

**EASTLAKE CITY COUNCIL
SPECIAL COUNCIL MEETING MINUTES
JULY 20, 2010**

The Special Meeting of the Eastlake City Council was held at Eastlake City Hall, 35150 Lakeshore Boulevard. The Meeting was called to order by Council President Mr. Morley at approximately 6:30 p.m.

The Pledge of Allegiance was led by Mr. Morley.

ATTENDEES

Members of Council in attendance were Mr. Knuchel, Mr. Lajeunesse, Ms. Vaughn, Ms. DePledge, Mr. Hoefle, Mr. D'Ambrosio and Council President Morley. Also attending was Council Clerk Mrs. Cendroski.

Those attending from the Administration were Mayor Andrzejewski, Law Director Klammer, Finance Director Slocum, and City Engineer Gwydir.

COUNCIL PRESIDENT'S REPORT – Mr. Morley

Meetings Scheduled

Special Council Meetings are scheduled for Tuesday, July 20, 2010 at 6:30 p.m.; Tuesday July 27, 2010 at 6:30 p.m.; and, a Public Hearing is scheduled for Tuesday, August 3, 2010 at 6:30 p.m. regarding an amendment to City Ordinance Section 939.26(b) "Sewer Service Charges." A Special Council Meeting will immediately follow the adjournment of the Public Hearing.

COMMUNICATIONS & PETITIONS

1. A Liquor License Transfer Request was received from Barb & Tony, LTD dba Circle Lounge, 34598 Lakeshore Blvd. & Patio, Eastlake to Rolling the Dice, LLC dba Circle Lounge & Patio, 34598 Lakeshore Blvd., Eastlake.

DISCUSSION:

Mr. Morley: If there are no objections I will ask Mr. D'Ambrosio to make a Motion to approve the liquor license transfer request. Mr. D'Ambrosio, do you want to poll your Committee?

Mr. D'Ambrosio: There were no objections from the Administration – is everyone okay with this.

Mr. Knuchel, Mr. Lajeunesse: Yes.

Mr. D'Ambrosio: Motion to Approve

MOTION: I hereby move to approve and send back to Columbus, Ohio with no objections the Liquor License Transfer Request from Barb & Tony, LTD dba Circle Lounge, 34598 Lakeshore Blvd. & Patio, Eastlake to Rolling the Dice, LLC, dba Circle Lounge & Patio, 34598 Lakeshore Blvd., Eastlake. Mr. Lajeunesse seconded.

ROLL CALL: Yeas unanimous.

Motion carried. The Liquor License Transfer Request for Rolling the Dice, LLC, dba Circle Lounge & Patio, 34598 Lakeshore Blvd., Eastlake is approved.

Mr. Knuchel: Is Bar & Tony's changing hands? If so will that affect the Conditional Use Permit?

Mrs. Cendroski: I forwarded a memo to the Building Department asking them to look into this.

2. A funding request was received from WPCC Superintendent Gorka to access the replacement fund in an amount not to exceed \$28,000 for replacement of pumps at the WPCC Plant.

DISCUSSION:

Mr. Morley: It is my understanding that this was budgeted for \$42,000 but they have lowered it to \$28,000. Mr. Slocum, is that correct?

Mr. Slocum: That is my understanding.

Mr. Knuchel: Mr. Gwydir, can you provide information on this issue?

Mr. Gwydir: It is a lower amount. They are making some substitutions of pump replacements. They decided not to do one pump and instead do two others but the amount is down to \$28,000 from the \$42,000 they originally requested – which was shown in the annual budget.

Mr. Knuchel: This money comes out of the Capital Improvements fund for the water treatment facility which we pay into on a yearly basis. Is that correct?

Mr. Gwydir: That is correct.

Mr. Morley: If all are in agreement I will ask Mr. Knuchel to add this to the evening's agenda as Legislation No. 07-20-(02).

Mr. Knuchel: Legislative Recommendation

MOTION: I hereby move to add Legislation No. 07-20-(02) to the evening's agenda granting permission from the City of Eastlake to the City of Willoughby to expend funds in an amount not to exceed Twenty-Eight Thousand Dollars (\$28,000.00) for the purchase of various pumps for the Waste Water Pollution Control Center. Mr. Lajeunesse seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation No. 07-10-(02) is added to the evening's agenda.

3. A communication was received from FEMA awarding a grant to the Eastlake Fire Department for equipment.

DISCUSSION:

Mr. Morley: This was a grant for the Fire Department. Do you have anything on this Mr. Slocum?

Mr. Slocum: It is an equipment grant the City received from FEMA – we need Council to accept the grant and amend the appropriation so we can expend the funds.

Mr. Knuchel: What will these funds be expended on?

Mr. Slocum: Various pieces of fire equipment. The Chief has provided me a full list but he would be in a better position to explain.

Mr. Morley: If all are in agreement I will ask Mr. Knuchel to add this to the evening's agenda as Legislation No. 07-20-(03) and the legislation to re-appropriate the grant funds through Legislation No. 07-20-(04).

