

FINANCE COMMITTEE MEETING
DECEMBER 9, 2008

Finance Committee Chair Mr. Knuchel opened the Finance Committee Meeting at 6:35 p.m. In attendance from the Committee were Mr. Knuchel, Mr. D'Ambrosio and Mr. Lajeunesse. Also in attendance from Council were Mr. Morley and Ms. Vaughn. Mr. Zontini and Council President Mr. Elshaw were absent and excused.

In attendance from the Administration were Mayor Andrzejewski, Finance Director Condron, Service Director Semik and Fire Marshall Futchi.

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

CHANGE ORDER #3: RONYAK PAVING/ADDITIONAL PLANING: \$6,198.40

Mr. Semik: This was for additional work – Lakeshore Blvd. and other – additional work that was not included originally.

Mr. Knuchel: There were three different change orders on this?

Mr. Condron: Yes, we did one in September and this one. When we bid it out it was for two years – we found we were short again in 2007 so we did that one in September – we ran a little short in 2008. We went from about 33,000 to 70,000. With the new contract we will not have that problem because we took out the quantities.

Mr. Semik: I will accept the fault for the quantity that was in the contract – I did not bother to read the word quantity – I thought it had been removed. We did two streets before this Administration came in - that is how we got to the 30,000. We have never been that low – when we let the contract for 2007 and 2008 we were still operating off of 2006 – the word “quantity” has been removed and it will not appear.

Mr. Knuchel: So, this year we will only have the streets we are going to do with no quantities and we will plug in a formula.

Mr. Condron: We will estimate.

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

FUND TRANSFER: GENERAL FUND TO FUND #438 “RECREATIONAL CAPITAL IMPROVEMENT FUND”

Mr. Condron: This is the final step in trying to put the inheritance tax monies into the fund we established in June. During our audit it was suggested we did this in and out of the General Fund as there was a change in the law and a lot of people were getting written up. As soon as we received the money I wrote the memorandum suggesting we follow this guideline.

Mayor Andrzejewski: It is a technicality – accepted into the General Fund and then transferred to the Recreation Fund.

Mr. Condron: If we put this into a Capital Improvement Fund – does that limit what we can do with that money to Capital Improvements only?

Mr. Condron: Yes. You establish the fund and its purposes via separate legislation – we have to follow whatever was authorized. It is a restricted use.

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

STATE BID: COMPACT SNOW TRACTOR: \$21,111.99

Mayor Andrzejewski: When I first became Mayor we had a snow blower that took care of the bike path and sidewalks on Vine Street after heavy snows. Last year during two of the heavy snows I received tons of calls and emails asking when we were going to clean the bike path but we did not have anything that could go on the bike path anymore – they had to use a truck and plow. I think we have some obligation to some of the businesses on Vine Street and if we could help them out by having a machine to quickly open up the sidewalks – rather than having them do it – because some of them may not be able to do the sidewalks in front of their businesses – we would make Vine Street a little more safer for people to walk on. They won't walk on a sidewalk full of snow they will walk on the street.

Mr. Knuchel: How wide is this, Mr. Semik?

Mr. Semik: It can go up to five feet – it will fit the sidewalk on Vine Street, the bike path and the sidewalk on the pedestrian bridge – and the sidewalks at City Hall – a lot of uses. The nice thing about this piece of equipment is it is 4-wheel drive and has hydraulics and has other pieces of equipments we can attach which in the long term will save us money. There is a ditcher attachment – we can purchase that attachment. There are several different functions.

Mayor Andrzejewski: What else were you talking about using it for in the summer?

Mr. Semik: The ditcher, it has a sweeping broom on it for sidewalks on Vine Street and the bike path.

Mr. Knuchel: Can we use this on Vine Street because of the tree situation?

Mr. Semik: Not everyone will operate this – it will be someone who will operate it safely.

Mr. Knuchel: Do you have the staff to take care of this?

Mr. Semik: Yes. This will work pretty good because whoever operates it can start at City Hall – go to the bike path and then Vine Street. I included a cab and heater option – one person should be able to get this done within a reasonable amount of time.

