

FINANCE COMMITTEE MEETING
SEPTEMBER 1, 2009

Finance Committee Chair Mr. Knuchel opened the Finance Committee Meeting at 6:15 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, Mr. Matheke and Council President Mr. Elshaw.

In attendance from the Administration were Mayor Andrzejewski, Finance Director Condron, and City Engineer Gwydir

WALTER DRANE COMPANY: CODIFICATION ACCEPTANCE AND INVOICE:
\$2,593.44

Mr. Knuchel: This is basically a housekeeping issue – it is the updating of our Codified Ordinances. Are there any questions?

There were no questions or comments. The Committee agreed to move this item forward to the next regular Council meeting.

AGREEMENT: CSX TRANSPORTATION/CITY OF EASTLAKE: ROBERTS ROAD
CROSSING IMPROVEMENTS: \$155,848.00/\$151,848.00 balance due

Mr. Gwydir: Back in 2004 CSX provided an estimate in the amount of \$209,000 and change for the track work and safety installation at Roberts Road. Of that sum, \$95,978 was to be the City's share and \$143,103.20 was to be the share for the Ohio Rail Development Commission (ORDC). Fast forward to the Roberts Road job – this job came and went before we could get any action from CSX on the rail crossing. After working with Ms. Crickland at the ORDC we finally got action from CSX. In April they sent us this Force Account Estimate for \$155,848 – and that is strictly for the track work. If you will recall, CSX did come in and actually do the safety work – the rail work and the flashing light work – but, when they did that they put their wiring and conduit in the way of the drainage conduits we were supposed to be put beside the tracks and parallel to that. Subsequently, we went back to CSX and asked them to include the pipe and paving work in their work instead of trying to get the contractor to come back two years after the fact and have to charge the City for an expensive railroad liability policy. Thus comes the \$151,848 – during the course of the Roberts Road contract and trying to get CSX to jump to action we sent them as requested an executed document along with a check for \$4,000 with which not much happened. That \$4,000 is credited against the \$155,848, thus bringing the amount due to \$151,848. Tying this all into the Roberts Road contract is approximately \$98,000 coming back from Roberts Road that was unused – this of course will go towards the amount and the remainder will be covered by a loan from the OPWC.

Mr. Elshaw: Thank you Mr. Gwydir for the summary. In reading the contract – I understand the agency being us – the City – is responsible for the full cost of the project. You had mentioned earlier that it was supposed to be a split?

Mr. Gwydir: Yes. The original amount that CSX sent through was \$239,000 – there was a split between what the City was going to pay and what the ORDC was going to pay. As it worked out the ORDC - CSX moved forward with their work and billed for their work. So that left just the City's portion to be done which is the track work.

Mr. Elshaw: And, that cost has gone up from \$95,000 to \$155,000.

Mr. Gwydir: That is an estimated cost. That is their estimate. The deposit they are requesting whether in fact it costs that much remains to be seen. The ORDC work for which I have bills did not rise to CSX's estimate. They have a detailed Force Account Estimate for what the work will cost. But, they will charge on an hourly basis and when the work is done – it is done – it could be lower or higher. I am expecting that they are not taking any changes and are being conservative with their figure.

Mr. Elshaw: Mr. Gwydir, are you familiar with any of the work that was done in Willoughby or neighboring cities – is it normal? Because we are picking up the cost of setting down the track – all the track materials – it is basically their rail. It looks like they are estimating \$18,000 - \$20,000. Is that normal?

Mr. Gwydir: I understand that it is.

Mr. Elshaw: I did not notice anything as far as concrete sidewalks.

Mr. Gwydir: We have provided CSX with drawings numerous times of the sidewalks and roadways leading up to that crossing. It is my understanding that this account covers installation of the cross and the track work – the drainage pipe that was to be done per the Roberts Road contract – the paving up to the edge of the crossing as well as sidewalks – and, they will be bituminous as well as curbs up to the track. We have provided those drawings and we met on site with CSX and their contractors who are contemplating the work.

Mr. Elshaw: You had mentioned a drawing – is there anything available on that. Will it similar to what Willoughby had done?