Mr. Knuchel: Legislative Recommendation

MOTION: I hereby move to add Legislation No. 07-20-(03) to the evening's agenda authorizing and directing the Mayor and Director of Finance to accept a grant from the Federal Emergency Management Agency (FEMA) in the total amount of Twenty Thousand Eighty-Eight Dollars (\$20,088.00), said grant to be utilized for the purchase of equipment for the City of Eastlake Fire Department. Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation No. 07-10-(03) is added to the evening's agenda.

MOTION: I hereby move to add Legislation No. 07-20-(04) to the evening's agenda to re-appropriate for the expenses of the City of Eastlake, State of Ohio, for the period beginning January 1, 2010 and ending December 31, 2010. Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation No. 07-10-(04) is added to the evening's agenda.

4. A referral was made by Council President Morley concerning the contract award for the JFK Senior Center Roof repair.

DISCUSSION:

Mr. Morley: Mr. Klammer, do you have anything to add? I sent everyone on Council the emails you had forwarded to me on this issue regarding the one company saying they were the lowest bid – you have had discussion with their Counsel.

Mr. Klammer: Mr. Gwydir gave me some more information. Apparently their concern was that they had submitted as copies some of their previous bid documents from the recent bid. The other bidder apparently thought that was a defect. I do not see that it is and recommend moving forward.

Mr. Morley: If all are in agreement I will ask Mr. Knuchel to add this to the evening's agenda as Legislation No. 07-20-(05).

Mr. Knuchel: Legislative Recommendation

MOTION: I hereby move to add Legislation No. 07-20-(05) authorizing and directing the Mayor and Director of Finance to enter into a Contract with A.W. Farrell & Son, Inc., the most responsible and lowest and best bidder, for the base bid, including Alternate B, for the re-roofing contract at the JFK Senior Center for the total amount of Two Hundred Eighty-Six Thousand Dollars (\$286,000.00). Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation No. 07-10-(05) is added to the evening's agenda.

5. A communication was received from Finance Director Slocum regarding the transfer and advance of funds from the General Fund to the Recreational Capital Improvement Fund.

DISCUSSION:

Mr. Morley: Mr. Slocum?

Mr. Slocum: Both of these items were discussed at length in the Finance Committee. The advance will be repaid when we get the money from the State for the grant we have and the majority of the other was originally envisioned when we passed the initial budget. The State requires that for any transfers or advances we get Council to approve them on top of appropriating.

Mr. Morley: If all are in agreement I will ask Mr. Knuchel to add this to the evening's agenda as Legislation No. 07-20-(06) and legislation advancing the funds as Legislation No. 07-20-(07).

Mr. Knuchel: Legislative Recommendation

MOTION: I hereby move to add Legislation No. 07-20-(06) authorizing the Director of Finance to transfer funds, with said funds to be transferred in the amounts as listed from Fund #101 “General Fund” into Fund #438 “Recreational Capital Improvement Fund.” Mr. D’Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation No. 07-10-(06) is added to the evening’s agenda.

MOTION: I hereby move to add Legislation No. 07-20-(07) authorizing the Director of Finance to advance funds, with said funds to be advanced in the amounts as listed from Fund #101 “General Fund” into Fund #438 “Recreational Capital Improvement Fund.” Mr. D’Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation No. 07-10-(07) is added to the evening’s agenda.

6. Legislation was received from the City’s attorneys Squires, Sanders and Dempsey, LLP regarding the renewal of a 3.0-mill Road Levy.

DISCUSSION:

Mr. Morley: Mr. Slocum?

Mr. Slocum: The first time we have the ability to put this before the electorate is November of this year. It has to be in the County’s hand by August 4th – both this Legislation and the following piece, once we get the certification from the Auditor. The sooner we can get this before the electorate the better off we are.

Mr. Morley: And this is a renewal. And the last time we can pull from this levy is 2011?

Mr. Slocum: Right. On this specific levy we will collect next year from this year’s taxes. Absent this being adopted we will not collect anything in 2012 except maybe some delinquencies that are out there.

Mr. Morley: If all are in agreement I will ask Mr. Knuchel to add this to the evening’s agenda as Legislation No. 07-20-(08).

Mr. Knuchel: This is a renewal – there is no increase in taxes. It is a renewal of our road levy and the money is used to repave our roads.

Mr. Knuchel: Legislative Recommendation

MOTION: I hereby move to add Legislation No. 07-20-(08) to the evening's agenda declaring it Necessary to Renew an Existing 3.0-Mill Tax Levy for the Purpose of Providing Funds for Road Improvement and Maintenance and requesting the Lake County Auditor to Certify the Total Current Tax Valuation of the City and the Dollar Amount of Revenue that would be generated by that Renew Levy. Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation No. 07-10-(08) is added to the evening's agenda.

ADDITIONAL COMMENTS

Mr. Morley: Instead of having Recognition of the Public right now, we will skip to discussion of the amendment to City Ordinance Section 939.26(b) "Sewer Service Charges." There was a hand-out when you came in. I will have Mr. Slocum go through the hand-out and then we can have questions and Recognition of the Public.

