recovery Plan – if there is one thing consistent throughout the Recovery Plan over the next five years it is 2% - and, that has been put in there and has been stuck to – I keep hearing Recovery Plan, Recovery Plan, Recovery Plan – now we are willing to vary from that. I strongly disagree with that – it needs to stay at 2% - if it shakes out more or less than that then we can revisit it later. You do re-appropriations for many items throughout the year – this would have to be a re-appropriation if it turns out to be more or less than 2%. This is an Administrative matter. You are crossing the line trying to interfere. This is an Administrative matter – it would strongly whether you like it or not reflect in negotiations and it is our job to conduct the negotiations – come to Council with an

agreement and you either approve or disapprove it – you don't participate in negotiations and that is what you are trying to do here. This is not right.

Mr. Knuchel: I strongly disagree Mr. Mayor. For the function of budgeting for this City we need to have a good budget – if we bump it up 1% I believe that is about \$500,000.

Mayor Andrzejewski: \$480,000 over three years - \$160,000 per year for every 1%.

Mr. Condon: You have to look at comp time and time and one half.

Mr. Knuchel: What I am saying – to pass a budget that is appropriate we need to have good numbers – and, I understand your point but you have to understand ours also. And, we have not crossed any lines – it is our job and our responsibility to go through this budget line item by line item and evaluate what we believe the City needs in conjunction with what you have given us.

Mr. Lajeunesse: I agree with Mr. D'Ambrosio and Mr. Knuchel – we need to be realistic. I think 3% is conservative – that is for the Union as well.

Mayor Andrzejewski: You are going into negotiations with that kind of statement – that is a statement saying it is reasonable. Mr. Knuchel, we are crossing a line here – this will directly affect our negotiations – comments like that.

Mr. Knuchel: Mr. Lajeunesse, it is close. I want to go with the budget and how this will affect the budget.

Mr. Lajeunesse: I think Mr. D'Ambrosio's statement is correct – you need to increase 1% in all these areas.

Mr. Morley: I think the Mayor is taking it that we are saying that they should get 3% - that is not what we are saying – on the other hand you are putting on the table in minutes for them to take to negotiations that you are low balling.

Mayor Andrzejewski: No, I quoted what is in the Recovery Plan.

Mr. Morley: I understand that. But, we are looking at – you are misinterpreting that we are saying we think they should get 3%. We are saying to cover the budget. We have to agree with the budget – you are right – when the budget comes we could say no.

Mayor Andrzejewski: If you state it the way you are stating it – it is fine.

Mr. Morley: That is my statement.

Mr. Elshaw: First of all – as far as staying consistent with the Recovery Plan – I am fine with that and I guess we won't include any of the wish list – if you want to stay consistent. We are varying from the Recovery Plan by asking for more items to go into the budget – we need to

account for what may happen – and, I am not going to say whether it is going to be greater, the same or less as far as Union negotiations. I think it would be dangerous not to consider what may happen and we just said \$500,000 – 1% - even if it one half percent – you have to at least account for \$250,000. It would be dangerous – even if you don't put it in the budget you have to account for that somehow and understand we could take a hit on a yearly basis. That is my opinion.

Ms. Vaughn: As a suggestion of compromise – last year you did such a good job and you had a large carry-over – \$2.6 million is what I read. If you have that much cushion couldn't you put a cushion aside in a percentage amount you think is reasonable to ensure we don't end of in the middle of the year with this major crisis and end up looking like fools again by next October with our carry-over being gone or we run out of money again. If we have a carry over we could allocate some of that for whatever way negotiations come up.

Mayor Andrzejewski: If it is in the record, which it is now, the way Mr. Morley put it – I am fine with it. Because it just gives a contingency. What I am asking you to stay away from is saying either we have the money to do it – we don't have the money to do it – we can't say we are going to use the contingency, Ms. Vaughn, because as you know that contingency could go quickly – one bad half a year or $\frac{3}{4}$ of a year and that is wiped out. That is what he and Mr. Condrón have been guarding. We need a surplus – that is a very small surplus and amounts to about 5% - which is the first time we have had a surplus in a long time. That could go away like that. So, if it put the way Mr. Morley did I agree with it. Put it in there – account for it – say it is there just in case but leave the negotiations up to us and the Unions.

Mr. Knuchel: I do not think it was anyone's intention to help negotiate.

Mayor Andrzejewski: I would recommend putting in \$250,000.

Mr. Elshaw: I would put in \$500,000.

Mayor Andrzejewski: I don't agree with the \$500,000 because Mr. Condrón and I looked at it. Could we hold putting in this amount of money until Mr. Condrón and I look at it further and determine an exact dollar amount that a 1% would make?

Mr. Knuchel: We can do that because we are going to have another meeting on this. Do your analysis and bring it back at the next meeting.

There were no further questions on Council Office.

Clerk of Council

Ms. Vaughn: What about the "Printing" and "Other Contracts?" We spent \$12 this year on printing and we want to go to \$1,959 – the year before we spent \$1,925 – what do we print and what is our "Other Contracts."

Mr. Knuchel: The "Other Contracts" is for the Assistant Clerk. Mr. Condrón will check on the "Printing."

Mr. Morley: #101/130/5541 “Office Equipment” – we had \$4,150 for 2007 and spend \$418 and we put \$4,150 for 2008.

Mr. Knuchel: We purchased a computer.

There were no further questions on Clerk of Council.

Finance Department

Mr. Morley: #101.140.5407 “Other Contracts” – we budgeted \$25,750 in 2007 and spent \$24,228 and it was reduced to \$20,000 in 2008. Is there any reason we are going down?

Mr. Condrón: Some of the costs in 2007 were one-time upgrades.

Ms. Vaughn: #140.5101 “Salaries/Final Cash-in” – I realize what you are doing and it is an excellent idea – but, where do you get the figures from?

Mr. Condrón: We had an employee retire in the Finance Department – the first year is high and includes everything – vacation time, longevity – the next year would just be the second year of her sick leave – that is why it dropped.

Ms. Vaughn: I noticed in several different places you had a final cash-in and I wondered how you anticipated what they were going to be.

Mr. Condrón: We looked at the historical background – that is why we went down \$8,000 because the employee had more in the first year. It is 40%-40%-30% only for sick leave.

Ms. Vaughn: Will that happen with other departments? I won't have to question it all the time?

Mr. Condrón: If you have a question just bring it up.

Mr. Elshaw: That is an excellent question – to go over these final cash-outs. Last year – it was Mr. Condrón's idea and it was an excellent one – was to set up a separate fund to account for that. We put in \$100,000 which is probably not enough. I would like to hear your comment on that. What we see in the budget under #5101 throughout is that you left items in here and you are accounting for – they probably already got 40% or 30% and you are continuing to let those..

Mr. Condrón: The final cash-in is by Union Agreement – the AFSME can cash in two weeks – the Police Department has to take two weeks and can cash in four and the Fire Department has so many choices. That goes in #5101 also. So, it is more than just terminal pay – it is also Union obligations.

Mr. Elshaw: So, as far as accounting for these are you going to eventually move towards everything within that separate fund?

Mr. Condron: No, I would save it for large cash-ins. It would depend on what the entry level would be. Sometimes when someone leaves and there is a three-year step process and you bring in someone at entry level and you budget at the higher amount for salary you may be able to do an internal appropriation yourself and leave that money in that separate fund for something you can't handle normally. We usually do get turnover when someone leaves but if their contract calls for them to go through the steps and get pretty close by the end of the year then you would have to re-appropriate for it or use that special fund – it depends on the circumstances. It depends on how fast they move up the new worker.

Mr. Elshaw: For clarification, what are you going to continue to use this line item for?

Mr. Condron: The same purposes. The only one I would use the extra fund for – I believe we should build it up – I did put one in there this year – there is a large one.

Mr. Elshaw: So, from here on out you are going to put large ones in the account?

Mr. Condron: Yes, the ones I believe are note worthy. If we use it all in one year that defeats the purpose of why we set it up. I would use it for rainy funds and hopefully – we did not budget for it but if we have another good year financially we could put more in it at the end of the year. I would do it for extremely large cash-outs.

Mr. Elshaw: So, for at least this budget review we can ask what this amount is in #5101.

Mr. Condron: Yes, the #5101 would be for the second half of the Finance Department retiree.

Mr. Elshaw: Can you provide a list? Or would you rather we just ask in this meeting what is included in the account?

Mr. Condron: He will provide a list.

Mr. Elshaw: #110.5101 – what was that?

Mr. Condron: That was the third year of the receptionist. 2007 and 2008 should be pretty close – 2006 was higher.

Mr. Elshaw: Ms. Vaughn already asked about the Finance Department – when was that?

Mr. Condron: The second year in March.

Mayor Andrzejewski: I mirror what Mr. Condron said - we wanted to keep the \$100,000 and build it up a little bit for long time employees who will cash in significant amounts. As we looked at it with replacing employees – as one leaves we will probably be replacing that one and the new employee would come in at a smaller salary with the higher salary already in the budget for that year. So, you would pick up a few dollars there. Longevity would not be as much.

Mr. Condron: We could do internal appropriations.

Mayor Andrzejewski: We wanted to keep the money we put aside for large pay-outs and we don't get caught again like we did in past years.

Mr. Knuchel: Will there be a threshold?

Mayor Andrzejewski: We have not talked about that – we just wanted to build it.

There were no further questions on the Finance Department.

City Income Tax

Mr. Lajeunesse: #142.4213 “Conference/Meetings” - \$625 as compared to \$146 that was actually spent out of that.

Mr. Condron: This is what we choose to budget – we can always cut them down if it is everyone's wishes.

Mr. Lajeunesse: Actual in 2006 was \$138 and actual in 2007 was \$146. I agree with Mr. Morley – when it comes down to the end every couple of hundred all adds up.