Mr. Gwydir: They will pick up the sidewalks that exist and they will sweep those into the crossing and then sweep them over. They will be bituminous because CSX does not allow concrete within their rails.

Mr. Knuchel: The OPWC loan – is that for any specified period of time?

Mr. Gwydir: I believe it is 20 years at zero interest.

Mr. Elshaw: So, we are getting a loan of about \$50,000.

Mr. Condrón: About \$52,000.

Mr. Elshaw: And that is over 20 years.

Mr. Condron: 20 years – no interest – semiannual.

Mr. Matheke: In Section 10 – I wanted to make sure – and, I hope I am understanding 10.1 – that is just for the work that is getting ready to be done – that we will own that and have to do repairs – that will not put us on the hook for the whole crossing?

Mr. Gwydir: I am not understanding that but to be quite honest I didn't contemplate that.

Mr. Matheke: For example – if the gates come down on a truck that decides to run through the gates and the gates are destroyed – with that clause does it put us on the hook to replace those gates? I am hoping that I am reading it to say – the additional they are adding is what we will be on the hook for to repair.

Mr. Gwydir: I have always understood it is not the City's place or right to do anything within the CSX right-of-way or their crossing and equipment.

Mr. Matheke: But, this says if they determine that repairs need to be made they will give us notification and we have 30 days to make those repairs or they will do the repairs themselves.

Mr. Gwydir: Again, I would be speaking off the cuff here but I did not read it to mean that.

Mr. Matheke: I just wanted to make sure that what we are putting in – I have to problems with being on the hook for repairs to what we are adding to that section but I hope we are not buying the whole thing and have to repair it from here on out.

Mr. Knuchel: Mr. Gwydir, can you get back to us on that?

Mr. Matheke: In the budget – what are the additives – under Flagging Service – 133% additive?

Mr. Gwydir: Those are CSX's markups on their labor – it is fairly consistent with markups. They run between 130% and 150%.

Mr. Matheke: I also see a per deum and wondered if CSX has a flagger in the Cleveland area.

Mr. Gwydir: When CSX does their work they bring a crew in from across the country – they have a group that services this area – the contractor could be from Cincinnati, the track guy could be from Ashtabula, people can be from all over the area.

Mr. Elshaw: Mr. Gwydir, when you are coming back to us on item #10.1 could you also get back to us on whether it is customary for the City to pick up the cost of the track material?

Mr. Gwydir: Yes.

Mr. Matheke: I will be so glad to see this done. I am sure that everyone sitting at this table will be glad to see this thing done because it is like painting your house and leaving one little square because you ran out of paint and not getting back to painting it for four years.

Mayor Andrzejewski: They are the hardest people to deal with – it is unbelievable.

There were no further questions or comments. The Committee agreed to move this matter forward with the stipulation that Mr. Gwydir get back to Council before the meeting with the answer to the questions.

PUBLICATION: HOMETOWNPRESS: DISCUSSION

Mr. Knuchel: I guess the representative for hometown press is not present.

Mayor Andrzejewski: There are actually two companies that have proposed this – hometown press and the Impact Group or JC Powerhouse. What both companies are proposing is a news letter at no cost to the City – our responsibility and costs would be the postage which would be about \$2,000 at a bulk mailing rate. We propose to do this quarterly. One of the reasons I wanted to pursue this and have been pursuing it is because there is no cost for the printing but when we got rid of Channel 12 there really is no way for us to communicate with our residents other than a small monthly article in the Gazette. I am sure you have received comments from people about Channel 12 going away. This would be in some small way a way to keep communicating with our residents. A page would be included for Council's article and there would be items about what is happening in the City.

Mr. Morley: What are all the prices on the handout we received?

Mayor Andrzejewski: They are the cost of ads. The reason I like JC Powers is that they are proposing no advertising. Several months ago I sent Council as sample of JC Powers documentation used in another City – I can send it again. I am not looking at starting this until the first quarter of next year so no one can say this is for political game and that I am trying to get a message out to the residents. I would like this looked at and proposed for next year's budget.

Mr. Knuchel: So, this is \$2,000 quarterly?