Mr. Slocum: I would like to walk people through the hand-out and if it okay with the Council President I will be more than happy to answer any questions at any time during the presentation. First of all, what we are proposing is to increase the overall rate from \$1.89 to \$3.20 for the sewer rate. We are looking to increase the minimum charge from \$17.15 to \$24.00. Page #1 is a comparison of the various sewer rates being charged by Communities and what Eastlake is charging. As you can see we are charging by far the least – we have other Communities who are charging more than double what we are charging. We are looking at increasing from \$1.89 to \$3.20. Mentor charges a flat fee to all their residents of \$70.56 – that in itself would equate to a rate of about \$4.50 per 100 cubic feet. Page #2 will show for Eastlake and Timberlake residents the effect of the change. I highlighted two different numbers – the 900 usage and the 1,700 usage. Previously I had communicated to you that the average usage in Eastlake was 900 cubic feet per quarter. The information that was provided to me turned out to be faulty. I was doing an audit of the information over the weekend and discovered that error and I confirmed with my source that the actual usage is 1,700 cubic feet. So, using the 1,700 as the average in Eastlake and Timberlake their rates would increase by – per quarter - \$21.26 which equates to a monthly increase of \$7.09 and an annual increase of \$85.00. With this chart depending on your actual usage you would be able to tell exactly how your bill will be affected. Page #3 starts getting into some of the problems we are actually experiencing. First of all the last rate increase that was put before Eastlake residents was January 1, 2007 – that rate increase was based upon the actual water usage in 2006. That number was set to cover a fixed rate. The majority of expenses are fixed rates in nature. In 2006 the combined Eastlake/Lakeline/Timberlake Communities used a total of 864,077 cubic feet – that number has decreased in 2009 to 732,788 – that is an actual decrease of over 15%. What we have also found is that when comparing the first two quarters of 2009 with the first two quarters of 2010 there has been a further 9.52% decrease alone from 2009 to 2010. The effect of that is saying from 2006 to 2010 there has actually been a decrease in actual usage of over 23%. When we look at this we find that the majority of the decrease actually occurs with our business/commercial customers. They are down 32%. The residential is down 6% and we believe a good portion of the residential decrease is

not necessarily due to decreased usage as much as it is due to foreclosures and vacant homes that are in our Community. Page #4 demonstrates how this will affect us in Eastlake's collections this year and next year. There was actual usage of 732,788 in 2009 and in 2010 we are expecting only 663,751 – that is a 9.5% decrease. As a result of that in 2009 what got billed out – and billed is much different than collected – we believe that the collection rate is approximately 92%. We billed out \$1,562,383 – this year we are only going to bill out \$1,430,695 – if you look at the \$1,430,695 we will only collect \$1,316,239. With the rate increase as shown on Page #5 we anticipate that the increase will result in an additional \$770,333 for the sewer system next year entirely and it is approximately \$145,000 that we will collect this year from the rate increase because it gets averaged in based on your actual reading date. There will be a blended rate as the rate goes into effect. What we have indicated is we expect to gross \$770,000 more. Looking at the fund that is causing the issue – Page #6 – we had \$1,918,000 in our initial budget – there were some projects that were not included and we have adjusted these changes – additionally we adjusted the revenue numbers. When the budget was initially prepared it was assumed with just Eastlake sewer fees that we would collect \$1,600,000. That number is looking more like \$1,258,000. With the budget at the end of this year with the rate increase – with the General Fund lending the sanitary sewer fund \$390,000 – we will end the year in the sanitary sewer fund – if things go exactly as I am projecting here – with about a \$79,000 deficit. Next year when we experience the full effect of the rate increase we will end the year positive by about \$39,000. The following year we should have the ability in 2012 to have a little bit of a buffer in the amount of \$350,000 at the end of the day. What is critical to know is that this is a business type fund – this has nothing to do with the General Fund – it has nothing to do with Police, Fire, roads, pools, recreation – this is strictly a business fund. We have the responsibility to ensure there are sufficient funds to operate this business. We are not talking taxes. These are not taxes. These are user fees and the only income we have for this fund comes from our user fees. We do not have in my mind and anything I can see where there is real latitude – what our alternatives are.

Ms. Vaughn: The one chart on Page #5 talks about increasing the 600 cubic feet rate to \$4.00 – what was it before?

Mr. Slocum: \$2,859.

Ms. Vaughn: So what percent is that? Is it a 50% increase – a 37.5% increase? It is a sizable increase.

Mr. Slocum: It is a 39.9% increase. If you look on page #2 I actually have calculated the amount of each increase across the board.

Ms. Vaughn: You are going to borrow money from the General Fund – how will that impact our General Fund for 2011 and when will it be paid back to the General Fund?

Mr. Slocum: We are looking to borrow it this year. If you look at my 2011 budget I am anticipating this money will be repaid to the General Fund in 2011. But, in answer to your first question – what is it going to do to our General Fund – it will extremely hurt it – to be

honest with you. And, I am looking into a possible lending situation where we borrow money for year from a bank versus the General Fund to protect the General Fund.