Mr. Elshaw: I would like to keep the conferences, training, membership dues up – our people need to continue to be trained and I would not want to start cutting down. I understand what Mr. Lajeunesse is saying – that only \$146 was spent in that line item last year but I don't want it to be a “use it or lose it” type deal. We want to make sure they have enough money to continue to get the necessary training for their department.

My question is on #5214 “Membership Dues” – we budgeted nothing for that – we should at least have something in that account. I know we are only talking about \$20 but why not put \$150 in that account – that is what we budgeted last year.

Mr. Condron: I can do that.

Mr. Lajeunesse: For clarification, I totally agree with Mr. Elshaw on the training being a necessity in all departments. I was just looking at the last couple of years. We should go back to the beginning and leave everything the same because whatever kind of training that can go on is better than no training at all or very little. In certain situations certain departments have cut back on training due to our past financial situation and perhaps now is an opportunity to give those departments the training they do need.

Mr. Knuchel: So, the amount for the membership dues will be \$150.

There were no further questions on City Income Tax.

Legal Administration

Mr. Lajeunesse: #101.150.5345 “Special Legal Services” – to me the amount is way too low. I am going on approximations but with few of the things I see that we have discussed in Executive Session and quite possibly in other areas I think this should be increased. I would not hesitate to go back to what it was for 2007 at \$125,000.

Mr. Knuchel: Mayor, does this Special Legal Services cover contract negotiations and what we are paying for those?

Mr. Condrón: Yes.

Mayor Andrzejewski: There was a significant decrease by changing firms.

Mr. Knuchel: I still think it is a little bit low.

Ms. Vaughn: Mr. Condrón was kind enough to provide me with a breakdown of personnel and I added it up – your figures show the salary expense as \$113,917.32 and you are short \$155,230 – is that the indication of a salary increase? This is before the increases?

Mr. Condrón: Yes.

Mr. Elshaw: I agree with Mr. Lajeunesse on that one. Let’s talk about Clemons-Nelson – how much are we spending?

Mr. Knuchel: \$175 per month.

Mr. Elshaw: At \$175 per month with a minimum of \$2,000 – last year if you go through and add up the line items for charges from Clemons-Nelson there was at least \$12,000 there. But, I do agree – there is a lot on the plate as far as legal services are concerned. We do have the Union negotiations – we have a lot going on. I am not talking about just that – we have other items out there. Last year we had \$54,700 but we also had an encumbrance of \$66,000 which brings us up to \$121,000. I would say to get back up there and put the same encumbrance back in there – that would put you at \$138,000.

Mr. Condrón: That is a little bit high.

Mr. Elshaw: So, what would you say would be right?

Mr. Condrón: We upped it to \$72,000 from last year.

Mr. Elshaw: You actually dropped it because last year was a \$125,000 budget.

Mr. Condrón: Yes, and we spent \$54,000.

Mr. Elshaw: Right, and you encumbered \$66,000.

Mr. Condron: Some of those encumbrances were money we dropped off just in case we got involved in the Fatur lawsuit.

Mr. Elshaw: We still need that.

Mr. Condron: I don't think we need as much.

Mr. Elshaw: Why is that?

Mr. Condron: I think it is moving to Court now – I don't think we need the extra set aside.

Mr. Elshaw: I am going to disagree.

Mayor Andrzejewski: One of the reasons we changed was because we did not want to spend \$210 an hour and we thought \$130 was more reasonable and we should be given credit for doing that because it does save the City money. Secondly, I don't think – the two major ones – or actually one that is still hanging out there is the sewer levy issue and that may not come to a head for another three or four years – so, why put it in there and again next year we will be talking about the same thing – we didn't use it so put in another \$120,000. If you want to bump the \$72,000 up to feel more comfortable bump it to \$90,000 - \$95,000 – that will give you an extra \$20,000 over what you have. But, I can't see – I would be willing to say right now we are not going to spend \$95,000 on extra legal services. If you feel better putting it in then put it in. We are giving a realistic budget number on most of these larger items – on all of these larger items.

Mr. Morley: The information on salaries that Mr. Condron gave us on February 12, 2008 – these are all salaries without any overtime included – just straight 80-hour salaries – I don't know – if you add up the salaries for the Departments that match up but those really aren't the real life salaries before the overtime. Everything on here is the 80-hour pay.

Mr. Condron: But, the overtime is on separate line items.

Mr. Knuchel: What are we going to settle on the Special Legal Services?

Mr. Condron: Do you want to increase it to \$90,000?

Mr. Lajeunesse: I think we should go back up to \$125,000 based on the past and we don't know where things will be going.

Ms. Vaughn: I agree, it should definitely be at least \$100,000+.

Mayor Andrzejewski: You don't budget by opinion – you don't budget by what you think – you look at what you are dealing with and put a number on it. That is what Mr. Condron and I did when we looked at our legal expenses for the Union and contracts and everything else. To sit here and say it is opinion that we should go up to \$125,000 I would ask Councilman Lajeunesse to back up his opinion with facts and it is not the facts from last year because last year we didn't

use the money we set aside for the sewer possibility and I don't think we are going to use it this year for the sewer possibility. We spent a lot of time on this – we did not just pick out a number because it sounded good – we figured out how much we will need – added a little bit for contingency and that is the number. Our numbers are based on fact. To sit here and say it is my opinion that we should put \$121,000 is not budgeting – now you are getting back to guess work.

Mr. Lajeunesse: Actually you are right Mayor – that is all I am doing at this point but I can go on past history – when we were in negotiations we budgeted \$125,000 in 2005 and 2006 – if you go back through history and where we need to go forward right now – don't you base some of your numbers on history?

Mayor Andrzejewski: We were paying \$210 per hour – we are not paying \$130 per hour.

Mr. Elshaw: Nice job on lowering the contract costs – he agrees that is good. My first question is what went into the \$72,000 number – #1 - what is the detail behind that. #2 – if that is all we feel we need then why not stick to it – I don't want to come back during the year and say now we need another \$100,000 for this – if that is it then we just say we can't pay it – are we okay with that? Are we okay with saying “I'm sorry guys – the well is dry – we can't give you anymore.” You are going to hold to the \$72,000. What went into it?

Mr. Condrón: Our Union negotiations and a little bit extra.

Mayor Andrzejewski: I met with Clemans-Nelson and asked for a realistic quote based on his past experience – how much we need to budget for his legal services – the number he gave us is \$40,000. \$40,000 of that \$72,000 is for the Union negotiations – I told them I was holding them to this – it is not going to go above – and, every month I say to them “Enough – why is this dragging on – I am not going to pay you to sit here for a day.” I am as tough on them as I am on Chief Ruth who knows I'm an equal opportunity annoyer. \$40,000 of that is for the contract negotiations – the other \$32,000 is for the other expenses we might anticipate. The only other one we could think of is something to do with the sewer levy and that gives you \$32,000 to use on that. If you can think of any other legal items we have pending we can discuss it and put a dollar amount on it.

Mr. Condrón: Some of the Union negotiations were paid for in 2007. We are already into some of that \$40,000.

Mr. D'Ambrosio: As far as the amount for negotiations – and, I don't know how they are going – how close you are – how much of that \$72,000 has been used so far?

Mr. Condrón: None of it yet.

Mr. D'Ambrosio: But, we have incurred costs.

Mr. Condrón: We have incurred costs – we have a carry-over purchase order for Clemons-Nelson and what they used in 2007 we paid in 2007. We have not used anything yet.

Mr. Morley: To add onto something Mr. Elshaw mentioned – I hope you are not doing your numbers by saying we are going to keep re-appropriating down the line. That we will put in \$72,000 and come back to Council six months from now and say we are over – we need to re-appropriate. I am going to be in the same spot as Mr. Elshaw, and I am sure everyone else is – we are going to start saying – “No” – we told you in the budget to do this and you are saying no – you thought it out and you are here all day to know that. And, that is where it is going to come down to with me – and, I don’t know about anyone else – I hope that is not how we did this budget. We are doing a lot of guessing but if you are here like you say all day you should know the numbers – but, in the end we have to back this budget also – it is not just your numbers and we are okay with everything you say as gospel.

Mr. Elshaw: Here is my concern with encumbrances also – we are talking about that you encumbered \$66,000 in 2007 for 2008 – what about encumbrances in 2008 for 2009? You have to consider that too. So, that is where I start to get nervous – that is why I say it should be closer to that \$120,000 number again. That is my opinion.

Mayor Andrzejewski: No, Mr. Morley. We did not sit down and say – “If we make a mistake we’ll re-appropriate.” As a matter of fact Mr. Condron and I met and I questioned him as if I were a Councilman and I grilled him on why did you put that number in there – what are your reasons for doing that – why is this number like this – why did you change it – and, we went through ½ dozen revisions in this already. We did not sit back and say we would re-appropriate later. What we wanted to present to you were realistic numbers. I said many times to make sure this was based on fact – and in many cases you will find we took a three year average on some of the budgets because we were not sure – unless I am going to be totally wrong the answers we are going to give you are based on fact and are thought out. They are just not thrown in there. I will stick by that \$95,000 if that is what is put in. But, one of our objectives was to lower the costs of our other legal contracts.

Mr. Elshaw: Let’s put it at an even \$100,000 for now – if anyone can think of anything else needed – fine – if not we have one more meeting to go and we will think of things before that – if not let’s go with \$100,000 and you don’t come back for anything more than that. \$100,000 is where it will stay and you can’t go over it.

There were no further questions on Legal Administration.

Mayor Andrzejewski: Also, when you do budgets – I wish you could say that every item and every account is going to turn out exactly like you plan – but, the overall objective we looked at is to make sure the entire budget as a whole works out to close to what we are predicting – which we have done pretty well over the last two years. With that said, if what we say we are going to spend is less than what we take in that is good – and, if there are some items that have to be moved around later – as long as the total budget falls within revenues higher than expenses we are in good shape. So, I am not going to sit here and go on record and say some of these items might not have to be changed – there may be some where we come to you and later on for re-appropriations that comes out of the blue – but, the overall objective when we sit down with you

to review the budget from last year is that our revenues exceed our expenses. Do we all have that objective?