Mayor Andrzejewski: \$8,000 in postage. Even though that is lower than the \$12,000 I wanted to bring this to Council to let Council see it and approve it.

Mr. Knuchel: Mayor, do you want to put this off until budget talks?

Mayor Andrzejewski: Not really because I would like to get Council's approval for it so that when it goes to the budgeting process we don't have to go through all this.

Mr. Knuchel: Well, there are two lines of thought in my mind about that - #1 – the budgeting process needs to take place. If you want to bring this up in your budget and we can discuss it at time. I am not comfortable okaying anything until we go through the budget.

Mayor Andrzejewski: I am not looking for an okay – I am looking for a discussion and a general agreement – not a physical okay we are going to do it – so that I don't waste anyone's time. Because both of these companies are willing to do it virtually for nothing – the one company wants to do advertising – the other does not. I do not want to do a whole lot of work and not have it go somewhere but if there is a general consensus that says after looking it is a good thing and we will give it strong consideration – that is all I am looking for.

Mr. Knuchel: Why is the lady not here tonight from hometown press?

Mayor Andrzejewski: I didn't invite her.

Mr. Knuchel: So, we wasted our time after putting it on the agenda?

Mayor Andrzejewski: No, there are two companies and it would not be fair to invite the one and not the other.

Mr. D'Ambrosio: I think communication with the residents is a good idea – I would just want to know who would monitor what is being put in there.

Mayor Andrzejewski: Both parties can monitor it.

Mr. D'Ambrosio: Would I be able to advertise my web site in this?

Mayor Andrzejewski: No, we put in things like the opening of the Valu King – the Roberts Road crossing is finally getting done – South Lakeshore Blvd. being redone – the pool. Things of that nature. Council can write a page anyway you want on Council activities. The Mayor can write a page on the Administration's activities.

Mr. D'Ambrosio: Can Council do it individually – like we do with the Gazette.

Mayor Andrzejewski: We can ask them. The format is open for discussion – but, this is not going to be a political publication. We need to tell our residents what is going on. We talked about this one other time. The people do not know what goes on here and they need to know some of the good things as well as some of the activities of the City.

Ms. Vaughn: Since I have been involved in projects like this several times in the past – if JC Powers is not advertising how will they pay for it?

Mayor Andrzejewski: They have told me they would like to do it for Eastlake so they can have something to put on their resume to take to other cities and municipalities – they would use us as a reference.

Ms. Vaughn: I would like to see that in writing from them.

Mayor Andrzejewski: They will. I will send it to you – he already did put it in writing along with the sample they were willing to do at no charge.

Ms. Vaughn: hometown press says they will write all the articles – were you aware of that?

Mayor Andrzejewski: No.

Ms. Vaughn: That was in their advertisement.

Mayor Andrzejewski: No, I was not aware of it.

Ms. Vaughn: Normally, these types of publications have all the emergency phone numbers, a picture of the Mayor and Council, brief blurbs on the services offered by the different departments, a history of the City – but they never came out on a quarterly basis. I am sure the City has a bulk mailing permit.

Mayor Andrzejewski: No, I don't – we would use the companies.

Ms. Vaughn: They usually want the Cities. Do employees have to bundle them and presort them – are they going to provide the addresses – are we going to provide them. There are a lot of unanswered questions – in my mind.

Mayor Andrzejewski: What we will do – if you like the general concept I would be happy to invite both companies in for a formal presentation. I am looking for – okay – if it works out and answers all our questions we are willing to do this. I don't want to bring people in for several meetings and have it go nowhere. It is not fair to either one of them. Especially since they are basically willing to do it for free. We can ask questions of the one that is doing advertising and about the format.

Mr. Knuchel: Why was this brought to Committee before we decided what we were going to do?

Mayor Andrzejewski: I have had this on the table for months trying to get it into Committee.

Mr. Knuchel: No, you haven't – it was put in Committee just prior to us going on Council break.

Mayor Andrzejewski: I requested it last year if you would remember.

Mr. Knuchel: And we did not put it in the budget.

Mayor Andrzejewski: It is not something I just brought up – I have been proposing a newsletter for over a year.

Mr. Knuchel: Then it was not entered into Committee – why did we refer it to Committee without?