Mayor Andrzejewski: Mr. Slocum gives you all the balances and numbers. I am going to give you a little plain English. We are a 50% owner of the waste water treatment plant and Willoughby owns the other 50%. We have been mandated by the Federal government – the Federal EPA – to do a study which Willoughby has told us will cost about \$600,000 – just to do the study. Our cost for that study will be somewhere between \$250,000 and \$300,000 depending on the final numbers. We have to do that – we have no choice – it has to do with infiltration to the plant. We don't have the money right now in the sewer fund to do that. We all know once the EPA has this study they will come back and say – you have to fix this – you have to fix that – you have to add this – you have to add that. We don't have nickel to do those anticipated repairs. The practical issue of this is since we are a 50% owner of this waste water treatment plant – and in order to operate the plant and pay our share – we have to have the funds to do that. That is what this is doing.

Mr. Slocum: Page #7 shows if we did not do the rate increase – did not do the lending – and we did not have any of the capital improvements. I am only trying to make one point – the funds we are collecting from operations, or just day to day operations that this envisions, we are running a \$282,070 deficit this year – which would be the same next year – or greater absent the rate increase. We have things like the SSES study, the other capital improvements – for the day to day operations. When the question comes - we are going to be raising the sewer rated \$770,000 how do you justify that? As you can see on page #6 at the end of 2011 we will end the day with only \$40,000 positive. No huge dollar build-up in 2011.

Mayor Andrzejewski: What is our yearly cost to be a 50% owner of that plant?

Mr. Slocum: We are paying the City of Willoughby \$1,050,000.

Mayor Andrzejewski: \$1,050,000 is what we have to pay as our share of the plant?

Mr. Slocum: Right. Plus, we are getting other bills on top of that – the study you referenced earlier is not included in that. That is being billed separately. And it captures engineering costs both in this fund and the sewer rehab fund. The final page is the Sewer Rehab Fund Statement – with the changes we have we are anticipating that the Sewer Rehab Fund will end the year with a balance of about \$11,000 and next year with approximately \$39,000. We are going to explore combining this fund straight with the Sewer Fund but at this point I have not had the change to address the issue. With that I am open for questions.

Mr. Knuchel: This approximately 9% decrease in usage from last year to this year – did you make any projections about usage numbers and how that would link to the number you put down for the sewer increase?

Mr. Slocum: I applied the 9% decrease to the 2009 actual usage on Page #4. I took the two quarter experiences – I can show you right now we have had the 9% decrease and I am assuming that 9% will hold true for the remainder of this year. My projection is based on

two things – the 9% decrease from 2010-2011 and it is based on a stabilization from 2010-2011.

Mr. Knuchel: That answers my question because I was just concerned. This year we will be alright but next year and looking into the future we have to anticipate what any future decreases will do to this \$39,000 balance left in these funds at the end of 2011.

Mr. Slocum: This is predicated on a 9% decrease from 2009 to 2010. If it continues to decrease it will deteriorate the ending balance.

Mr. Knuchel: That is my concern. In 2011 what are we anticipating as far as projects?

Mr. Slocum: In 2011 I have assumed no projects outside of making the final payments on the study – we are anticipating \$60,000 next year to be paid for the engineering study. In the event there is in my ways there are ways we can address the financing of any capital projects we may entertain at that time – with the excess that should be generating by 2012.

Mr. Knuchel: So we are anticipating only spending \$210,000 up to \$275,000?

Mr. Slocum: We are anticipating paying \$215,000 for the study this year and \$60,000 next year. The study is being paid both out of this Fund and the Sewer Rehab Fund. It is not being paid entirely out of this fund.

Mr. D'Ambrosio: You hit on a key point – this was something I was going to ask you because I received a couple of emails. There was no General Fund expense that impacted this – you mentioned the pool – the pool does come up – I have heard it a couple of times. That has nothing to do with this – is that correct?

Mr. Slocum: The pool, your salary, my salary, police, fire, roads – anything dealing with the day to day operation of the City did not affect this whatsoever. We treat this as a separate business activity. Only activities related to the sewer can be charged to this fund. The monies we collect for this can only be spent for specific purposes.

Mr. D'Ambrosio: That is what I have been explaining.

Mr. Klammer: Pages #6 and #7 are for just the funds operating...

Mr. Slocum: Page #6 is a full fund statement - #7 is an operating statement.

Mr. D'Ambrosio: The bottom of Page #6 – where it shows the 2010 current budget – that \$79,000 deficit – that is where we would be if everything just stayed constant right now – correct?

Mr. Slocum: Right – with the increase too? Because even from the time we had talked in Finance Committee we have received updated reports furthering the decrease of the usage. In addition the City of Timberlake charges their residents \$9.00 a billing period and that money

has been going into a pot for the City of Eastlake and the Lake County Department of Utilities has been paying Timberlake. And, Timberlake has been collecting the money as rightfully so. However, the Lake County Department of Utilities just discovered they have not been charging our account for what they remitted to Timberlake. The result of that is we have a further \$16,000 hit to this budget item from when I talked earlier.

Mr. D'Ambrosio: I was asked that to – if our sanitary sewer fund would be depleted. So, the \$79,000 deficit would include the increase?