Mr. Knuchel: Mayor, we all have that objective – we are not here to brow beat – to say there won't be emergency situations where we will have to re-appropriate – that is not the purpose.

Mayor Andrzejewski: I did not want to leave you with the impression that we would not come back for any re-appropriations.

Mr. Morley: You are lucky your Directors are doing a great job.

Mr. Elshaw: I don't disagree with what you just said, Mayor – however, I don't think we should be taking from other line items if we can avoid that – and, actually you can't – you can only re-appropriate within your Department – I understand that. But, I would like to try to get some semblance of reasonableness by line item – that is what I think this is all about.

Mayor Andrzejewski: Again, going back in history – one of the things Mr. Slocum did a great job at was to take items and put them into the proper category – what I am seeing and working with Mr. Condon on is doing the same thing. When we find an item that is in the wrong category we put it in the right category or create another line item to do that. So, I agree with Mr. Elshaw – we are getting better and better and you see as you look at last year's budget the items are very close – if not right now. We will continue to do that.

Municipal Court

Mr. Lajeunesse: #180.5562 “Court Costs” – Mayor, where is the Willoughby Court in regards to their continuation of fees – in 2005 we budgeted \$54,000 and in 2008 we are budgeting \$105,000 – that is almost double in three years time.

Mayor Andrzejewski: We have asked the Judge Allen point blank candidly and we have had some heated discussion with them.

Mr. Condon: The first half of the year was \$51,722.

Mayor Andrzejewski: What we have succeeded in doing is putting enough pressure on him that he is at least looking at controlling his expenses and not just handing the cities bills any more and saying – pay this. So, that is under the Judge's control – we are told – here is your bill – pay it.

Mr. Lajeunesse: Actually, Mayor, I agree – I just wanted this in case someone read the minutes and wondered what we were doing to try to control this – we are working together to try to work on this expense as Council and the Administration.

Mayor Andrzejewski: I do not think they are pleased with us also.

Mr. Elshaw: Last year we spent \$105,000 – we put in \$105,000 for this year – are we comfortable with that?

Mr. Condron: We spent \$51,000 the first half –there was a terminal pay in there – they did have a meeting in January where I was the only Finance Director in the jurisdiction who showed up and they told me the next bill should be a little bit less if not the same - \$105,000 is a good number.

Mr. Elshaw: We heard that last year – we heard the last bill would be much less and we are right back to where we budgeted at \$105,000.

Mayor Andrzejewski: We had a pay-out.

Mr. Condron: We had a pay-out – we asked the same questions.

Mr. Elshaw: It has increased every year.

Mayor Andrzejewski: I hope the record heard what Mr. Condron said – when they sent out the notice for the meeting to meet with them – we were the only City to show up.

Mr. Knuchel: Are we okay with the \$105,000?

Mayor Andrzejewski: Yes.

Mr. Knuchel: Mr. Elshaw, is that a good number for you?

Mr. Elshaw: I don't know – I guess it is – if that is what they are saying - \$105,000.

Mr. Lajeunesse: Mr. Condron, when you went there did they say if they were looking at any other increase or is this it for 2008 – are we good with this?

Mr. Condron: They can't give a guarantee – but it will be in the ballpark – so, we spent \$51,000 for the first half – we can expect that about the second half – and, we will have a couple of thousand dollar buffer so I think the \$105,000 is the best number we have budgeted for the last three years – and, we should be in the ballpark again. I don't think you will see this go back to where it was two years ago – it will always go up – they have increases in health care costs.

Mr. Lajeunesse: So is the \$3,500 increase a little bit less than a buffer – should we raise it a little more to keep it within what their increases would be?

Mr. Condron: You can make it \$110,000 to increase the buffer – we will know when it comes in – hopefully it will be \$51,000 and not greater than we estimated – if you want another \$5,000 buffer.

Mr. Knuchel: Do you want this increased to \$110,000?

Mr. Lajeunesse: I would rather that.

There were no further questions on Municipal Court.

City Hall

Mr. D'Ambrosio: #101.190.5101 "Final Cash-in."

Mr. Condron: That was the custodian who retired.

Mr. D'Ambrosio: #101.190.5115 "Longevity" – that is for him too but don't we have someone who is taking his place?

Mr. Condron: He is newly hired. The retiree's longevity is rolled into the fund.

Mr. Knuchel: #101.190.5407 "Other Contracts" – the appropriation last year was \$2,500 and it went up to \$21,000 this year?

Mr. Condron: That is the pending contract for Honeywell. If Honeywell goes through we budgeted for it.

Mr. Elshaw: #101.190.5311 "Natural Gas" - last year we budgeted \$39,000 and spent \$38,000 and we will only budget \$25,000 this year?

Mayor Andrzejewski: We looked at that – our MCF charge is \$11.99, which is the same as last year – it did not go up.

Mr. Condron: Last year's expenses for natural gas was \$24,461.27.

Mr. Elshaw: Yes, plus \$13,683 in encumbrances. Like I said, I worry about the same encumbrances.

Mr. Condron: We encumbered some into the year also – we encumbered at the end of 2007 to carry into 2008.

Mr. Elshaw: Right – you are saying in 2008 that we are not going to have any encumbrances for any of these items for 2009.

Mr. Condron: I am sure we will be able to encumber with the \$25,000.

Mr. Elshaw: You spent \$25,000 last year – that is where you are coming up with this budget – but, you encumbered another \$14,000 – what was the \$14,000 for?

Mr. Condron: For natural gas.

Mr. Elshaw: I know – but, for 2008.

Mr. Condron: Right.

Mr. Elshaw: Won't you do the same thing next year?

Mr. Condron: Right, but some of the money encumbered will carry us through the first couple of months of this year – so it will come out to be the same. We spent \$24,000 last year in natural gas.

Mr. Elshaw: But, what about encumbrances from 2008 – aren't you going to do the same thing in 2008 into 2009?

Mr. Condron: I think the \$25,000 will be enough.

Mr. Elshaw: So, you don't think you will need any additional encumbrances aside from that point.

Mr. Condron: I think the \$25,000 will work.

Mr. Elshaw: Really? Okay. I don't want you coming back and saying you need more – I think we ought to hold to this – I would hate to shut down the heat in City Hall.

Mr. Condron: We won't have to.

Mr. Knuchel: Didn't I just read an article in the News Herald this week about Dominion increasing prices again? Are we prepared for that Mr. Condron? We looked at gas prices across the board – and across the board it looks like in every category we were kind of shy and we did encumber a nice chunk of change.

Mr. Condron: You told me at the end of the year to tied us over a little bit to – that is why we encumbered.

Mr. Knuchel: I do not know if I am comfortable with that.

Mr. Lajeunesse: I agree with Mr. Knuchel and Mr. Elshaw. You learn from history – I saw \$1.2 million of encumbrances come the next year and a 10% cut in fuel costs and utility costs – I am not insinuating anything – I am saying that I appreciate this Council's continued watchful eye on encumbrances because part of that is what got this City in trouble before. I think we need to be a little bit more careful on our utilities and encumbrances - it is better to have a little bit extra than to cut ourselves short.

Mr. Condron: It is because we have a little bit extra that we are able to encumber. If we did not have the money appropriated we would not be able to encumber it – but, we could go to \$28,000 – just in case gas prices spiked again.

Mr. Knuchel: Why do we need to encumber if we've already got it.

Mr. Condron: He is talking about encumbering at the end of the year – from 2008 into 2009.

Mr. Knuchel: If we are not over projecting why do we need to have encumbrances?

Mr. Condron: You want to have encumbrances because you don't get your bill until after the first of the year. There is always a delay – you will pay your November and December bill in January.

Mr. Knuchel: \$500,000 in encumbrances from last year to this year? And, we have \$2,00,000 after encumbrances.

Mr. Condron: Yes.

Mr. Knuchel: We still have \$500,000 in encumbrances.

Mr. Condron: Correct. That is better than it was a couple of years ago when we only had \$5,000 and used 2006 money to pay off 2005 bills – you want to have the money encumbered so you can use it.

Ms. Vaughn: She has the financial report for January, 2008 and I am trying to make sense out of it – the budget I got last week for January said the budgeted amount for natural gas is \$38,000 and electric is \$35,000. Then, you budgeted different numbers in here. Which number am I supposed to pay attention to.

Mr. Knuchel: We have an interim budget we passed and that should match up with the interim budget – is that correct Mr. Condron?

Ms. Vaughn: Where did these come from? Isn't this part of the interim budget?

Mr. Knuchel: That is the interim budget.

Mr. Condron: We are making changes to that – it will not match up.

Ms. Vaughn: In other words you changed your mind from the interim budget in December to now in March where you are looking at it differently? And, we can do that – we can just change our mind.

Mr. Knuchel: At this particular point in time we can.

Mayor Andrzejewski: What was done in the past was something like this – after September the Departments were told to not pay any bills.

Ms. Vaughn: After June.

Mayor Andrzejewski: And, they were held until the next year – it is like a company starting off by saying for 2008 we have \$1 million worth of expenses to start off the year. What we did, starting with Mr. Slocum and continuing with Mr. Condrón is – they are under the instructions to pay every bill they can by December 31st – until the last day of the year – so, we have very little to carry over because we want to start out January 1st as close to zero as we can. However, there are bills that run a month behind – there are payments that run a month behind. That is the reason you do encumbrances.

Mr. Knuchel: Absolutely – I think everyone understands that.

Mr. Morley: There is no one at this table that will disagree that natural gas and fuel costs are going to rise –no matter what – they will not go down and will only continue to increase.

Mayor Andrzejewski: Not natural gas.

Mr. Morley: Natural gas is the same way – absolutely. If Dominion want to increase the gas they can – or they can increase the handling fees.

Mayor Andrzejewski: No, I am locked in at a rate for a two-year contract.

Mr. Elshaw: We all agree that we spent \$25,000 last year – do we agree with that?

Mr. Condrón: Yes.

