

FINANCE COMMITTEE MEETING  
JANUARY 20, 2009

Finance Committee Chair Mr. Knuchel opened the Finance Committee Meeting at 6:32 p.m. In attendance from the Committee were Mr. Knuchel, Mr. D'Ambrosio and Mr. Lajeunesse. Also in attendance from Council were Mr. Morley, Ms. Vaughn and Mr. Zontini. Council President Mr. Elshaw was absent and excused.

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

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

STATE CONTRACT: POLICE DEPARTMENT VEHICLE PURCHASE REQUEST:

Four 2009 Crown Victorias: \$22,120 ea./\$88,480 total

Three 2009 Crown Victorias: \$22,120 ea./\$66,360

One 2009 Ford Explorer SUV: \$22,966

We have a few different options – the Administration has requested that we look at four Crown Victorias and the Police Chief has requested three Crown Victorias and one Ford Explorer. I think at this point I will let the Police Chief explain his reasoning as he did in a memo to Mr. Zontini.

Chief Ruth: These are replacement vehicles to replace the remainder of our fleet which we replace every three years. One of those vehicles to be replaced is our current Ford Explorer which will then go into the backup fleet. We would like to replace it with a new Ford Explorer and we feel by having two four wheel drive vehicles it will be a further asset to the City. We have used them during floods – they were one of the few vehicles that were high enough to get through some of the high water. We used them last year during the heavy snow – they were one of the few vehicles that were able to get down some of the streets. In fact, one time it was the only vehicle that could get down some of the streets. We used it this year during the snow storms. The Crown Victorias slid around the freeway like sleds and we had a lot more traction with the Explorer and with the snow on the roadways it was easier with a four wheel drive to assist motorists in pushing them out of drifts – we have push bars on the Crown Victorias but with four wheel drive you get more traction and power. In many years back we did not have the Explorers and in the last three years we have had the Explorer it has been a real asset and we think having a second one in our backup fleet would be a further asset – especially in this unpredictable weather. The cost is negligible – it is about \$800 more to purchase the Explorer and the conception that it uses more gas is not correct – it is a V6 versus a V8 and it actually uses less gas and probably balances itself out. I know the Mayor is concerned that it sends the wrong message to the public – that there is a perception that we want it because it is a status symbol – it has just been a useful tool for us. We would like to replace the Ford Explorer and keep the second one as our backup.

Mayor Andrzejewski: In the interest of free speech and my First Amendment rights – even though I know I am going to get shot down and, I will accept it if that is what the Committee chooses to do. I want to put my two cents in. That is – yes, I believe it is the wrong message to send to our residents that we have enough money to buy SUVs. I remember a news story that

came out about four months ago when they were showing all the different vehicles that mayors and people in the cities drove and it pointed out that the Mayor of the City of Beachwood drove around in an SUV.

Mr. Morley: A Lexis.

Mayor Andrzejewski: They made a particular note of that – how can you drive around in a SUV – it is a status symbol for you. We have one SUV – that is fine. Years ago you never heard talk about SUV's – we got one – they like it – they want another one. Three years from now they liked the two and they will want another one. Where does it end? We need to have police cars – I am in favor of buying the police cars. I am in favor of replacing the fleet. I think it sends the wrong message to our residents that we are going to buy SUV's for the Police Department.

Mr. Semik: I reviewed the specs on behalf of the Service Department – I did not see any manuals or software for the maintenance of the vehicles included. We need manuals in case something breaks – I would like to see manuals included in the specs.

Mr. Knuchel: Do we have manuals?

Mr. Semik: We got manuals for the 2008 but it was afterwards.

Mr. Condron: The service manual in a CD costs \$200.

Mr. Lajeunesse: I remember buying seven Impalas without worrying that sent the wrong message. I think one or two of those Impalas should have been pickup trucks. In this case the Chief has a lot more experience than most of us in this situation and I think the SUV is something we need and in the future we may need to get one or two more. You will probably get a lot more use out of them than you can a Crown Victoria. In this case if this is what the Chief, as Director of that Department, feels we need I will go along with it.

Ms. Vaughn: I even have an SUV – in this kind of weather you do not need a big eight cylinder car to chase bad guys. We don't have that many roads we can chase bad guys fast on – maybe S.R. 91. I think the idea of a four wheel drive is an admiral one and we should get the three Crown Victorias and the Ford Explorer.

Mr. Knuchel: The first thing I would like to know is – why is a three year old vehicle going into our backup fleet instead of our front line fleet?

Chief Ruth: You have to rotate vehicles on a regular basis – three years for a police car is a lot.

Mr. Knuchel: Don't we still have the Impalas?