Mr. Slocum: Yes. Then, for 2011 - with the increase - we will be about \$39,000 to the good.

Mr. Slocum: To the good. And, at the end of this year – assuming this works out this way – we will have to figure out a way to attack that \$39,000.

Mr. D'Ambrosio: Mr. Knuchel made a good point about the decrease – if all that stays constant. On Page #7 you showed the operating expenses for Fund #501 – that has a deficit of \$282,000 – that is if everything stays constant and we did not increase anything at all?

Mr. Slocum: And we don't take any other capital projects aboard. I think when we met in Finance Committee I showed you a number that was around \$360,000 – that included when I went back a capital improvement that I have eliminated. That included about \$100,000 in the capital project that I eliminated for this presentation.

There were no further questions from Council.

Mr. Morley: Are there any questions from the Audience for Mr. Slocum?

Lenny Mullen, 1323 East 346th Street, Eastlake

Mr. Mullen: Here we go again – this is the worst time there is for this. There are so many people out of work. I am on Social Security. I got no raise for two years from the government and you people are thinking about raising the rates on the sewer rate. Have you ever considered – a) calling the Federal Government for stimulus money, b) calling the Governor and asking for him to help support this program with the sewers, 3) are we doing anything about the lottery – calling them for money? No, what you want to do is go right to the working people – the ones who are barely surviving now. You don't care about nothing else – you just want to raise the rates so you look good on the record. But, in reality you are all sitting here gloating and saying we are going to pass this bill. You talk about millions here – millions there – but there are people strapping out there. There are seniors who are not even taking showers and stuff and are using the least amount of water they can. You are talking about raising it \$7 per month for your usage. It will not be \$7 it will be \$84 right off the bat a year. People are really strapped down especially when - I know people who got 4 or 5 kids and 1 person is not working. That is a hell of a lot of money – to put out extra money when you got kids – just barely making it with the food supplies now. What you consider is putting this on the ballot and let the people of the City vote for this increase – not the 7 or 9 people here in this room. Best let the people vote for this and you will see what I am talking about. People are strapped – about had enough of coming in here and raising everything –

you think people have money and the economy keeps telling you every day – it is worse and worse and worse. And the only thing you guys want to do is make sure you got your money. Ask the people – you don't want to do that – consider putting it on the ballot. You are doing this here in what I would call secrecy because I did not find out about this until today and it was pure luck I found out about this – that is why I am here. I am highly recommending that you put this on the ballot and let the people of Eastlake vote on it since there are a lot of people who lost their house – there are a lot of people very strapped down right now – some are waiting to see if they get an extension on their unemployment benefits and their insurance and stuff. There are a hell of a lot of people out there that you do not care about. It is time to quit trying to raise taxes in the worst time we got in the City. I know you got the pool open and stuff like that – you need your budget and stuff. Before you start raising taxes do as I suggested – call the government and see if you can get money from them – everyone else is spending it – call the State because they got some stimulus money – call the lottery because they have a General Fund – they are giving \$10 million in subsidies for slot machines at race tracks. You best go and get some of that money from them and if they don't - say wait a minute what is wrong with this program – our people are buying tickets but you don't want to give us no money. Lakeshore is the State Route and that money that we need the \$300,000 for this – at least get that money and give you an opportunity to try to get more money before you raise it on the people. Years ago when we had a problem with the sewer problems – how many years did we pay – 16 years extra – we have not even settled that yet – now you want to raise it again. And people got screwed all them years – all that money and stuff – and now you are going to raise it again. We are going to trust you people? I don't trust you at all right now – I will tell you right to your face. I am not ashamed about it. I worked as long as I could but right now to be asking for stuff like this – peoples' money and time – just so you can look good. You are trying to save so you look good and the City looks good and it is not. Everyone knows the economy is the worst it has been – it is not getting no better – no matter how you do it – it is not getting no better. Now is not the time to raise the money – now is the time to collect money from the government sources we have. Not only that you are taking \$300,000 – you are talking about the Senior Center – you are talking about Eastlake rain forest. The rain comes in the roof so much. It is not funny. All that nice carpet over there – ruined. They have to come in and shampoo it – the glue is coming loose – it looks good until it rains. But, right now we are talking about raising rates for the sewer – it is not going to be \$7 a month – it will be added onto what your usage is. Some people cannot afford it - \$84 just right off the bat without counting your usage. It is the best time to quit raising the rates and try to collect the money first before you do anything. Let raising the rates be the last. Make sure this goes on the ballot for people to vote on and let them decide. Because you are here to represent the people – not screw the people.

Mr. Morley: Mr. Mullen – we are voting on the legislation tonight to vote on the Senior Center roof.

Mr. Mullen: I know the Mayor is here...

Mr. Morley: Mr. Mullen, you cannot – everything has to come to me – you cannot...

Mr. Mullen: I am going to say it right straight forward. Here is what I want to do. Ever since I have been doing that Senior Center over there it has been raining in that roof – rain, rain, rain. It is a mess. It goes to one room - the second room - the third room - fourth room. It seems like certain people – meaning the Mayor – I am addressing you but I am saying it to the Mayor - to his face – does not really want to do nothing to that building – it seems like. Until he absolutely has to because that building has been nothing but a thorn since it has been leaking. It has been leaking before the people moved into.