Mayor Andrzejewski: It was not my desire to do anything wrong. I just want to get this going.

Mr. Knuchel: I don't want to keep this conversation going if we don't have anyone here to answer questions – I think it is kind of ludicrous.

Mayor Andrzejewski: I was not going to invite one company without the other.

Mr. Knuchel: You could have – we should have had some back and forth.

Mr. Morley: Have you checked into – have you looked into what Channel 12 would cost on a part-time basis – one segment a month that we all agree to – not just the Administration?

Mayor Andrzejewski: Yes.

Mr. Morley: If we are going to spend \$8,000 on this for four times a year or...?

Mayor Andrzejewski: About \$1,000 per month – we were going to come to you with that a little later because we have found some savings we will probably get from redoing our phone lines – the cost would come to a savings of about \$800 or \$900 a month – we were going to propose to use that to bring back Channel 12.

Mr. Morley: When I was laid up in Lake West I watched Channel 12 from Willoughby. I just don't want Channel 12 to become political.

Mayor Andrzejewski: When we did it – it was not political – you know that. We had the Directors on – we talked about leaf pickup or snow removal. The previous Mayor did but we did not.

Mr. Elshaw: The reason why it was read into Communications and put into Committee is because we were contacted by the hometown press to have a brief presentation – that is why I allowed it to be put into Committee. Up front, I think this is premature – but, it is not a bad thing in my opinion. I don't know why you would need it quarterly – you already have the Gazette. I do agree if you are going to look at bringing back Channel 12 next year – see how everything meshes together – maybe you won't need this – maybe just do it semi-annually or annually.

Mayor Andrzejewski: If we did Channel 12 again we could do this semi-annually and highlight the bigger things.

Mr. Elshaw: But, that depends on what your budget looks like next year and what this budget looks like this year – you have to determine what can happen.

Mayor Andrzejewski: Some of these things – like Channel 12 – we have looked at it and we feel we will get \$800 or \$900 per month in savings when we redo our phone lines – we were going to propose to use this for Channel 12 – so, there would be no impact on the budget.

Mr. D'Ambrosio: One concern I would have with something like this – and I don't think it is a bad idea – but how much freedom there would be. If there was an opinion on one issue and my opinion was totally different from your opinion – I could see it getting argumentative. With the Gazette I can send anything I want to as long as it is not political and they will print it – and, I like to have that freedom. I would be concerned if there are unpopular things going in there that you or someone else may disagree with – it could be opening up something.

Mayor Andrzejewski: I don't think it is that type of format. If you look at the format they highlight things going on in the City.

Mr. Knuchel: Let it be focused on things going on in the City – events – the Festival – soccer signups – that is fine. We don't want to get into a position where we are having to censor what is going in there.

Mr. D'Ambrosio: Exactly, that is what I don't want.

Mayor Andrzejewski: No way did I insinuate that it would be political.

Mr. D'Ambrosio: We are not assuming that at all.

Mr. Lajeunesse: I would like to compare the numbers for Channel 12 versus the two presentations – make sure all is out on the table.

Ms. Vaughn: Don't we get franchise money from Time Warner that is supposed to be used for television?

Mr. Condon: I can check. I think that changed in 2007 as to their responsibilities.

Mayor Andrzejewski: Absolutely, we get franchise money. We have looked into that in the past – we wanted to use it for Channel 12. We wanted to use it for Channel 12 but it was not specified that you needed to use it for Channel 12 – but, it is a great idea to use some of that money to bring back Channel 12. I think we could contract out.

Mr. Lajeunesse: Can we get a target date when you would like to have the presentations and compare the figures.

Mayor Andrzejewski: For what – I can get the two companies in here at the next Finance Committee meeting.

Mr. Knuchel: We can do this closer to budget time.

There were no further questions or comments.

BUDGET REVIEW

Mr. Knuchel: We will review the budget – the June numbers – the halfway point numbers – if you looked at July you won't be too far off.

Ms. Vaughn: So if we overspent in July – we would have overspent in June.

Mr. Knuchel: We will address those issues when they come up.

