

FINANCE COMMITTEE MEETING
NOVEMBER 17, 2009

Council President Elshaw opened the Finance Committee meeting at 6:20 p.m. In attendance from the Committee were Mr. D'Ambrosio and Mr. Lajeunesse. Committee Chair Mr. Knuchel was absent and excused. Also in attendance from Council were Mr. Morley and Mr. Matheke. Ms. Vaughn was absent and excused.

In attendance from the Administration were Mayor Andrzejewski and Finance Director Condron. Service Director Semik was absent and excused.

Also in attendance was Councilman-at-Large Elect Mr. Hoefle.

PASS THROUGH AGREEMENT: ODNR CAPITAL GRANT: CHAGRIN RIVER LAKEFRONT QUARTERLY BUDGET REVIEW

Mr. Elshaw: There are a couple of items I will not be covering this evening – that would be the Pass Through Agreement for the ODNR Capital Grant for the Chagrin River Lakefront and the quarterly budget review. Mr. Knuchel will cover these in his next meeting.

MEMBERSHIP DUES: OML: \$2,519

Mr. Elshaw: Is there any discussion on the membership dues for the Ohio Municipal League in the amount of \$2,519? The Municipal League keeps us up to date on our State legislature. I think it is a good idea for our City to be a member of the League and we do split the cost with the Administration.

Mayor Andrzejewski: If you want to you can go to their annual meeting. Mr. Condron and I went to it one year – it is worthwhile.

Upon review, the Committee agreed to move this matter forward to the next regular Council meeting.

There were no further questions or comments.

BID AWARDS: 2010 HOUSEKEEPING SUPPLIES

Motor Oil & Grease: Northeast Lubricants, Rice Oil

Stone & Slag: Ontario Stone

Asphalt & Concrete Products: Allied Materials, Specialty Construction, Asphalt Specialty, McTech Corp.

Mr. Elshaw: The bid awards are for the 2010 housekeeping supplies for motor oil and grease to be awarded to Northeast Lubricants and Rice Oil; stone and slag to be awarded to Ontario Stone; and Asphalt & Concrete Products to be awarded to Allied Materials, Specialty Construction, Asphalt Specialty and McTech Corp. Mr. Semik was not able to make the meeting but he sent over a memo for Mr. Knuchel stating these are yearly bids and there are no major changes to the

bids and he recommends proceeding with the bids as presented and that if there were any questions he could be reached via his cell phone.

Upon review, the Committee agreed to move these matters forward to the next regular Council meeting.

There were no further questions or comments.

LEASE AGREEMENT: JEAN CHASE MEMORIAL FUND: COMMUNITY CENTER

Mayor Andrzejewski: They have been renting the Community Center since 2006. They approached me last year and again this year. This year I am in agreement with them. Mr. Condrón has looked over their reports – their attendance is dropping drastically and I suspect it will continue to drop - \$2,000 a month is much better than zero dollars a month. Remember, we use that money along with the gymnastics rent to cover the utilities and keep the building open and whatever extra is put into a fund – we were already able to replace one of the heating/air conditioning units in the building and we have plans to replace the other one.

Mr. D’Ambrosio: Mr. Condrón, I see on the lease that the rent was reduced from \$400 per month to \$231 per month. Do you feel that they will cover the costs we pay for the Community Center?

Mr. Condrón: I think that with the gymnastics it will be covered. We budget about \$40,000 per year and traditionally spend between \$32,000 and \$36,000.

Mayor Andrzejewski: We probably get two rentals a month also.

Mr. D’Ambrosio: How long is the gymnastics contract?

Mayor Andrzejewski: It goes year to year.

Mr. D’Ambrosio: So, we will be renewing that one soon.

Mayor Andrzejewski: They have a pretty good rent – they pay about \$1,000 a month – so, they will not complain.

Mr. Morley: How did we come up with the \$231?

Mr. Condrón: That is what it was to try to come out to \$24,000.

Mr. Elshaw: The costs, as you mentioned Mr. Condrón, are budgeted around \$43,000 for the current year and usually comes in at about \$36,000? Does that include janitorial?

Mr. Condrón: That includes everything to do with the operation – utilities, contract services which are way up this year because we did a boiler and put a lot more money into that one line item.

Mr. Elshaw: We did say we were going to reinvest in the building.

Mayor Andrzejewski: And, we have done that.

Mr. Elshaw: Ms. Sutch and the Jean Chase Memorial Fund has been a good tenant and we are very pleased with that – I have not heard any complaints regarding their bingo operations. We appreciate them and their efforts to keep the Community Center open. But, it is a large decrease. It is basically a 40% decrease in their rent. That is difficult. Are we giving the same reduction to gymnastics?

Mayor Andrzejewski: Gymnastics got a great price right off the bat. You have to look at it the other way. Bingo could have come right back on us about having gymnastics at the Community Center for about 1/3 of what they were paying and they use the whole floor also. We looked over their numbers – their scholarships are way down. \$2,000 per month is fair rent for their income.

Mr. Morley: When does gymnastics renew? I don't want to be caught in the middle if gymnastics doesn't renew and then we would be in the hole.

Mayor Andrzejewski: I have to think it is this time of year too.

Mr. Morley: Can you look into it and let me know?

Mayor Andrzejewski: There has been no indication from gymnastics that they don't want to renew. By now they would have had to line up the new place.