Mr. Elshaw: We encumbered \$14,000 because the Mayor just said we have bills and payments that go into the next year. Aren't we going to have to have that – if we spent \$25,000 last year and we are budgeting \$25,000 what about encumbrances that you needed to do in 2007 for 2008 – aren't you going to have that same thing happen in 2008 for 2009?

Mayor Andrzejewski: The December payment.

Mr. Elshaw: But, you are already low-balling yourself already. I am not understanding. You just told me you need encumbrances because there are bills not paid. So, you encumbered \$14,000 last year – we spent \$25,000 – you are up to \$38,000. You will have that same condition next year – how can you just go with \$25,000 – I don't get it? I think it is way low.

Mayor Andrzejewski: What was or bill for December?

Mr. Condrón: About \$7,000 or \$8,000.

Mr. Elshaw: I would say you put in \$25,000 and put your same encumbrance in that you did for this year – that brings it back up to the \$38,000 – why wouldn't you do that – explain to me why you wouldn't do that.

Mr. Condrón: We will take a look at that.

Mr. Elshaw: I will put it in there for now.

Mr. Lajeunesse: I just want to reinforce again the encumbrances – if you are not budgeting and taking care of your encumbrances I don't understand the point of why that would not be done. I just want to reinforce Mr. Elshaw's question. That is really important. I have sat through and saw deterioration of Department's happen because the encumbrance has not been considered.

Mayor Andrzejewski: What Department deteriorated?

Mr. Lajeunesse: That was a while ago. All the utilities are in question.

Mr. Knuchel: Are we going to take a look at all these expenses?

Mr. Elshaw: Yes – we need to look at utilities – the same thing for the electric. Here we have \$29,000 we spent last year and you are budgeting for \$29,000 yet we had another \$8,000 in encumbrances. We are missing something – in my opinion.

Mr. Condon: I'll take a look at it.

Mr. D'Ambrosio: Mr. Elshaw, some of the numbers you are saying are not the numbers that are actually in the budget – you are seeing the right line item such as the electricity #5312 – what was spent in 2007 according to this is \$24,313. What number do you have for the actual 2007?

Mr. Elshaw: \$28,582.67.

Mr. D'Ambrosio: I have \$24,313.

Mr. Condon: I will double check that.

Mr. D'Ambrosio: And, the same thing with the gas. Mr. Elshaw had a different number than what is in here.

Mr. Knuchel: Did you add encumbrances, Mr. Elshaw.

Mr. Elshaw: No – I have \$25,000.

#190.5321 "Telephone" – last year I had a budget of \$21,000 and it looks like \$16,000 was spent and you are going with \$13,000.

Mr. Morley: We have \$10,000 – you have all different numbers.

Mr. Elshaw: I have last year's final December, 2007 Monthly Financial Report – I have natural gas at \$24,661.27. This is per the final formal report presented to Council – we have to go with

what was final last year – the amounts in the other document are not accurate. Mr. Condrón, please look at that – I don't know why those would be different – these are the final figures.

Mr. Morley: The only thing he could see is on this document the year to date as of October 30.

Mr. Knuchel: Are all the numbers that way?

Ms. Vaughn: Yes.

Mr. Elshaw: #101.190.5321 "Telephone" – we spent \$13,364 and an encumbrance of \$2,382 – about \$15,000 – you have \$13,000 – do you feel comfortable with that amount for telephone.

Mr. Condrón: Maybe a couple more - \$15,000.

Mr. Lajeunesse: Mr. Condrón, I am confused – the numbers you presented to us is \$13,000 for the 2008 budget and now we are going to raise it another \$2,000 based on what?

Mr. Condrón: To make sure we have something to encumber at the end of the year.

Mr. Elshaw: If you go off the final budget – we spent \$13,400 and encumbered \$2,400 – that totals \$16,000 – he is bumping that up to \$15,000 to stay current with what was done last year.

Mr. Lajeunesse: So, are we working off a 2008 budget that was prepared as of October 30, 2007.

Mr. Condrón: No.

Mr. Lajeunesse: Suppose Mr. Elshaw did not have his computer and we sat here with this budget which was given us for 2008 – if I go just by what was provided without having anything in front of me I am saying the budget requested for 2008 is \$13,000 for telephone expenses. However, as of December 31, 2007 we have a telephone expenditure of \$13,300 – how did we end up with this? When I asked the question about raising the legal services up to \$125,000 the question as asked to me – based on what – my guess as good as yours – based on this.

Mr. Elshaw: Mr. Condrón – can you check into that – in the meantime we can keep going.

Mr. Lajeunesse: I am just trying to figure out where the figures are coming from.

Mr. Knuchel: I think the questions will be the same – it is just going to be a little different. Mr. Condrón, if you could review this and get us something a little bit more reasonable going up to December 31st we would appreciate it.

Mr. Elshaw, are you comfortable with the telephone increase?

Mr. Elshaw: Bumping it to \$15,000 – yes. Mr. Condrón said he wanted to do that.

#101.190.5374 “Repair/Building” – last year \$6,500 was spent and \$418 was encumbered and requested \$6,500 – is that good?

Mr. Condrón: Yes.

There were no further questions on City Hall.

Post Office Building

Mr. Lajeunesse: What is the revenue generated out of the post office?

Mr. Condrón: About \$80 or \$90 a month.

Mr. Lajeunesse: That would be \$1,200 – is the post office really a necessity for the City?

Mr. Condrón: You wouldn't save that much if you closed it – you would have the same utility costs.

Mr. Lajeunesse: What is the updated expense for the electricity - #196.5312 – because in 2007 \$4,000 was budgeted and the requested amount in 2008 was \$2,900 – that is a difference of \$1,100. What were the year-end encumbrances?

Mr. Morley: We spent about \$2,711 and the encumbrance was \$962.59.

Mr. Lajeunesse: Mr. Condrón, do you think \$400 extra is good?

Mr. Condrón: We spent about \$2,700 – we could bump it up to \$3,100 if you like.

Mr. Knuchel: Mr. Condrón, please go over the utilities for the next meeting and we will look at it next time we come in.

There were no further questions on the Post Office.

Engineering Expense

Mr. Knuchel: #101.210.5343 “Engineering” – does that include the work done on the pump stations and Quentin Road?

Mr. Condrón: No.

Mayor Andrzejewski: This is for the retainer which is about \$1,400 per month and the engineering work done on the Senior Center paving – those type of small projects – anything we are going after State money for – the pump stations, Quentin Road – that is all extra. We are not at the point of hiring an in-house engineer.

Mr. Elshaw: It looks like we are pretty close – you are good with the \$70,000?

Mr. Condron: Yes.

There were no further questions on Engineering Expense.

Civil Service Commission

Ms. Vaughn: I find the Civil Service expenses lacking in several areas. I know we have to have at least three tests in the Fire Department – the Chief, the replacement for the Battalion Chief and the replacement for the Lieutenant. I know there is no list available for the Police Department and there is no money in here for testing supplies, limited money for office supplies, the secretary forgets to turn in her pay stub so there is nothing in there. They get paid a travel expense every month and there nothing for 2008 but you have conferences and meetings and they don't go anyplace. Medical tests - \$3,000 – you also have to do psychological tests too if you hire someone new and for internal promotions for the Fire Department you don't have to have those tests – you just have to pay the Fire Chief's Association to pay for the Chiefs interview and I have no idea how much that costs. You should take a look at this in a couple of different areas.

Mr. Condron: I will look at this.

Chief Sabo: For Ms. Vaughn's information, we will not need a Battalion Chief or Lieutenant test – we happen to have a good list.

Ms. Vaughn: That answers that but there is still not enough money for the others.

Chief Sabo: Right.

Mayor Andrzejewski: I believe the \$1,800 under "Conference and Meetings" covers their \$50 per month travel expense.

Ms. Vaughn: It is usually under travel. But, I still contend you do not have a Police list and you should make some efforts to establish a new two-year list for the Police Department because you haven't had one for a few years.

Mr. Knuchel: What fund would cover that?

Ms. Vaughn: #5471 "Testing Supplies." It is also mandated by Ordinance that the Board gets some money.

Chief Ruth: I agree with Ms. Vaughn – we should have a standing list for police also – I put in a recommendation for a Civil Service test for patrolman and other money should be set aside for that too.

Mr. Knuchel: Mr. Condron, you will check into this and speak with the Mayor about whether we need a Civil Service test for the police, which the Police Chief is recommending.

Mr. Elshaw: So, what line items do we feel need to be looked at on this?

Mr. Condon: Office Supplies for testing and medical tests.

Ms. Vaughn: #5372 “Legal Advertising,” #5344 “Medical Tests,” you will need money for postage, this all has to be looked at – compare it with a year before when they were testing to get an idea of the costs.

There were no further questions on Civil Service.

Elections Expense

Mr. Morley: Why did we increase to \$15,000 for 2008?

Mr. Condon: We have not paid for our last two elections yet – the primary in September and the General Election in November – the primary was split with someone. We will get that when we get our property taxes. I would leave the \$15,000.

Mr. Lajeunesse: Can I request when we do an updated version of what should have been the original budget request for 2008 that we put on the encumbrances at the same time – their may be a few less encumbrances.

Mayor Andrzejewski: If you have encumbrances and you put them in the budget they don’t disappear because you paid them.

Mr. Lajeunesse: I understand.

There were no further questions on Election Expense.

Miscellaneous Government Expenses

Ms. Vaughn: I have a lot of questions but I will not take them to the table right now – I will talk to Mr. Condon. One question I do have is in regards to #101.140.5127 “Workmens Comp” – are you taking out of several different funds and is it close to the same amount as last year?

Mr. Condon: Last year we spent \$177,648 – our rate went up to 5.2%. We were under NORMA last year and it disbanded.

Ms. Vaughn: Were we getting discounts for drug free workplace, safety – do we not get those anymore?

Mr. Condon: We are a penalty rated employer – our rate went up.

Ms. Vaughn: If we are not doing NORMA are we by ourselves?