Mr. Morley: Mr. Semik answered my questions – I did not want to get a piece of equipment that would do only one function.

Mr. D'Ambrosio: I have no problem with this – it is good for the bike path. This would not be run during the overtime and done during the week? It is good to keep it out of residential areas – most of the sidewalks are not big enough. I get calls about snow on the bike path. This is a big dollar item but there are other uses for it year round.

Mayor Andrzejewski: It is the cost of one police car. We see the need for this in the winter.

Mr. Morley: As this is a two-cycle engine does it use mixed fuel?

Mr. Semik: No.

Mayor Andrzejewski: If it is we will have to make sure they know.

Mr. Semik: I will check it but I think it is a gasoline engine.

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

OHIO MUNICIPAL LEAGUE: 2009 DUES: \$2,519

Mr. Knuchel: The \$2,510 for the 2009 Ohio Municipal League dues is split between the Mayor and Council. They are a group that lobbies for cities.

Mayor Andrzejewski: It is a good organization.

Mr. Knuchel: They are a great tool to have.

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

WALTER DRANE: CODIFIED ORDINANCES ACCEPTANCE/INVOICE: \$1,605

Mr. Knuchel: This is a general housekeeping item – done yearly.

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

2008 RE-APPROPRIATIONS

Mr. Condon: In anticipation of the AFSME contract and having to do the back pay of Friday, December 19th we need to approve some salary totals – the contract has a \$500 signing bonus plus 3% and in some cases another 15 cents for some Service Department categories. In our own Department with our AFSME I have put another \$3,600 – the next one would be a salary line item that is sort of unusual – we have never seen this before – but we do need the additional dollars to finish out the year. We had a change in personnel and found out they were actually billing in arrears – the usual practice was to hand in from the prior year – that person left and handed in what she had worked - since then we are planning on staying current and handing it in as you work it. It was just a change in personnel in Civil Service. Hopefully we won't see that again.

During our discussion on the Callable Bond Fund it was indicated we wanted to do a little more than the \$175,000 – we increased it to \$300,000. Also, the termination fund – we put in our first \$100,000 last year – the Fire Chief’s payout was about \$49,000 – this will bring us back to where we started.

Mr. Knuchel: Mr. Condron, do you feel this will cover any shortfalls we may have?

Mr. Condron: We are looking at \$2 million in potential liability so every penny counts – if we get a lot of long term employees retire that can retire – you never know.

Mr. Knuchel: We have seven people in the drop program in the Police Department alone – then there is the Fire Department.

Mayor Andrzejewski: I agree – Mr. Condron and I talked about this – he wanted to be safe and put in \$50,000 – I think we should go \$100,000 each year until we build that fund up. We received a Fire Department memo advising of a retirement. There is a retirement in the Finance Department – then there is the drop program - \$100,000 each year until we can build it up.

Mr. Knuchel: Do we want to do it now or wait until...

Mr. Condron: We can do it now - \$100,000 is fine.

The next one is the Police Department Fuel - \$15,000 – I know the price of fuel has come down but in the middle of the year we were in unchartered territories with the cost – we upped it as much as we could but with the price coming down we should make it until the end of the year – and – another \$5,000 in the Fire Department. That will get us through the year and have enough to encumber December’s bill.

The next one is a suggested appropriation in the Fire Department comp/overtime line item – we want to be safe and make sure we are not in any negative accounts – the Chief sent a memo about the injured list. Next year we can work on that but in the short term we will need some more – we have contractual obligations we have to suggest.

The Recreation Department is always the same thing – the fuel is a little bit more – the Building Department salaries are a little more because of AFSME employees. The Service Department has AFSME employees.

The last one is the General Fund - we would be putting a little bit more money in the bond payments to make sure we have enough funds for the December 1st bond commitment.

Mr. Knuchel: The only question I have is – we have the overtime for snow and ice removal up by \$9,000.

Mr. Condron: We budgeted \$33,000 and spent all of that – it was basically the month of March and a couple of weekends that were high. I put that in not knowing what we would be faced with in December. I wanted to make sure – the snow and ice overtime comes from one place – if it does not snow we will carry it over to next year.