Chief Ruth: We have two Impalas sitting along the fence – they are pretty much junk. The ones from the year before were junk when we replaced them. We do not use Impalas anymore. In fact, we should probably tow them to the back lot. They did not hold up well. Generally, the cars that are used on a daily basis – by three years they are beat up. The SUV is used by the Lieutenants so it is not getting as much mileage and will last longer. Hopefully, with this rotation our backup

fleet will be cars that will be of some value as a backup fleet – in the past several years by the time they hit our backup fleet they were junk.

Mr. Knuchel: What cars will we have in our backup fleet?

Chief Ruth: We will be replacing four vehicles.

Mr. Knuchel: What will we have left?

Chief Ruth: We will have one of the Explorers in the backup fleet and three Crown Victorias in the backup fleet. Vehicle #854 is the Sergeants' vehicle and is not used as much as the other cars – it will go into the backup fleet and be a somewhat lower mileage car – so, the backup fleet will be good. Vehicle #856 we were going to make into a DARE car which is one we can use at the schools and for public events.

Mr. Knuchel: That is a Crown Victoria?

Chief Ruth: That is a Crown Vic. We would still use it as a backup if we needed it. Vehicle #865 – this is one that is used by two officers and will give us a lower mileage good car. And Vehicle #870 is the Explorer which will go into our backup fleet. Essentially we would have three good backups and a DARE car.

Mr. Knuchel: What about our front line fleet?

Chief Ruth: Our front line fleet consists of the vehicles that are used every day – the 2008's and 2009's.

Mr. Knuchel: How many vehicles is that?

Chief Ruth: Ten vehicles.

Mr. Knuchel: Mr. Semik or Chief Ruth - are the four wheel drive vehicles all four wheel drive or can they be switched from four wheel to two wheel drive?

Chief Ruth: We switch the Explorer.

Mr. Knuchel: If the gas mileage is an issue it would not be an issue because you can switch from four wheel to two wheel drive.

Chief Ruth: It is also a V6.

Mr. Knuchel: Mr. Lajeunesse has suggested the three Crown Victorias and one Ford Explorer. Mr. D'Ambrosio, do you have any comments on this issue?

Mr. D'Ambrosio: I am in favor of the three Crown Victorias and one Ford Explorer. If the police need to get somewhere nothing will stop them – an SUV is going to be a better vehicle for that. I don't have a problem with the SUV at all.

Mr. Knuchel: I concur with the Mayor that we did have quite a few people call when that first SUV came out – even I received a few calls.

Mayor Andrzejewski: On the record is all I want to be.

Mr. Knuchel: Let me finish – I am not worried about that – what I am worried about is #1 - the safety of our police officers, #2 – if they have the equipment they need to perform their job – and I think doing it this way will accomplish both of those tasks. So, we will move forward with the three Crown Vics and the one Ford Explorer SUV.

Mayor Andrzejewski: The third SUV is going into the backup fleet and would be used very infrequently – only when one of the...

Mr. Knuchel: Third SUV?

Mayor Andrzejewski: We will have two SUV's and we have two right now.

Chief Ruth: No, we only have one SUV.

Mayor Andrzejewski: What are the other cars?

Chief Ruth: Crown Vics.

Mayor Andrzejewski: They are Crown Vics? Are you going to keep the other one in service?

Chief Ruth: We have a transport van – that is not an SUV. We will replace three Crown Vics and the SUV will go into the backup fleet.

Mayor Andrzejewski: What is the SUV?

Mr. Knuchel: The Ford Explorer.

Mr. Morley: The SUV we have right now.

Mayor Andrzejewski: The one we have now is already beyond use?

Chief Ruth: It is not beyond use – it will have been in operation for three years and we rotate it out. It still has plenty of life left in it. Unlike, the ones I had in my backup fleet before.

Mayor Andrzejewski: Is it used every day or is it issued when one of the front line cars is down?

Chief Ruth: It is primarily used when we want it to be used – when one of the front line goes down but we have other details – going to Court and various other things – if there is bad weather it will probably be used instead of the Crown Vic. It will not be used on a daily basis but it will be used as needed.

There were no further questions.

Mr. Knuchel: Is the Committee in favor of moving forward with the three Crown Vics and one Ford Explorer?

Mr. Lajeunesse: Yes.

Mr. D'Ambrosio: Yes.

Mayor Andrzejewski: Are you going to get the manuals?

Chief Ruth: It is an option.

The Committee agreed to include the cost of manuals. This matter will be moved forward for passage at the next regular Council meeting.