Mr. Morley: We have been working with Mr. Doberdruk and Mr. Simpson and the others at the Senior Center to get all the repairs. We just built the garage.

Mr. Mullen: I know you built the garage to put the bus in but it sat over here before and got all rusty and everything else – over here in the parking lot. Now it has a good garage and I hope it stays there. They done a lot of work and a lot of good carpet but they are prolonging getting the roof fixed. It is time to shit or get off the pot – that is the way it is going to be because that is a lot of money going to waste and a lot of exercise people are doing – trying to make it clean and everything. We have kids on the other side. He says it is not his building. He don't want to work on something that is not his.

Mr. Morley: I have to cut you off Mr. Mullen.

Mayor Andrzejewski: I need to say something for the record.

Mr. Morley: No, we are good.

Mayor Andrzejewski: I have to.

Mr. Morley: Mr. Mayor, we are good with this issue. I cut him off – we are good.

Mayor Andrzejewski: It is not our fault because that roof has not been fixed yet.

Mr. Morley: I understand. The school owns the building – I get it.

Mayor Andrzejewski: No, we had a bid – we...

Mr. Morley: And we are working on that. I just told him we were working on it.

Mayor Andrzejewski: We had a contractor back out of the bid.

Mr. D'Ambrosio: Mr. Mullen, thank you for coming. I have a couple of questions for Mr. Gwydir or Mr. Slocum. Mr. Mullen provided a couple of questions – he hit on some of them. Maybe you have to look into these – I don't know. But, one of his questions – could Ohio Lottery General Fund money contribute to this project? How would we know? Is there

additional funding we looked for – just to answer Mr. Mullen’s questions? You have a copy of the questions – if you want to look at them and get back to me sometime?

Mr. Slocum: Both Mr. Gwydir and I attended a seminar a 1 ½ weeks ago. It was sponsored by the Ohio EPA and discussed what type of funds are available from the State for sanitary and sewer systems. What moneys are available are not for the operation but for construction type projects – capital type projects. There is nothing to my knowledge that is available through the State. Assuming even if there was - our rates are the lowest in the neighborhood. If our rate was 1 ½ times the average – but, we are not even at average of the surrounding communities. And we won’t be – we will be close to the average at that point. If I might reiterate on point – this is not a tax – it is a user fee – this is a business. This is the equivalent of operating an electrical plant – a gas operation – the water plant. We have to ensure there are sufficient funds to operate it.

Mr. D’Ambrosio: Just one thing if you can – I know you have a copy of the questions – take a look at them and maybe I will get with you next week.

Mr. Slocum: I think that would be best – to give us some time to investigate.

Mayor Andrzejewski: Mr. Gwydir, how many projects did we submit for stimulus money?

Mr. Gwydir: About 20.

Mayor Andrzejewski: How many did we get approved?

Mr. Gwydir: None.

Mayor Andrzejewski: How many did other cities in our area get approved?

Mr. Gwydir: Virtually none.

Mayor Andrzejewski: That money went to big projects around the State of Ohio, specifically in Columbus, Cleveland, Dayton and Cincinnati. We tried. You just heard our City Engineer say we submitted over 20 projects for stimulus money. We got approved for zero. Our neighbors got approved for zero. A few of the cities got a few dollars here or there for stimulus money but that was it. So, to answer your question – we have done a very good job of applying for stimulus money and have received none.

Mr. Mullen: Did you go to Columbus?

Mr. Morley: Mr. Mullen, I will have someone answer – Mr. Gwydir?

Mr. Gwydir: Just some general facts. With regard to stimulus money for sanitary projects and improvements – nationwide there was about \$17 billion requested from people like Eastlake and all the other communities around the nation for projects that were ready to go and were needed. Of that \$17 billion the Federal Government saw fit to a lot \$4 billion – less

than one quarter of what was requested and needed. As far as Ohio goes of that amount – that \$4 billion – Ohio got \$224 million for the entire State. It amounts next to nothing. In concert with that as time has gone on from the 1980's until now the EPA has been steadily ratcheting up the regulations and making more and more requirements and more and more to be done by the City. At the same time they have slashed the money that is coming into the Cities. When I started my career as an engineer the Feds were funding about 80% of a particular project all over the nation for waste water control. That has dropped down to almost 5%. It is next to nothing. We are getting what we call unfunded mandates. They are demanding that we do things and they are not funding it – that is the Federal Government – that is the State Government. In the meantime costs are increasing. In concert with Mr. Slocum, the City and the people I work with – some of whose careers specialize in finding funding and money – there are very limited sources available out there – to the extent we can find those sources we find them through low interest loans – the type Mr. Slocum was speaking to. We spent ½ day at a seminar trying to found out what we needed to do to get low interest loans and go get money. Every year – from another fund the State has – I make application – with some success as of late – to get grants which is free money from the State and loans to do the sanitary projects and the work that needs to be done. So, we are literally combing and shaking the bushes for every penny we can get for the City of Eastlake – preferably in the form of grants so we don't have to repay. Obviously a loan as to be repaid but if we do get loans we are trying to find zero percent loans which are available out there in some case or extremely low interest loans.