Mr. Elshaw: I looked at the July figures but my comments will be general and will apply to both June and July.

Mr. Knuchel: We are probably going to go to quarterly meetings for the budget reviews – months 3, 6, 9, and 12.

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

REVENUES

Mr. Elshaw: It looks like through July our City income tax is down by \$166,000 through July compared to last year. It looks like there is a downward trend on the City income tax. I also wanted to bring up the Net Profits Tax – that one looks like it is going through the roof – which is great but something must be going on there. Mr. Condron, where do you see City income taxes going – it looks like it is a downward trend and my question also is on the net profits tax – right now that looks like we are bringing in quite a bit on that – we are already over what we expected to come in all year. It looks like we may have doubled the amount – does that make sense.

Mr. Condron: One year we got drowned – we got on \$228,000 in 2007 after a record year in 2006 of \$414,000 – we budgeted in the \$300,000's – it is quarterly and is part of the State's things to work with business to simplify it. With CEI to pay us directly on net profits through the State of Ohio – it is for all counties and is based on what they have in the way of utilities. There is no guarantee of anything. The frustration we have is we cannot get any information. These come out four times a year – they won't tell you what the September 1st payment will be until the day of it. There is no way to handle it – we just estimate low. We even raised it this year – we have \$416,000 – in 2006 we got \$404,000 and took a hit in 2007 and it went back up in 2008. We have no control over this and we cannot get any information – it is always better to be on the conservative side. On income tax – you are right. The first three months of the year were not that bad – but the last two or three they have been down.

Mr. Elshaw: We are down \$166,000 from last year.

Mr. Condron: At the end of June we were down \$57,000 – the end of July - \$126,000.

Mr. Elshaw: That is compared to the budget – compared to last year I have \$166,000. How much in the first two months was due to delinquents? Is that coming into that figure? Is that broken out on the delinquencies line?

Mr. Condrón: That wouldn't be part of the individual breakout. We have not had any big months either way. The checks from Keith Weiner & Associates are between \$7,000 and \$9,000 per month – plus what Mrs. Keneven-Zanella brings in from her own efforts. There has not been one big month or small month.

Ms. Vaughn: I was working with the numbers in the big print – it says 2007 and 2008 income tax collection – or is it 2008 and 2009 on this Chart?

Mayor Andrzejewski: It is 2008 and 2009 – that is a misprint. We talk about this every day. The last couple of months the income tax has declined. The question is – at the end of the year will the revenues at least equal our expenses – as of today we are still pretty confident that will be yes at the end of the year – the revenues equaling the expenses.

Mr. Elshaw: We were deficit spending going in.

Mayor Andrzejewski: That was for the big projects – that is a different story. I am talking about the month to month expenses for wages, benefits, equipment, supplies, fuel – not withstanding the big projects which we have allocated for.

Mr. Condrón: After looking at the August numbers when we look at September we will see how level we are – whatever the difference between revenue and expenses will be less in August and even less in September. Our big ticket items are out of the way for the year – the only other big hit we will have in September is the liability insurance. I think the budget review we will do on the new quarterly system will be in October and will be telling. I think we will be doing pretty well with everything considered. We had more revenue than expenses in August and I think with the dereg money and everything else and with only two pays and no big ticket items I think our revenues should exceed our expenses or close to it. We have one more month of income tax and see if it can rebound.

Mr. Elshaw: Along with what the Mayor and Mr. Condrón are saying – from what I can tell – just with the expenditures remaining the same or lower it looks like you are on track with what we estimated on the budget. However, there is a spike on net profits tax – your inheritance tax has \$100,000 in there that we did not have in the budget - we just have to watch those items to make sure we remain on track.

Mayor Andrzejewski: There is not a day goes by that we don't look at these things.

Mr. Elshaw: “Property Tax” – Mr. Condrón, what do you think about this?