#### LEASE AGREEMENT: COPIERS UNDER STATE BID

Mr. Condon: Our current lease expires in February – there are a couple of Departments in need of copiers but they waited because it was thought we would get a better deal if we replaced them all at one time. The Tax Department and the Council office are included and were not under the old lease. Lake Business is the best dealer – we checked Comdot and Ace. The bidding is very competitive. It will be an upgrade – there are two color copiers – they were a little higher price at the State Bid of \$975 – the other brands quoted under State Bid cannot get underneath that. We have a good relationship with Lake Business. The goal is to cut down on some of the other costs – when people print to their printer that is hooked up to the PC – the difference in toner is substantial – one or two cents per copy for black and white versus five or six times that. Color off a PC runs 40 or 50 cents a copy. The idea is to make the copier like the office printer – hookup is included in the price. It also has scanners and fax capabilities. Each Department would then use that as a network. We checked with Mr. Klammer on the State Bid and he is good with it.

Mayor Andrzejewski: We are trying to eliminate buying these cartridges for every little printer – we will have large printers and everyone in that Department can print off of it.

Mr. Knuchel: Will the price include hookups and networking? In Council office we will actually only have one computer that is hooked up to the printer.

Mr. Condon: We made sure the \$975 would cover that installation and everything else.

Mr. Lajeunesse: I appreciate the research you did on this. Any time we can bring ourselves up to date is another way to move forward.

There were no further questions. The Committee agreed to move forward with this matter for passage at the next regular Council meeting.

#### STATE BID: MAINLINE CAMERA/BID REJECTION: CAMERA & JOINT GROUTING

Mr. Semik: We went out for bids on the camera and joint grouting – I attempted to lock in some prices. The bids did not come in as I thought – they were all over the place and did not match. With that being said and not being able to give you some realistic numbers I would like to reject the bids and we will go out for grouting on an as-needed basis. The mainline camera that I

requested is something we are in desperate need of – it can video any of the mainlines up to four feet – from the smallest to the largest. It can be used in the sanitariums and the storms. We recently hired someone to come in and video on Erie Road. This is something we should be doing in-house – we have the capability of doing it – we just need the equipment. It will allow us to see into lines when we have heavy rains instead of hiring someone to do it. We can send our crew to camera the main and see what is going on. I would like to reject the bids and go out for bids on grouting.

Mr. Knuchel: The question that was brought up during the Council meeting last Tuesday was – was this camera and joint grouting one piece of equipment to do everything?

Mr. Semik: It is two separate items. There is a storm main on Howell Court that has separated over the last couple of years. We have repaired them and they separate again. Every time this happens sink holes develop – there are huge sinkholes in people's backyard. We have to contact a company – they come out and video it and find the problem area and tell us how much it will cost to grout. I do not want to get into the grouting business. They will still do the grouting – all I am after is a mainline camera. I don't want to farm that out – that can cost us \$1,000 and up – every time we call them out.

Mr. Knuchel: I am going to make a comment which will encapsulate what Mr. Zontini and I are getting at. When we first got this issue the consideration here is we have to do our due diligence in finding out whether the price for the mainline camera was worth it. From the information we have received I don't know if we can make an informed decision on the mainline camera and whether it will be efficient for us. I like numbers – I like to be able to say what is our three year average of the amount of money we would spend contracting out for mainline cameras. And, take that and compare it to the cost of purchasing a mainline camera. Is that correct, Mr. Zontini?

Mr. Zontini: And to add to that is it possible to lease a camera and do it in-house? What would be the cost of that? If we just had numbers to look at and compare we could make a more informed decision.

Mr. Semik: I will be more than glad to furnish you with those numbers. In the past couple of years we have been using the camera on lines 4-5 times a year at an average of \$1,200 per camera. I can't project what will happen next year when it comes to costs – everything keeps going up. We have a smaller camera we use for laterals. My concern is – if we have a sinkhole developing we should be able to go in and camera – you can't do that now. If we wait for a sinkhole to develop or we can go in and see where the separation is we can make the repair. It is only when it is not readily visible. I have to factor in the time taken in making the entries – how many repairs are made and how many sinkholes are outstanding. I have sinkholes that I do not know how to approach because I do not know what is going on. This is our way of looking into the infrastructure and seeing the problem. I can run the camera and see all the problems – if I contract that it will add up fast. Right now we do the immediate spot and that is it – when we should be looking at the entirety. I did not look into leasing.

Mr. Zontini: None of us are questioning the need. We are just questioning if it could be done more cost efficiently.

Mr. Semik: In my opinion, anytime we can do it in-house – the life expectancy on that equipment is 15 years – easy.

Mr. Knuchel: I am looking for all that information up front. I am looking at use life, cost per year, how much we will use it – these are the things that will influence my decision about whether I am going to buy a \$133,000 piece of equipment or if we are going to contract out for it.