Mr. Mullen: Didn't the government just issue some money for building the pool – you can start that again.

Mr. Gwydir: We found and continue to look for every source of revenue that is possibly available to the City and the fact of the matter is the Federal Government is making mandates that they are not funding. They are not funding the State to do it and the State does not have the money to fund it. Nonetheless, we are required by law to meet that.

Mr. Morley: Mr. Gwydir, after the meeting can you get with Mr. Mullen?

Mr. Mullen: I have something to say and I am going to say it. The question I have is did you go to Columbus and try to talk to the Governor?

Mr. Morley: No one has gone.

Mr. Mullen: Why not? That is our money – this is our State – our City. I am recommending that we send a representative down there and try to talk to him and get an appointment to talk to the Governor. There are a billion of people sending letters but how many go in person? You don't get nothing by sitting and writing letters. Letters don't do it. You go and show him – that is what you go – how many people are in your area. You don't write letters to see how much you can get. But, they know it is free money and everyone is trying. How many did you send to Washington, D.C. to ask for this money? Did anyone recommend going to D.C. – why not? This is our government – this is our Country. Every other country is

getting money from there. You have your Representatives from this State down there – go see your Representatives.

Mr. Klammer: Mr. Chairman, you can cut it off whenever you want at this point.

Mr. Morley: Mr. Mullen, you will have to talk after the meeting – we have to move on with the agenda. I have given you more than the three minutes.

Mr. Mullen: I appreciate it but what I am saying here is....

Mr. Morley: I understand but ...

Mr. Mullen: There is no one here hardly asking at all. Send someone to Washington, D.C. – send someone to Columbus – don't just send a letter – a letter ain't worth crap.

Mr. Morley: We hear you. Thank you. Mr. Matheke?

Dan Matheke, 361 Bayshore, Eastlake

Mr. Matheke: I think it is important for people to know how much money has been spent on the sewer system in the past seven years – on the upgrades we have done to the pump stations and how much money did we get from the State to do those projects – ballpark?

Mayor Andrzejewski: When we looked at our sewer system – especially our pump stations – I was told they were anywhere from 15-20 years old. We embarked about five years ago with State Issue 2 money and to this date we have replaced all our major pump stations. The last major one is being done this year – Quentin Road. That leaves about 3-4 little ones. We received from 35%-40% of the funds to do those plants from the State of Ohio in the form of grants – which is money we do not have to pay back. So, we have saved the taxpayers a ton of money by replacing these pump stations with new ones so our guys do not have to go there on a daily basis and spend their labor hours trying to get these things to work. Not only that but we spent a ton of money on repair parts and replacement parts that we do not have to do anymore. All those funds – 35%-40% came from the State of Ohio – that is from the Issue 2 money. Is that about right, Mr. Gwydir? If you have a dollar amount please give it.

Mr. Gwydir: Probably \$4-\$5 million in cost of which we recouped somewhere between 30% and 40% as grant money. I don't have the information right now but I do have a spreadsheet I can get to you if you are interested.

Mayor Andrzejewski: So, if you took 35% of \$4 million that is about \$1.3 million we have saved the people of Eastlake by going after these grants – that is about a year of sewer charges.

Mr. Morley: As Council was supposed to be on break, Mr. Lajeunesse has an appointment – I would like to read the one piece of legislation so he can excuse himself. So we will skip down to Legislation No. 07-20-(08).

LEGISLATION PROPOSED

07-20-(08)

Requested by: Finance Director Slocum

Sponsored by: Mr. Knuchel

RESOLUTION NO.: _____

A Resolution declaring it Necessary to Renew an Existing 3.0-Mill Tax Levy for the Purpose of Providing Funds for Road Improvement and Maintenance and requesting the Lake County Auditor to Certify the Total Current Tax Valuation of the City and the Dollar Amount of Revenue that would be generated by that Renewal Levy, and declaring an emergency.

MOTION: Mr. Knuchel moved to suspend the rules requiring separate readings and reading in full. Mr. Lajeunesse seconded.

ROLL CALL: Yeas unanimous.

MOTION: Mr. Knuchel moved to adopt. Mr. Lajeunesse seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation is adopted as Resolution No. 2010-083.

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

RECOGNITION OF THE PUBLIC

Mr. Morley recognized the public input at this time; he reminded the speakers that there is a 3-minute limit for their comments; all comments are to be directed to the Chair and not include any personalities or individuals.

Lenny Mullen, 1323 East 346th Street, Eastlake

Mr. Mullen: Since we have been talking about this I am asking the Council and the Mayor to not vote on raising the rates of the sewer tonight – like you are going to vote on it – I am asking you to postpone this and take and put it on the ballot and let the people of Eastlake vote on this. I know you need extra money and I know you will vote on it but I am highly recommending you boycott voting on this tonight and put it on the ballot and let the people vote on this. You will see how sorry everyone is – the people are really strapped. That’s it.