Mr. Condon: Yes, that is why it went up.

Ms. Vaughn: Is there anything you can do internally in the City to bring that rate down.

Mr. Condron: We already did – we are a credit rated employer for the next year.

Ms. Vaughn: I knew there were special programs before where you could get certain discounts if you did certain things.

Mayor Andrzejewski: We are in those.

Mr. Condron: We are in a group rating program next year – this is the year we have to bite the bullet. We spent \$177,648 and our apportionment is higher at \$256,000.

Mr. D'Ambrosio: #101.240.5346 “Bank Fee’s” – on the first budget we had for 2008 \$1,000 was budgeted —on the five year comparison for 2008 \$100 is budgeted – is there a reason for the \$900 difference?

Mr. Condron: We don’t expect any bank fees – we have enough balances to cover.

Mr. Elshaw: I understood pretty much what was adjusted on Miscellaneous Government – #240.5407 “Other Contracts” – last year we spent \$28,000 and \$32,000 was budgeted. This year it is down to \$6,000 – what is the reasoning?

Mr. Condron: The costs went down because we had new line item for “Collection Agency Taxes.” We paid some of the collection agency out of it next year and we wanted to make sure we paid them from the right place - #240 “Collection Agencies” – last year we spent \$12,930 – this year we bumped it up to \$26,000.

Mr. Elshaw: You seem to be \$10,000 short because you spent \$28,000 in other contracts. Last year in Collection Agency we spent \$13,000 and you bumped that to \$25,000 – so it is increased by \$13,000 but the difference in #5407 is \$20,000+ - you are about \$8,000 shy.

Mr. Condron: We paid some of the collection fees out of #5407 last year also – this year we bumped that up so we could pay it all out of one place. If you take off a good deal of that money the #5407 will go down.

Mr. Elshaw: If you add what we spent last year at #5337 and #5407 you are at about \$41,000 and if you add what you want in the budget this year you’ve got \$25,000 on #5337 and \$6,000 on #5407 – that is only \$31,000 – your budget is short by \$10,000.

Mr. Condron: I will look into this – we may have had some other one-time payments.

Ms. Vaughn: #5381 “Printing New Letter” – that is something new – is that something we are going to be doing?

Mr. Condron: Yes.

Ms. Vaughn: #240.5734 “Transfer Emp Termination Fund” - \$100,000 – does that appear on the budget someplace?

Mr. Condron: It is not being budgeted for yet but hopefully we can do more this year.

Ms. Vaughn: But, does it appear last year on the budget?

Mr. Condron: It would have been in December.

Mr. Knuchel: #240.5732 “Transfers to Callable Bond Fund” - \$175,000 this year – is that it?

Mr. Condron: That is \$50,000 more than we budgeted initially in 2007.

Mr. Knuchel: Budgeted – but we put a lot more in there. Didn’t we move \$775,000 in it?

Mr. Condron: Last year we started at \$125,000 – this year we will start at \$175,000.

Mr. Knuchel: I still think we need to look at that.

Mayor Andrzejewski: This is what we discussed – last year we started off at \$125,000 – that is what we planned to put into the Callable Bond Fund because we had a better year than we thought and in order to pay off the stadium debt faster we put \$775,000 in there. Looking at 2008 as a whole – no way. If we can put the \$175,000 in there I will be happy. This year is going to be very tight as you are finding out as you are going through these items – it is going to be a fairly tight year. If you put in \$750,000 - \$500,000 it is not doing justice to this budget – because I don’t feel we will have that money to put away this year for the Callable Bond Fund.

Mr. Knuchel: Mr. Mayor, as I stated in the beginning I think one of the things we should concentrate on is bringing down the long term debt so that it will ensure the long term health of this community. Basically, our long term debt is our stadium debt. I think we need to look realistically – you are saying we will have a hard time putting this \$175,000 away but we are looking at a wish list of \$300,000 plus. I think it would be a better use of our finances to put more money in the Callable Bond Fund.

Mayor Andrzejewski: You know we are going to have a disagreement in this – we can’t say drop everything – drop rent programs, drop adding this, drop adding that in order to just pay of debt. We need to pay off debt and we are going to make a huge payment in debt in 2009, which we have been preparing for. But, just to say lets take all the extra money we might have or could have and put it to long term debt to pay the stadium will get the public even more aggravated than they currently were or are. Because we are saying our main objective if we have any money is not to add another person or new equipment – not to beef up some of the areas that need it but to put it towards paying that stadium. I am not for that and I will express my opinion as strongly as I can that the only thing in this City cannot be with extra money paying off stadium debt.

Mr. Knuchel: Mayor, I agree 100% but let me list a few things we have done – because I think we are getting off target. We approved last year \$50,000 to allow your part-time people to work for the Service Department to cut grass, then not only did we do that but we extended the time they would be available until December. The other thing – two police officers cut – those were integrated into the 2008 budget – that is something we did above and beyond what we did last year. That was \$160,000. Recreation Programs – do you want to talk about what we put into Recreation – soccer nets, field paint, tennis nets, line markers, topsoil – we put over \$10,000 into those items. We are not neglecting things. They may not be up to the level we may have been a few years back but we are not neglecting. We also allowed the continuation of a Sewer Department scheduled for layoff. We got Human Resource consultants, which was a good thing. Freedom Festival, fireworks - \$5,000, Building Department software and computer - \$21,000, Christmas lights, Finance Department upgrades and programs - \$100,000. We are moving forward. It may not be at a break neck speed we might all want it to be but we are moving forward. I wanted to get that into the record.

Ms. Vaughn: And, I would like this into the record. I think there is a compromise here to be said – I am probably cheaper than anyone in this room except for the Fire Chief. I want to be very conservative in our spending and I think something should go to debt reduction, but one of the reasons I wanted to be on this Council was to ensure we start providing more services to the young people and to the older people. The older people are paying their own way and I don't want to hear our money goes to the Fire Department to rescue the old people because you rescue more than old people. And, the young people have nothing to do but PAL and that is a limited number of people with a very small number of programs. They have no organized safety town, no playgrounds, there is nothing in the works for young people – you know that.

Mr. Knuchel: I would disagree. We just put \$20,000 in the last two years into our playgrounds.

Mayor Andrzejewski: Where did the money come from Mr. Condron?

Mr. Knuchel: CDBG Grants – not out of the General Fund.

Ms. Vaughn: You talked about fixing the soccer field and maintaining baseball fields – that is important – aesthetics are important too but not every kid in the City plays soccer.

Mr. Knuchel: I don't disagree – but there is soccer, football, basketball, baseball, softball, girls' softball.

Ms. Vaughn: You are preaching to the choir but how much money are we providing for the unserved children that don't pay to belong to these leagues – what kind of services are you providing for them? Nothing.

Mr. Knuchel: What would be proposed – nothing has been brought forward.

Mayor Andrzejewski: There is a part-time Recreation Director in the budget.

Ms. Vaughn: You are talking about debt reduction – I am saying please consider something in the budget for those two.

Mr. Knuchel: I was pointing out the things we have done.

Ms. Vaughn: For the young people and the old people.

Mr. Knuchel: For whomever it takes into consideration.

Mr. Elshaw: I agree – we have not just stood still – we have done a lot – as much as we can but the mission is to stabilize and that has been the mission. As all know we have gotten out of fiscal emergency – fantastic. I don't feel we are stabilized yet – until we go through this budget and see where we are and, again, he met with the Mayor and Mr. Condron and they asked what would it take to start adding things to our budget. I would like to see some stability. What I mean by that is they prepared a five-year forecast and I don't think we will get to that tonight and with all these changes the numbers will probably have to be integrated into that and extrapolated over the period. We need to see some stability and what I mean by that – I am not saying - and I told you this Mayor – I am not saying we need to pay off the stadium debt completely. We have to get it to a manageable level. What do I mean by that? When I start seeing stability over a five year forecast, and we have talked about this, I don't want to see deficit spending because the answer to deficit spending to me is not to add more in expenditures. The answer to that is to make due with what you have and do the best you can – and, I think we have done that. Mr. Knuchel's list was pretty good – at least \$250,000 - \$300,000 that we added into the budget that we did not have accounted for in the original Recovery Plan. We were able to do those items and have to take this one step at a time and take things slowly. I know it is not at the pace some would like but we need to be careful.

Mr. Lajeunesse: I agree with Mr. Elshaw – we do need to be careful but we also need to achieve balance. Balance is important – somehow, hopefully, we can come to a compromise and take care of business the way it needs to be taken care of.

Mayor Andrzejewski: I appreciate your comment Mr. Knuchel and I don't disagree with some of the things you read. I think when we get to the point of discussion we extended two workers – not all ten. And, we did that for a specific reason – for the last one our custodian was leaving and we extended the employee one more month because we felt it was prudent that he learned the job. As far as the temporary workers – instead of hiring three Service Department full-time workers.

Mr. Knuchel: No one is questioning that these were good moves or bad moves – it was just things we have done.

Mayor Andrzejewski: Regarding Ms. Vaughn's comments – I think what she was trying to say is – what are we doing for the kids, especially younger kids, preteens who don't like sports – there are kids in this community who don't like sports and we have nothing for them – zero. Our answer is go to the sports leagues, who do a great job, and if all we spend is \$10,000 on them –

that is great – I wish it would have been \$30,000. \$10,000 out of a \$14 million budget is nothing. We are probably spending less than ½ percent on recreation programs for the kids and we are spending 70% on salaries. I am going to go with Ms. Vaughn’s comments and say – what are we doing in this budget in this City for kids who don’t like sports?

Mr. Knuchel: There are other options available to kids other than City sponsored things. There are MetroParks programs, programs at the libraries – those deal with some of the issues you are talking about. If you are talking about a full-blown recreation program you know as well as we do that we do not have it.

Mayor Andrzejewski: We are not talking about that.

Ms. Vaughn: We are not talking about that.

Mr. Knuchel: Then what are you talking about?