Mr. Morley: It is a concern – if they don't renew then the Community Center will be a cost.

Mayor Andrzejewski: There is no indication that they are not renewing.

Mr. Morley: I understand what you are telling me.

Mr. Elshaw: That is a good point, though.

Mayor Andrzejewski: If you want to look at a worse case scenario that means we would still get \$24,000 a year income and it would cost us \$12,000 to keep the building open – it is better to get the \$24,000 than nothing and having to pay the full \$36,000 or shut it down and have that building deteriorate. If gymnastics did leave we could also have the opportunity to put another tenant in there.

Mr. Elshaw: Mr. Condrón, the Mayor mentioned that you looked at this and thought it was a fair rental. You didn't feel the rental to begin with was fair?

Mr. Condrón: I saw how their finances had deteriorated and they cut their scholarships – they are running out of places to cut. They don't have many other operations.

Mayor Andrzejewski: At the time when they paid the \$3,000 it was fair rent because their income was a lot more. Now, with their income down, the players down, and the number of dollars per player down this is a fair income.

Mr. Elshaw: Okay, it has been reviewed. Have you discussed any other rental amounts – maybe \$300 per month?

Mayor Andrzejewski: No. This is pretty much what they need to survive.

Mr. Morley: So, you have seen their numbers?

Mayor Andrzejewski: Yes, we have seen the financials for the last three years.

Mr. Condon: Yes, and they have deteriorated to a point where even with the scholarships down where they can't break even.

Mr. Morley: I will trust in what you are telling me.

Mr. Matheke: This is just a one year lease – if things turn around and the economy is booming and they are pulling in the money they were pulling in six years ago their rent can go up next year – or, it could go down further. I think, as the Mayor has said, they have been a good tenant – they came in and helped us keep the Center open when it looked like there were no other options. I fully support what they are doing there and times are tough – if they need help we should give them the help.

Mr. Morley: They do a good job helping out kids – it is not like they are there to make money for a business. They are helping out the kids.

Mr. Matheke: When was the last time a police report was received for things going on over there?

Mayor Andrzejewski: And, they are all volunteers.

Mr. Elshaw: Good points – good review.

Upon review, the Committee agreed to move this matter forward to the next regular Council meeting.

There were no further questions.

PASS THROUGH AGREEMENT: ODNR CAPITAL GRANT: CHAGRIN RIVER LAKEFRONT

Mr. Morley: How about the pass through agreement with ODNR?

Mayor Andrzejewski: Why are we not discussing this – it is pretty straight forward.

Mr. Elshaw: Mr. Knuchel has asked to be involved in this discussion and I will respect his wishes.

Mr. D'Ambrosio: As a member of the Committee support Mr. Knuchel's wishes.

Mayor Andrzejewski: Is there anything we need to look at with this agreement?

Mr. Elshaw: We will hold this for Mr. Knuchel but if there are any questions let the Administration know.

Mayor Andrzejewski: Then we can ask the Port Authority to provide answers to those questions.

Mr. Elshaw: I reviewed it and was pretty good with it and did not have any questions on it at the time – does anyone else have any questions?

Mr. Matheke: In reviewing the parcels that have been identified to purchase I know when Mr. Leff was looking at this a few years ago the ones that were listed as being owned by a bank – he made over a dozen phone calls and still could not find out who owned interest in some of the properties. The reason I am bringing that up is that there is because there is a deadline of June, 2010 to spend this money.

Mr. Morley: Could we get a copy of what they had in the News Herald a few weeks ago – they had specifics as to who owned what and when it would go in.

Mr. Matheke: This is in the information – there is a chart that shows that but just because it says someone owns it does not mean the person can be readily found. Some of them are in Florida.

Mayor Andrzejewski: But, our part is for sprucing up the fishing pier and increasing and sprucing up the boat launching site. I don't remember any of our part going to acquisition of land. That is for the whole coastal development plan.

Mr. Matheke: So, we aren't doing that part right now?

Mayor Andrzejewski: No, if you read Form 1 – that is what our portion of the project is going towards.

Mr. Matheke: Okay, but the Port Authority is doing the other part?

Mayor Andrzejewski: Yes, this includes Grand River and several other cities. This is just a part of our portion.

Mr. Condon: Form 1 talks about the fishing pier.

Mr. Morley: And, the Chagrin River walk.

Mayor Andrzejewski: We identified the portion Eastlake would like to do – I cannot remember any acquisition of land.

Mr. Elshaw: I think Mr. Matheke was referring to the purchase of the island.

Mr. Matheke: Right.

Mayor Andrzejewski: That is the Eastlake Port Authority – this is the Lake County Port Authority. I will double check to be sure – there is a map of the whole project and you will see our part is what we have identified in here.

Mr. Morley: That is what it has – the amount of \$200,000 for the Chagrin River Lakefront Park.

Mr. Matheke: It reads “that grant involves purchasing parcels along the Chagrin River for recreation/park development.”

Mr. Elshaw: We will double check on that but we will hold this in Committee for Mr. Knuchel’s questions.

Mayor Andrzejewski: I see what you mean – it says “improve break wall and new fishing pier along the trail linkages to existing facilities.”

Mr. Morley: The trail linkages are from Willoughby’s walk – over by Rural Road.

Mayor Andrzejewski: We will take a look at it. Anyways, it is free money.

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 6:37 p.m.

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