Mr. D’Ambrosio: I think to go out for bids for camera would be difficult to get it accurate. Once you have this piece of equipment you are going to use it a lot more often. You will use it for trouble shooting. When you go out for bids it is more of a guess estimate. If you can’t see a problem in the lateral you can run this into the main to see if that is where the problem is. I think you will use this a lot more than you think. If the City ever did smoke testing this camera would be useful to see where the problems are. To go out for bid is basically a guess. You will use this piece of equipment more once it is in the garage. I don’t know if you would find someone to lease something like that. In my opinion I think a City of this size having a mainline camera would be a benefit to the residents - it something the workers get trained on. I think it is something the City needs –like the street sweeper – this is just as important.

Mr. Morley: I think purchasing this would make us proactive instead of reactive. We can use this to check all the streets and maybe avoid major damage and repairs – like with Quentin – this is a way to be proactive instead of waiting to see if something happens.

Mr. Knuchel: It has nothing to do with the need – we just need to see something in front of us – and it will be the policy of this Committee to look at those things and to get the numbers first. I had a couple of memos out and I really did not get the answers to them that I wanted.

Mr. Semik: That was partially my fault because I was trying to figure out how to answer them – I was not too sure what you were asking.

Mr. Knuchel: Please give me a call if you don’t know what I am after because I will be looking at these issues – and, I think it is incumbent on us as a Finance Committee to make informed decisions.

Ms. Vaughn: I think this is a good piece of equipment but do we have enough people to even bother using it – to take them away and not fix catch basins and to not ever fix my street – and have them take a picture of a sewer when I have holes in my street?

Mr. Semik: That is a good question. However, there are down times. Right now they could do the camera. I will be glad to pinpoint the areas when we have numerous sink holes. We need to get on a program of using a camera on these so we know where the problems are.

Ms. Vaughn: I understand – I just wanted to make sure if you decide to go ahead with this purchase that you have someone to use it.

Mr. Semik: Yes.

Mayor Andrzejewski: Mr. Semik, I myself was waiting for responses to Mr. Knuchel's memos because I wanted to go over the numbers and try to justify buying this piece of equipment – which I am in favor of. Mr. Knuchel and Mr. Zontini make a good point. We would not make a decision to buy this piece of equipment in the business world unless we had some documentation and numbers to justify its use. I am going to work with Mr. Semik on how to get these numbers together – how many times we will use it – the cost to use it. I think in this case – keep an open mind that the numbers may not justify the payback period on this thing in three years – it may be ten years. It is still a good purchase. There are a lot of intangibles in here such as using it during the down time. I thought about – is it the City's fault or the homeowners – this way we can be more proactive to advise the homeowner if it is their problem. Or, we find out we have a big blockage in our main line. I will work with Mr. Semik on the numbers but keep an open mind if we spend \$6,000 per year now but we can do \$20,000 worth of work for the residents if we had this camera – that will be included in the analysis.

Mr. Knuchel: That is what we are looking for. If we used the camera more would it decrease the life of the equipment?

Mr. Semik: No.

Mr. Knuchel: Would the Committee like to hold this in Committee pending further information?

Mr. D'Ambrosio: I am okay with purchasing it – I use one and know the benefits – I understand what has been said – if you feel more comfortable waiting for more information – but, I know what this can do for the City – the City is big enough to have something like this – I just see the benefit.

Mr. Lajeunesse: I agree with Mr. D'Ambrosio based on his expertise. Can we have that information by the next Council-as-a-Whole Committee meeting?

Mr. Semik: Yes, we should get it to you by Friday.

Mayor Andrzejewski: We should be able to get the numbers by the Council-as-a-Whole meeting – not by Friday.

Mr. Knuchel: If we are going to have a larger discussion on this it needs to be in Committee.

Mr. Lajeunesse: That is fine, if there needs to be a bigger discussion. But, I agree with Mr. D'Ambrosio – if it is something we need and the numbers are totally skewed.

Mr. D'Ambrosio: I am comfortable with it and I know what it does but it is a big purchase – for everyone to be comfortable – if it has to stay in Committee for further discussion then let's do that.

Mr. Knuchel: It is a big dollar item and if we had proper documentation I would have no problem. I don't think we should go into this without having the numbers in front of us.

Mayor Andrzejewski: Another Finance Committee should be scheduled soon to discuss other things – this could be added.

Mr. Knuchel: Perhaps the week after we get the information.

The Committee agreed to hold this matter in Committee pending receipt of information and further discussion.

MISCELLANEOUS

There were no further questions or comments.

RECOGNITION OF THE PUBLIC

There was no one who wished to speak.

The meeting was adjourned at approximately 7:13 p.m.

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