Mayor Andrzejewski: If you want specifics the comment would be we put in a part-time Recreation Department person for the months of May, June, July and August.

Mr. Knuchel: We are not there yet.

There were no further questions on Miscellaneous Government Expenses.

General Government Expenses

Mr. Elshaw: #250.5121 “PERS” – last year we had \$40,000 with an encumbrance of about – that is a total of about \$376,000 – this year we put in \$355,000 – you are a little low there – do you feel that is a good number and if so, why?

Mr. Condron: Yes. I think the encumbrance took into account the retro pays to PERS. We will not have that expense again.

Mr. Elshaw: Okay, so you are comparing the \$355,000 to \$340,000?

There were no further questions on General Government Expenses.

Police Department

Police Law Enforcement

Mr. Lajeunesse: Chief Ruth, is the amount budgeted for your Department appropriate for 2008 and could you please share the positives and negatives of your Department budget?

Chief Ruth: I accept that Mr. Condron and I have gone over our basic needs as far as day-to-day operation – and of the numbers we have come to and agreed upon I am satisfied. As far as personnel I think the whole issue of personnel needs to be addressed long term. I have said right from the beginning as we went into this crisis and I have said it before – we need to do an assessment of our basic services and then all of our services and have a plan. We had a 5-year financial plan to get out of debt and we stuck to it. That is how we got out of debt. We should

still continue to have a financial plan but we should also have a plan for the future and part of that plan is to do an assessment of where you are at today. As far as that goes, I am satisfied with the budget as it sits. In my wish list – of course I would like to add personnel. If that is possible then that certainly would be a goal. When you get to your wish list pile of money I would like to be part of that discussion and have my input of what I need and why I need it. But, as far as the basic budget I am satisfied with what Mr. Condron and I have put together.

Mr. Condron: As a point of clarification – on the 2008 requested budget - \$2,069,551 includes nine months of an extra patrolman.

Mr. Elshaw: That would be an additional \$35,000?

Mr. Condron: Yes.

Mr. Morley: #101.310.5112 “Comptime/Wages” – we budgeted \$182,000 in 2007 and spent \$233,494 and we are only budgeting \$170,000 in 2008.

Chief Ruth: Last year was a bad year for us – we had a number of injuries out – I had as many as 7 people out at one time. I have pretty much a healthy Department – you always figure to have somebody out but you have to start somewhere and that is reasonable.

Mr. Morley: I understand but we dropped \$12,000. I am open to new one getting hurt.

Chief Ruth: I think it is a realistic number to start with barring no emergencies – no crisis – no multiple injuries. But, there is so many variables that go into overtime that you can’t 100% dictate but I think that is reasonable.

Mr. D’Ambrosio: #310.5230 “Canine Expense” – with the original first budget we have the canine expense is at \$12,500 – on the five-year forecast it is at \$19,000. Which is it.

Mr. Condron: I talked it over with the Chief and he feels we should put in \$19,000 – if we don’t use it we have a separate line item and we can use it again.

Chief Ruth: We have spent \$15,000 and made most of our purchases – we are projecting just about \$20,000. We are staying within the money we have.

Mr. D’Ambrosio: #310.5429 “Range Supplies” – I know the price of ammunition has gone sky-high – on the original budget for 2008 it is \$4,244 and on the 5-year comparison it is \$5,550 – which number do you feel more comfortable with.

Chief Ruth: \$5,550 is the number we went with – that is primarily due to the cost of ammunition.

Mr. D’Ambrosio: Then why is it \$4,244?

Mr. Condron: I had a chance to talk to him after February 1st – we went over our numbers one more time.

Mr. Knuchel: So you will raise that to?

Mr. Condron: \$5,550.

Chief Ruth: There are several numbers that have been changed?

Mr. Knuchel: There are numbers that have been changed that are not on this?

Chief Ruth: I don't know what you have.

Mr. D'Ambrosio: I compared the first budget we just recently received with the 5-year forecast.

Mr. Morley: For the record, I am going by the 2008 budget.

Mr. Knuchel: We need to get on the same page – this is making any kind of extrapolation of these numbers almost impossible.

Ms. Vaughn: What line item are the Special in?

Chie Ruth: There is no money budgeted for Specials.

Ms. Vaughn: There is no money budgeted for Specials?

Chief Ruth: There hasn't been for several years.

Ms. Vaughn: There has to be.

Mr. Knuchel: There is money for auxiliaries.

Chief Ruth: There haven't been Specials for several years. Eventually I would like to have some money back.

Ms. Vaughn: I thought at one point in time Specials were used as a Court Officer – that way you save all kinds of money instead of paying a patrol salary versus a Special's salary.

Chief Ruth: We did but right now we are using a Lieutenant for that position.

Ms. Vaughn: A Lieutenant is a lot of money. The Chief has to decide who is going to take the prisoners to Court – I know what a Lieutenant makes an hour versus a Special – that is something for consideration but that is Administration not Council.

Mr. Elshaw: #310.5355 “Repairs Office Equipment” – last year we spent close to \$2,000 and there is about \$700 in encumbrances – the budget is \$1,550 – are you good with that number, Mr. Condron?

Mr. Condron: Yes.

Chief Ruth: We are fine with it.

Mr. Elshaw: The reason I am asking is that I don’t want it to come back later that we should have put in more because we are counting on this.

Mayor Andrzejewski: Regarding the comment on overtime. The Chief and I talked this morning. I am asking the Police Chief and Fire Chief every month to go over their overtime with me and for the first two months of the year he is on track with the \$170,000.

Mr. Knuchel: Regarding the police dog, we budgeted \$20,000 above what was given in donations for the dog – or, does that \$20,000 include the donations?

Mr. Condron: That is included in the \$19,000.

Mr. Elshaw: We talked about holding on utilities but I have to comment on #310.5424 “Fuel Oil/Lubricants” – last year we budgeted \$54,000 and spent \$43,000 and encumbered \$18,000 for a total of \$61,000. This year you budgeted \$55,000. I don’t see the price of fuel going down so I am just trying to understand that.

Chief Ruth: We have \$65,000 in here – these are numbers I got from Mr. Condron. I guess I am having a little problem with the actual numbers. I don’t have those numbers of what was actually spent with me.

Mr. Condron: \$43,119. How about \$60,000?

Ms. Vaughn: I would make it \$65,000.

Mr. Elshaw: I agree – the cost of fuel is going up.

Chief Ruth: \$65,000 is what we put in – I don’t know if my numbers are matching your numbers.

Mr. Knuchel: They aren’t. He talked to you after he prepared this.

Mr. Elshaw: We will put in \$65,000.

Mr. Lajeunesse: Chief, in response to your statement that you suggested an assessment for the Departments.

Chief Ruth: I don't like to be redundant but I have said from day one that you should do a plan.

Mr. Lajeunesse: Chief, I agree with what you are saying and with what other Directors and Chiefs are saying in regards to that. I sent a memorandum to the Mayor who is also the Safety Director and the response I got back from him was that we should not burden the taxpayers with that expense. I want that on record that I have talked to how many Chiefs and Directors within this City and received very similar responses and yet the Administration, being the Mayor, disagrees wholeheartedly with me asking that question.

Mr. Knuchel: Chief, that is something we can do in-house.

Chief Ruth: I don't know if you do it in-house or not. I think you can do some things in-house – it may be better if you went out to get an honest out-side assessment. But, whatever you do you should do an assessment – how many police officers should we need – what programs should we perform – what services should we provide – how many fireman – what services should we provide – how many Service Department people – we should have some sort of an assessment of where we are today and where we really should be. And, have a plan to get there.

Mr. Lajeunesse: Chief, again, I will reiterate. I have taken what you have said and other Chiefs and Directors within this City and I have asked the Mayor to make an assessment of the Departments by an outside source and the answer sent back to me was one that I will be more than willing to share with everyone and send you a copy. But, I as a Councilman did what you have asked and got the response I did from the Mayor as he has written to me in his hand writing.

Mayor Andrzejewski: I am going to defend myself. I am not going to sit here and take this - #1 – that is an Administrative matter and you had no business writing that memo. If there are any assessments to be done – if there is any cost to those assessments it will come from the Administration. We are just finding out right now we do not have a dime to mess with. Why would I spend money on an outside consultant to do assessments on Departments when I would rather spend that money putting in recreation programs or something else for the kids of this City. I answered that memo honestly. That is an Administrative matter.

Mr. Elshaw: #310.5445 “Equipment/Police” – that one is going the opposite direction – I am asking why the increase? Last year we spent \$5,000 and we encumbered \$6,000 for a total of \$11,000 – this we are increasing to \$34,000 – what is that for?

Ms. Vaughn: I have \$23,600?

Chief Ruth: We are up to \$35,300 – the reason is this is the main account we purchase from – this is the backbone of what we operate from. That is to pick up two additional mobile data terminals so we can equip the rest of our cars with mobile data terminals. That is to get \$3,000 of batteries for the walkie-talkies. We need \$11,000 to replace our server and two work stations – this is a recommendation that was made by the IT people who came in and did damage control and got us backed up on line – took the viruses out and their recommendation was that we need

an updated server and two current work stations for our main dispatch center. Those items were all line itemized in and then there is another \$9,300 as general equipment expense. That is really the backbone we operate from – that is the account we use the most.

Mr. Condrón: We did not have the equipment number when we did the \$23,000.

Mr. Lajeunesse: Mr. Condrón, how long ago did you and Chief Ruth discuss this.

Mr. Condrón: We went over it today.

Mr. Elshaw: So, this will be increased to \$35,300.

Chief Ruth: Yes.

Mr. Lajeunesse: Mr. Condrón, prior to today when was the last time you had discussions in regards to the 2008 budget.

Mr. Condrón: About a week and one half ago.

Chief Ruth: The reason this all came about was that our computers were crashing – we had a virus that infected our entire system – we had brought in our outside vendor to try to get this virus out and we finally brought in independent IT people who were able to critique the problem, fix the problem and also make recommendations – these were their recommendations and we discussed them and agreed these need to be done.