Mr. Knuchel: We did start snow early this year – that had to add to it.

Mayor Andrzejewski: It is amazing – it loves to snow on Saturday and Sunday when we don't have people here.

Mr. Knuchel: The expense for the Senior Center?

Mr. Condon: That was something new to us – they got an inheritance – it was put into Fund #211. They wanted to make sure that fund was not lost in other City operations. But, when we established the #211 Fund it was actually geared for one-time donations and one-time grant awards to help the Senior Center. Their Board would like to purchase shades for the windows they put in at the cost of a little over \$6,000.

Mr. Knuchel: That is money well spent – the windows are phenomenal – we did a good job of improving that facility.

Mayor Andrzejewski: There are a few more to put in next year – the whole building will be much more energy efficient.

There were no further questions of re-appropriations. The Committee agreed to move this matter forward to the next regular Council meeting.

2009 TEMPORARY APPROPRIATIONS

Mr. Knuchel: I would like to thank Mr. Condon for the amount of time he put into this and doing it to make it easy for everybody so we can get this through in the least amount of time with the least amount of aggravation possible. That is why we spent as much time as we did at the last meeting.

Mr. Condon, I noticed you took all the items we asked to be taken out and listed them as one-time expenses.

Mr. Condon: We just listed the things we would like to talk to you about after the first of the year when the final numbers come in. But, we did keep the other things in the forecast – the project for Quentin Road – things we had already committed to.

Mr. Knuchel: And these will cover us through the first quarter of the year?

Mr. Condon: Definitely.

Mr. Knuchel: I really did not have too many questions on this – does anyone else have any questions? Did you change the amounts for the gas and carry that over in the next year's interim budget?

Mayor Andrzejewski: I had Mr. Condon give that to me and I looked at it as if I was a Councilman – so there were no errors that would raise a lot of questions so it would go smoothly.

Mr. Condon: I did bump that up a little higher – I went to \$85,000 – I think the forecast was \$77,000.

Mr. Knuchel: I am comfortable with that. That was the main question we had last time – it was one of the major issues we were running over on and needed to be addressed. Other than that, I have no other questions.

There were no further questions on the 2009 Temporary Appropriations. The Committee agreed to move this matter forward to the next regular Council meeting.

MISCELLANEOUS

LEASE AMENDMENT: CITY OF EASTLAKE & LAKE COUNTY CAPTAINS

Mayor Andrzejewski: I mentioned to Mr. Knuchel, Mr. Elshaw and Mr. Morley at the Pearl Harbor Ceremony – the Captains have approached us and we have had several meetings with them discussing some changes in the lease – when we get it a little bit more finalized we will present it to Council for review. They know we can't do anything without Council's approval. We have been talking to them – they have presented all their finances – Mr. Slocum was employed by the Captains to put it in a presentable format. Mr. Condron and I have looked at it thoroughly.

Ms. Vaughn: Are they losing money?

Mayor Andrzejewski: Well – what Mr. Condron and I have concluded that last year they probably did lose some money – but, the first four years of operation they did not. Our thought process is – I would rather work with them a little to make it a win-win for both the City and the Captains then have to search for a team in bad economic conditions. What we put together has pluses for the City – some of the things we wanted to get out of the lease a long time ago we are now able to get out – and it has pluses for the Captains – and, it has an opportunity to recoup some of our rent that may be decreasing at a later point in time. We have finalized a lot of it but until I get it finalized and Mr. Klammer approves it for legalities. There is no rush. They gave us a \$125,000 check for the rent and the rest is due in February. We gave them a little leeway – but it is the full amount. Whatever applies is going forward – it does not apply to 2008. It will not include the bridge or the plaza – those are ours and will always stay ours. But, they will pay the \$172,000 in February.

Mr. Knuchel: So, this will come to us in the form of a signed letter.

Mayor Andrzejewski: An amendment to the original lease. We are talking with them and trying to work with them – but, we are also looking out for the best interests of the City.

There were no further questions or comments.

The meeting was adjourned at approximately 7:05 p.m.

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