Mr. Condrón: We have our second half settlement. For 2009 we will pretty much meet our estimate. I went to the County Budget Commission for the Tax Budget – we have to accept the rates by October 1st. The Commission was rather conservative – they said for the County it was their most challenging time in recent memory because of the depressed revenue and the sales tax and their fees and investment earnings. They said usually when one went up the other one went down – interest rates lower then people refinance their homes – they made out on the fees –

recorders fees – but, there is nothing there. They said with the rebound to take one of our numbers and only do 90% of it. Then they got into quite a discussion with the school boards on their levies and the values and they even cautioned on replacement levies. If it is not in there far enough you could see a little bit of a decrease. Our 1982 levy is safe but we don't get that much from property tax but when you see our estimates for 2010 you will see that will be lower. I think in the tax budget they noted 8% lower for the future – the County is still talking about that for the future. We will meet it this year but the number will be lower next year.

Mayor Andrzejewski: One good thing Mr. Condrón just alluded to – as far as real estate taxes – the City gets about 11% so our income comes from the income tax and the net profit tax and some of the other fees we get and money from the State. We are not as hard hit as the schools will be if they get a big cut because of devaluation. 60% goes to the schools, 30% goes to the County programs, and we get the remaining.

Mr. Condrón: All other taxes are good. The property tax reimbursement from the State and the tangible personal property – we will be right on with those numbers this year.

Mr. Elshaw: #4101 - we have a specific line item for one of our companies that has delinquents. I don't think that is working out the way we thought it would.

Mayor Andrzejewski: That is a challenge – we keep after them – without prodding them I don't think we would get anything but we prod them. This is all stuff from way in the past so get in that account is gravy. The latest thing is we have started to take some Court action against them. We keep after them. If we get \$10,000 every couple of months that is all money from way in the past that we are able to get.

Mr. Elshaw: Sales Tax – we have heard a lot about a decrease in revenues from sales tax – Mr. Condrón, what are your thoughts on this trend for us?

Mr. Condrón: That is actually a sales and use thing – this is tied to the State's economy. I don't think they are that optimistic in Columbus.

Mayor Andrzejewski: We have told the local government fund should stay steady. They are not looking at a cut in that because there is a good lobby against cutting any of the local government fund. We don't get a whole lot of sales tax revenue.

Mr. Condrón: \$129,000.

Mr. Knuchel: #212.4385 “Storm Water Management Fees” – didn't we collect those already?

Mr. Condrón: We sent the bills out – it is an ongoing process.

Mr. Knuchel: What do you have in July – because I have \$417?

Mr. Condron: I have \$29,000 – we sent the bills out in June – it is an ongoing process – we will see in August.

Mr. Knuchel: #421.4266 “Local Motel Bed Tax.”

Mr. Condron: We can call the Radisson and remind them – they are having some shortages. We got an \$11,000 check from them in the month of July.

Mayor Andrzejewski: We will look into this.

Mr. D’Ambrosio: #212.4385 “Storm Water Management” – that is the \$6.00 fee?

Mr. Condron: Yes.

Mr. Elshaw: How much did you say for Inheritance Tax?

Mr. Condron: I talked to the County Auditor – they said twice a year – about \$65,000.

Mr. Elshaw: An additional \$65,000 – on top of the \$98,000 we have?

Mr. Condron: Yes. That is not official. It has to be checked by the State of Ohio and should be sent back by late September or October.

Mr. D’Ambrosio: #211.4970 “Bequeathed Proceeds?” that is the Seniors?

Mr. Condron: We will get it next week. It will be in the September report.

Mayor Andrzejewski: The Senior Levy grant came through - \$120,000 and add another \$80,000 – they will have about \$190,000 - \$200,000 to fix most of that roof – to get it redone. It should cover about $\frac{3}{4}$ of the roof. Will we put the \$50,000 back in the CD?

Mr. Condron: I think for liquidity as the Mayor is talking – we will put it in the money market we have – interest rates are low. I will talk to a couple of their Board members on Thursday – if they want it in the money market to help them pay for the project that would be the best bet for us. Right now I think the concern is liquidity.

Mr. D’Ambrosio: So, we will consider putting it in the money market?

Mr. Condron: Yes.

Mr. Elshaw: In the General Fund - #4652 “Juvenile Diversion Grant.” I thought we had something last year at this time in July.

Mr. Condron: No, we get it in September.

Mr. Morley: Do they even have one – I guess they could not get someone to stay full time after Patrolman Blake.