Mr. Knuchel: So, basically this was a recent matter that developed?

Chief Ruth: In the last couple of weeks.

Mr. Morley: Chief – don't think we are taking shots at you – the thing is we have had this month and everything on this is all new to us. We have studied this for a month, which is where all our questions are coming from and tonight everything is not even close. That is the problem all of us are having – it is not about if your numbers are right, wrong or indifferent. It is about – we can't figure it out.

Mr. Lajeunesse: The Mayor checked it over.

Mr. Knuchel: I agree with Mr. Morley. To make an analysis on these changing numbers makes it very difficult.

Mr. D'Ambrosio: Another changed number - #310.5541 “Office Equip” – in the original budget we received the amount requested was \$3,200 and the five-year comparison is \$5,200 – we are going with the \$5,200?

Mr. Condrón: We got that.

Mr. Elshaw: For a point of clarification – all the numbers I have I am comparing last year’s final actuals in the budget and I used the original requested proposed budget. I did not have a chance to go through the five-year forecast yet because I thought that would have to be updated anyway by looking it over tonight. These numbers are new to us that you are going over for the forecast so if you are going to increase or lower I do not know about it and I haven’t reviewed it yet – as others have not – so, let us know as we are going through these things.

Mr. Lajeunesse: #310.5581 “City Prisoner” – budget requested for 2008 is \$9,000 – actual year to date is \$4,840 – but, maybe that has changed.

Mr. Condon: We always budget high because we don’t know how many will come in - \$4,840 is the right number – that is how much we spent last year.

Mr. Lajeunesse: Past history dictates that is probably a good number.

Chief Ruth: You have medical bills and they are unpredictable.

Mr. Condon: That is why we go high.

Mr. Knuchel: #5581 “City Prisoner” – \$9,000 – it is double what we spent last year – are there any encumbrances in there?

Mr. Elshaw: Yes - \$1,500. So, it is not really double – it is about \$6,000.

There were no further questions on Police Law Enforcement.

Police Communications

Mr. Elshaw: #311.5100 “Salaries/Wages F/T” – what is within that amount of \$138,000?

Mr. Condon: We spent \$135,749.

Mr. Elshaw: How did you come up with that?

Mr. Condon: We have some people on probation who aren’t going to cost us quite as much as some of the people they replaced.

There were no further questions on Police Communications.

Police Administration

Mr. Lajeunesse: Chief, did you end up the 2007 within your budget?

Chief Ruth: I believe so.

Mr. Lajeunesse: Again, this is not my decision – obviously, it comes from the Administration but in the City of Shaker Heights when a Director/Chief finishes the year within their budget they are given a bonus based on their performance as well as their budget and how they ended up. Just a suggestion. I am not exactly sure how it works but it is just an idea – that is more of an incentive for the Directors and the Chiefs to make sure that their budget ends up in the proper place.

Chief Ruth: I am not in favor of that – but, okay.

There were no further questions on Police Administration.

Police Station Building

Mr. Elshaw: In general – if we could take a look at the utilities – natural gas, electricity.

Mr. Lajeunesse: Mr. Condon, how are supplies purchased – I received a memo from one of the Directors on purchasing supplies – I think it was a good idea.

Mr. Condon: Mr. Semik sent the memo.

Mr. Lajeunesse: I thought it was a good idea – how other cities do that – or they have a pool where they get their supplies from. Have you ever thought of that.

Mr. Condon: That was Mr. Semik – we looked at doing a quarterly purchase order which was a good idea – the one vendor is actually on the State Bid for auto supplies, he also gave me the State Bid contract for some of the other contractors.

Mr. Lajeunesse: I just wanted to know if that being looked into.

Mr. Condon: Yes.

Mr. D’Ambrosio: #314.5374 “Repair/Building” – the original budget had \$15,000 and on the 5-year forecast it is \$45,000.

Mr. Condon: That is for a generator. It is a long-term capital need.

Chief Ruth: Why?

Mr. Condon: I don’t have enough money to do the other.

Chief Ruth: Yes, but you are not telling me these things. I’m walking in here with certain numbers – I had no idea.

Mr. Elshaw: It was originally \$15,000 and you are saying it is not \$45,000?

Mr. Lajeunesse: As I have been through this a few times before – Mr. Condron, where did you get your information from?

Mr. Condron: That was vendor State bid prices – I talked to Mr. Semik. We think \$30,000 is a good number.

Mr. Lajeunesse: But, the Chief did not know about it.

Mr. Condron: He know about that one – he wanted some carpeting over and above that.

Mr. Lajeunesse: Chief, share with us – there is a communication breakdown.

Chief Ruth: I do not want to be a rabble rouser but you have a process – I sat down twice and we went over things and I wrote numbers down and we agreed upon them – I had no idea – lots of times my numbers are not matching your numbers and they are being changed. I don't care if you change them but I don't like being out of the loop. You can give me nothing. But, if we are going to put numbers down I want to be able to believe and walk in here intelligently. And, I am walking in here and I am being stupid because I don't even know my numbers don't match your numbers.

Mr. Lajeunesse: Chief, that is why I asked you the question I did in the very beginning. And, I will ask every Director and every Chief that because I feel there needs to be communication between the Administration and Council because Council controls the budget.

Mayor Andrzejewski: Mr. Lajeunesse, why don't you just tell us what you would like and we will go along with your budget. Council controls the budget.

Mr. Morley: You are sitting at that end and we are going to keep going through this – the numbers are all over the place – none of us know what is going on.

Mayor Andrzejewski: Have you heard me say I didn't agree with that?

Mr. Morley: No, you did not say that but people are allowed to ask questions and because it is Mr. Lajeunesse and you don't like him you are going to continue to do this.

Mayor Andrzejewski: We don't need a comment that says Council controls the budget. He is telling me you don't care what we put in there you are going to control the budget.

Mr. Elshaw: I don't understand this conversation we are having – can we just move on?

Mr. Knuchel: Yes, Mr. Elshaw we can. We are going with \$45,000 for a generator.

There were no further questions on Police Station Building.

Police Substation Building

Mr. Knuchel: We no longer have the Police Substation.

Police Communications/Equipment

There were no questions or comments.

Tactical Response

Mr. Knuchel: #318.5427 “Operating Supplies” – Mr. Condrón, what comes out of this?

Mr. Condrón: I think it is the SWAT team.

Mr. Knuchel: Do any other things come out of this?

Chief Ruth: The SWAT team is out of there. I need \$7,400.

Mr. Morley: We have \$5,200.

Chief Ruth: I thought I had \$7,800.

Ms. Vaughn: You have \$7,600.

Mr. Knuchel: “Operating Supplies” – Mr. Condrón?

Mr. Condrón: The Chief has most of it.

Chief Ruth: It changed. It changed. We sat and talked twice and we were on the same page and we are not on the same page. I don’t want most of the things. I want all of the things. I need \$7,600 – if there is that much in there I am good.

Mr. Morley: For what?

Chief Ruth: In those two accounts.

Mr. Knuchel: My question was – what comes out of #318.5427 “Operating Supplies.”

Chief Ruth: #5427 is supplies and #5445 is equipment and you can interchange them if you want – I need \$7,600 between the two.

Mr. Knuchel: So, we are all right with that. My question again is what comes out of the operating supplies?

Chief Ruth: Bullets. The SWAT team fires a lot of bullets and the fire different bullets – they have machine guns, sniper rifles – different weapons.

There were no further questions on Tactical Response.

Community Education

Ms. Vaughn: #101.319.5407 “Other Contracts” – what are these?

Chief Ruth: This is the juvenile diversion school resource officer. We are reimbursed - that is \$14,000 – the other is for juvenile diversion.

Mr. Knuchel: Don’t we get a grant that covers some of that?

Chief Ruth: We get reimbursed for \$14,000.

There were no further questions on Community Education.

There were no further questions on Police Department.

Firefighting

Mr. Lajeunesse: Chief Sabo, 30 years experience – with your experience is the amount budgeted for your Department appropriate for 2008?

Chief Sabo: Mr. Condrón and I have discussed that on several occasions and we have discussed the budget and we agreed not to disagree in some areas. We certainly have a difference of opinion on the Fire Ambulance Trust Fund and how it is used and being allocated.

Mr. Knuchel: Is it fair to say that all Department Heads have spoken with Mr. Condrón and the Mayor concerning these issues and though you may have conflict about how the money is being appropriated for different Departments and issues that you are comfortable with the way things are – that you can live with them?

Mr. Semik: I would echo what the Fire Chief and Police Chief I have met with Mr. Condrón on numerous occasions and we have gone over my budget and I am comfortable with what we have allocated for the Service Department.

Mr. Elshaw: As long as we have the right numbers.

Chief Ruth: I was comfortable. I would like to see the final version and see if it still adheres to what we originally agreed up because already there has been a number of changes that I was not aware of. That said, if you are finished with me may I be excused.

Chief Ruth left the meeting at this time.

CBO Mr. Voros: I am comfortable with my numbers.

Mr. Morley: #101.320.5218 “Training” – we have no dollars budgeted. In speaking with the Chief lately should we be budgeting for training since it seems to be an issue?

Chief Sabo: Training comes out of the Fire Ambulance Trust Fund – that is why that fund was set up – I have no problem with nothing in the General Fund coming for that.

Mr. Morley: If we put some money in that account will that cover some of the issues we have right now with training or not training that we are not getting because of overtime?

Chief Sabo: You have a choice. This Council, not necessarily these people, set up a fund that was to address all the Fire Department issues concerning training for all of its special teams and included paramedics, firefighting, any training we need – the cost of the schools as well as the overtime that would be necessary to cover those expenses. That for year or so worked quite well and then when we diverted off of that and started taking that money for other purposes we suffered. It does make a difference. I cut out training the last three months of last year. This year I have already been turned down for training because it would cost overtime – so, it does have an affect.

Mr. Morley: So, do you suggest that we put money into this for training if we are not going to use the Trust fund correctly or how it was set up?