There was no one else who wished to speak

LEGISLATION PROPOSED - First number will be 2010-077

07-20-(01)

Requested by: Finance Director Slocum

Sponsored by: Council

ORDINANCE NO.: _____

An Ordinance amending Section 939.26, "Sewer Service Charges," of the Codified Ordinances of the City of Eastlake, specifically Section 939.26(b), and declaring an emergency.

MOTION TO AMEND:

Ms. Vaughn: I hereby move to amend Legislation No. 07-20-(01) to reflect a change in the net rates for 939.26(b)(1), 939.26(b)(2), and 939.26(b)(3). Mr. D’Ambrosio seconded.

ROLL CALL ON AMENDMENT: Unanimous.

There was no Motion to suspend the rules requiring separate readings and reading in full.

Legislation No. 07-20-(01) is placed on First Reading as amended.

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07-20-(02)
Requested by: WPCC Superintendent
Sponsored by: Mr. Knuchel

RESOLUTION NO.: _____
A Resolution granting permission from the City of Eastlake to the City of Willoughby to expend funds in an amount not to exceed Twenty-Eight Thousand Dollars (\$28,000.00) for the purchase of various pumps for the Waste Water Pollution Control Center, and declaring an emergency.

MOTION: Mr. Knuchel moved to suspend the rules requiring separate readings and reading in full. Mr. D’Ambrosio seconded.

ROLL CALL: Yeas unanimous.

MOTION: Mr. Knuchel moved to adopt. Mr. D’Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation is adopted as Resolution No. 2010-077.

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07-20-(03)
Requested by: Administration
Sponsored by: Mr. Knuchel

RESOLUTION NO.: _____
A Resolution authorizing and directing the Mayor and Director of Finance to accept a grant from the Federal Emergency Management Agency (FEMA) in the total amount of Twenty Thousand Eighty-Eight Dollars (\$20,088.00), said grant to be utilized for the purchase of equipment for the City of Eastlake Fire Department, and declaring an emergency.

MOTION: Mr. Knuchel moved to suspend the rules requiring separate readings and reading in full. Mr. D’Ambrosio seconded.

ROLL CALL: Yeas unanimous.

MOTION: Mr. Knuchel moved to adopt. Mr. D’Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation is adopted as Resolution No. 2010-078.

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07-20-(04)

Requested by: Finance Director Slocum
Sponsored by: Mr. Knuchel

ORDINANCE NO. _____

An Ordinance to re-appropriate for the expenses of the City of Eastlake, State of Ohio, for the period beginning January 1, 2010 and ending December 31, 2010, and declaring an emergency.

MOTION: Mr. Knuchel moved to suspend the rules requiring separate readings and reading in full. Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

MOTION: Mr. Knuchel moved to adopt. Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation is adopted as Ordinance No. 2010-079.

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07-20-(05)

Requested by: Administration
Sponsored by: Mr. Knuchel

RESOLUTION NO.: _____

A Resolution authorizing and directing the Mayor and Director of Finance to enter into a Contract with A.W. Farrell & Son, Inc., the most responsible and lowest and best bidder, for the base bid, including Alternate B, for the re-roofing contract at the JFK Senior Center for the total amount of Two Hundred Eighty-Six Thousand Dollars (\$286,000.00), and declaring an emergency.

MOTION: Mr. Knuchel moved to suspend the rules requiring separate readings and reading in full. Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

MOTION: Mr. Knuchel moved to adopt. Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation is adopted as Resolution No. 2010-080.

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07-20-(06)

Requested by: Finance Director Slocum
Sponsored by: Mr. Knuchel

RESOLUTION NO.: _____

A Resolution authorizing the Director of Finance to transfer funds, with said funds to be transferred in the amounts as listed from Fund #101 "General Fund" into Fund #438 "Recreational Capital Improvement Fund", and declaring an emergency.

MOTION: Mr. Knuchel moved to suspend the rules requiring separate readings and reading in full. Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

MOTION: Mr. Knuchel moved to adopt. Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation is adopted as Resolution No. 2010-081.

07-20-(07)

Requested by: Finance Director Slocum
Finance to Sponsored by: Mr. Knuchel

RESOLUTION NO.: _____

A Resolution authorizing the Director of advance funds, with said funds to be advanced in the amounts as listed from Fund #101 "General Fund" into Fund #438 "Recreational Capital Improvement Fund", and declaring an emergency.

MOTION: Mr. Knuchel moved to suspend the rules requiring separate readings and reading in full. Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

MOTION: Mr. Knuchel moved to adopt. Mr. D'Ambrosio seconded.

ROLL CALL: Yeas unanimous.

Motion carried. Legislation is adopted as Resolution No. 2010-082.

Legislation No. 07-20-(08) was voted on early due to Mr. Lajeunesse's early excusal from the meeting.

LEGISLATION PENDING

There was no Legislation Pending.

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS

There was no New Business.

ADJOURNMENT

The meeting was adjourned at approximately 8:27 p.m.

DENNIS MORLEY, COUNCIL PRESIDENT

APPROVED: _____

ATTEST: _____
DEBORAH A. CENDROSKI, CMC
CLERK OF COUNCIL