Chief Sabo: As far as not using the Trust Fund I would say – yes.

Mr. Morley: Do you have an amount?

Chief Sabo: When we look at training we have to look at the overall. Much of our training is in overtime. There is \$120,000 in the Fire Ambulance Trust Fund that is put into overtime – if we are allowed to use that money again, and stay within our budget which I believe I did that last year – I stopped the training and we tried to make sure we remained within our budget – that is a critical part of it. The training is done as part of a team and they do have to train to stay proficient in what they do.

Mr. Morley: I suggest if we are going to have continued issues on training that the Administration look at putting an amount of money in #5218 “Training.”

Mr. Knuchel: What are we planning on doing for training this year, Mayor – as far as your Administration’s policy on training the Fire Department?

Mayor Andrzejewski: I will answer that with a question to Mr. Condrón. I have asked you to check with other cities to find out what they do with their Fire Ambulance Trust Fund. Would you relay to this Council where the money goes from the other cities?

Mr. Knuchel: We are going to approach this subject later on after the budget is reviewed – I really don’t want to get into it.

Mayor Andrzejewski: Whatever the Chief and Mr. Condrón have worked out for training I have not objected to. What I do object to is training people on overtime.

Mr. Knuchel: What is your stance on this and what are the options you are providing for the Fire Department?

Mayor Andrzejewski: Again, I have not objected to the amount of money put into the budget for training – I have objected to training on overtime.

Mr. Morley: What would you do if you were the Chief of the Fire Department to get your men trained.

Mayor Andrzejewski: The Chief has never taken the time to sit down with me and explain it like the Police Chief has. As far as I get – I get a request and I send it back and say send me a course outline and does any overtime involve? I get a response back that says – yes – overtime is involved and I reject it. And, I do the same with Police.

Mr. Morley: So, the residents are suffering because of that?

Mayor Andrzejewski: They are not suffering. I think an explanation and the time to explain this to the Mayor would be very appropriate. Since the Fire Chief decides he is going to send in a request and want me to sign it automatically then I will object to that.

Mr. Morley: Then hope you are not a resident who has one of these new hybrid cars that they have to come out but they don't have training to do the hybrid cars – let's use that as one example. We can't come up with an answer if you don't answer the question.

Mayor Andrzejewski: I have not objected to the training budget.

Mr. Knuchel: The question was not that. The question is how are you addressing the training needs without using overtime?

Mayor Andrzejewski: I don't know.

Mr. Knuchel: The bottom line is – we don't need anymore discussion - we need an answer to the question.

Mr. Elshaw: I would agree on that. I guess as far as the Fire Ambulance Trust Fund I see that as a long discussion and it is already 9:30 p.m. – I would like to continue with the budget – we already have another meeting – let's prepare for that. I would suggest the Mayor and Fire Chief get together and talk about how this is going to be addressed. The discussion on the Fire Ambulance Trust fund is for next time and we will discuss how we are going to integrate training into either the General Fund or the Ambulance Trust – how we are going to handle the Ambulance Trust from here on out. I think that is a very large topic and will need to give that some time. The second topic is to address the overtime – how we are going do that without using overtime or if we are going to use overtime – you need to sit down as you did with the Police Chief and talk about that and we will talk about it at the next meeting.

Chief Sabo: The Mayor's statement that we have not discussed this is not quite true – we have talked about training in the past and his stance is basically that he does not want overtime used for training. I have tried to explain that we can not train with the schedule we work without overtime. These guys work 24-hour days and are off for 2 days. I have an NIMS class that I had people scheduled for – when I told him it would cost overtime he denied that class. NIMS training is something the Federal Government is requiring and it is something that we need to be able to get grants for this City. And, these people have to get that training. It is not on their shift and we send them off shift we have to pay them.

Mr. Knuchel: I am going to have the last word and we will discuss this at the next meeting. Chief, is there anything you would like to forward to us concerning your training and how you want to do it. In the meantime please get together with the Mayor and come out with something – something we can use.

Mr. Elshaw: #320.5427 “Operating Supplies” – it looks like last year almost \$10,000 was spent and it was increased to \$19,500.

Mr. Condrón: That is for hose.

Chief Sabo: We have a 2 ½ inch hose for the Fire Department that is four years old – it needs to be replaced.

There were no further questions on Firefighting.

Fire Communications

There were no questions on Fire Communications.

Fire Administration

Mr. Elshaw: #322.5101 “Salaries/Final Cash-out” – what is the \$4,800 for?

Mr. Condrón: This is the cash-ins from vacations.

Mr. Elshaw: Is that based on someone who is collecting now or is that a projection?

Mr. Condrón: We take retirements out of #5101 and also per some of the current contracts you can cash in your vacation – it is cash-ins for retirement and vacations.

Mr. Elshaw: So, you are saying this is just vacation cash-ins you are projecting.

Mr. Condrón: Yes.

Mr. D'Ambrosio: #101.210.5100 – has a salary been established for the new Chief.

Ms. Vaughn: That is set by Ordinance.

Mr. D'Ambrosio: When you post the position shouldn't there be a salary on the posting?

Chief Sabo: To the best of my knowledge – there was a posting but there has never been a salary amount on the posting – I can only go by past history – it has always been whoever stepped into the job got what the person who is leaving was making.

Mr. Lajeunesse: Chief, supposed someone does not agree with that – who makes the decision?

Chief Sabo: That is out of my league – I am not sure whose responsibility that is – as I see it Council will set it when adopting 155 salary ranges.

Ms. Vaughn: Mr. Lajeunesse is right in many respects. It is not always that the person who gets the job gets the same salary because it takes numerous years for the Chief – there is a range established. The new Chief should be on probation for a period of time and then go to the higher range. But, you also have to look at 155 as far as benefits because you can't expect men to take a job unknowing what they are going to get. It would be my recommendation before you establish a new Chief to talk to the Administration and review 155 and how you want to address this so there is no more controversy about vacations and holidays and extra days they get and who uses an automobile – get it all straight on the table so these men are not walking in blind.

Mr. Lajeunesse: I appreciate that – that is why I sent you the memo about the 155 review because I was not quite sure about the salary list.

Mr. Knuchel: Actually, Ms. Vaughn talked to the Council President as well as you after the meeting. I think it will be reviewed.

There were no further questions on Fire Administration.

Fire Station Building

Mr. Elshaw: I was going to mention the utilities.

There were no further questions on Fire Station Building.

Smoke Detectors

There were no questions on Smoke Detectors.

Disaster Services

There were no questions on Disaster Services.

Auxiliary Police

There were no questions on Auxiliary Police.

Street Lighting

Ms. Vaughn: Mayor, I was at one Council meeting where you were going to set up a policy on street lights.

Mayor Andrzejewski: We did – three per Councilman per quarter. I thought we agreed on that?

Mr. Knuchel: No, we never did – it was brought up and left for the Administration. The Administration is going to have to propose something.

Mr. Elshaw: Regarding the street lighting. What we talked about was that they are fairly expensive and I did not know if we needed to set a minimum number of street lights and it should be based on requests. You should have a body review that and see if it is necessary and why it is necessary and if it is we should do it – if it is not necessary then we should not do it. The Administration was to put together a policy on that.

Mr. Knuchel: It was also mentioned to include in the policy that the neighbors on each side must be check with. It was something that was sent back to you Mayor to make a policy on. So, if you want to do that and submit something to Council we would appreciate it.

Mr. D’Ambrosio: On the original budget we received \$120,000 was budgeted for street lighting – the comparison budgeted \$112,000.

Mr. Condron: We take it out of two places – we take it out of the #202 fund also.

Mr. D’Ambrosio: But, the budget amount for #5397 says \$120,000 – on the comparison for #5395 it says \$112,000.

Mr. Condron: Go with the lower.

Mr. Knuchel: So, we are going to go with the \$112,000?

Mr. Condron: Yes.

Mr. Knuchel: So, you are reducing that amount – are you going to up the other place the street lighting comes out of?

Mr. Condron: Right.

Mr. Knuchel: Which is SCM&R?

Mr. Condron: Right.

Mr. Elshaw: Last year we spent \$104,000 and \$24,000 – it looks like you spent \$128,000 total. So, now you are saying you are going to lower this to \$112,000 and you are going to pick the remainder from what fund?

Mr. Condron: Fund #202.

There were no further questions of Street Lights.

Public Health Expense

Ms. Vaughn: Could we negotiate that?

Mr. Condrón: That is the mandated share from the County Health Department.

Ms. Vaughn: Who mandates it?

Mayor Andrzejewski: Mr. Lucia and his Board of Directors sends us a proposal every month, which tells you what your share is.

Ms. Vaughn: What do they do for it?

Mr. Knuchel: Part of it was they bought a building sometime ago – it is obvious we are still paying for part of it.

Mayor Andrzejewski: You can talk as much as you want – it is what it is.

Mr. Elshaw: Last year we spent \$190,000 and encumbered \$20,000 for a total of \$210,000 – this year you are putting only \$200,000 in there.

Mr. Condrón: We don't know the exact amount until we get our tax settlement.

Mayor Andrzejewski: We just got it – there is a number in there but I did not look at what the number is.

Mr. Condrón: I think it is \$190,000.

Mayor Andrzejewski: Whatever that number is will be in here.

Mr. Condrón: I think we will be okay.

Mr. Elshaw: So, you think the \$200,000 will be okay?

Mr. Condrón: Yes.

There were no further questions on Public Health Expense.

Recreation Administration

Mr. Knuchel: If everyone is comfortable we will review Recreation and call it a night.

Mr. Voros, Service Director Mr. Semik and Chief Sabo were excused from the meeting at this time.

Mr. Knuchel: I will preface this up front by telling everyone that the part-time person is on the wish list and this discussion will be saved for later.

This will conclude the first portion of the 2008 Budget Hearings – we will start the next meeting with Recreation.

The meeting was adjourned at approximately 9:50 p.m.

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