Mr. Elshaw: So, you are thinking September? I am pretty sure I saw numbers in July last year.

Mr. Condron: I will check on it.

Mr. Elshaw: “General Interest.”

Mr. Condron: It has gone so far – there is nothing there. I think the money market at .4% is the best Ohio will do. We did roll one CD over at 1.26% for nine months.

Council President Elshaw was excused from the meeting at this time.

There were no further questions on Revenue.

EXPENDITURES

Mr. Knuchel: Just a general comment about the wages – they seem to be a little bit under what they should be – is that because of the pay periods?

Mr. Condron: I will have to look.

Mr. Knuchel: For example – the Mayor’s Office – it is down 49.5% - “Clerk of Council” – it is down 47.6%.

Mr. Condron: On the “Clerk of Council” – we had to do an adjustment because the Ass’t. Clerk is an employee.

Mr. Knuchel: That would not be under “Clerk of Council” – but “Council Office.”

Mr. Condron: I think we took some money out of there – we don’t like negatives.

Mr. Knuchel: But, it is pretty consistent throughout the whole worksheet – it is under 50% in salaries – I am using June – the six month mark. I was wondering if there was an extra pay period in there that brought the numbers down a little bit.

Mr. Condron: I will have to check.

Mr. Knuchel: #140.5407 “Other Contracts” -\$11,000 – what was this for? That was under the Finance Department.

Mr. Condron: I will have to check.

Mr. Knuchel: #240.5407 “Other Contracts” – this looks a lot low – are you anticipating any more expenditures out of that?

Mr. Condron: No.

Ms. Vaughn: What was it for?

Mr. Condron: I think the biggest one was for the lifting of the deed restrictions.

Mr. Knuchel: Most of it is for web sites – computer agreements. Are we pretty much finished in this account – no need for re-appropriations?

Mr. Condron: No.

Mr. Knuchel: #310 “Police Law Enforcement” - #310.5407 “Other Contracts.” We are getting real close to bottoming out there too.

Mr. Condron: We paid \$18,896 for the year and pay those in lump sums – maintenance payments.

Mr. Knuchel: Are we pretty much done in that category also?

Mr. Condron: Correct.

Mr. Knuchel: #310.5424 “Fuel, Oil, Lube” – it does not seem like we used a whole lot. When are we going to expend money on these funds? Do we have a big purchase coming up?

Mayor Andrzejewski: Is the Police Department charged back when we pay for the gas?

Mr. Condron: It comes from the Service Department – we spent \$10,000 in July – that will make us \$29,000 for the year. We had some money encumbered and spent \$19,000 out of money that was reserved.

Mr. Knuchel: #310.5445 “Equip Police” – why do we have a negative number in the month to date expenses?

Mr. Condron: We deducted the grant we got – we drew the money in June for the grant that was accepted – that is \$15,000 that we applied. This was the grant for the module data transfers for the cars.

Ms. Vaughn: #310.5436 “Motor Vehicles” – does this include the equipment for the cars?

Mr. Condron: We keep it all in one place now.

Mr. Knuchel: #320.5338 “Repairs Motor Vehicles.”

Mayor Andrzejewski: That may be a little low – we will have to watch it.

Mr. Knuchel: Did they have some extraordinary expenses up to this point?

Mr. Condron: We have some other codes in #617 which we also use to repair motor vehicles – #617.320.5358.

Mr. Knuchel: How much do we have let in that?

Mr. Condron: I will have to check – we did have some big expenses – we spent \$19,000. I know the Chief has his vehicles on a repair program. ##5446 “Motor Vehicles” – we have \$5,800 left there.

Mr. Knuchel: Can you put something together in this particular area – the firefighters – I want to know what equipment they have that is breaking down. I know the Chief did put vehicle maintenance into effect.

Mr. Condron: We could be doing a little catch up.

Mr. Knuchel: Maybe we are but we want to prepare for that as we come into the budgeting cycle.

Mr. D’Ambrosio: #320.5105 “Training OT” – they are not training too much on overtime anymore.

Mayor Andrzejewski: That is a good thing.

Mr. Condron: There is fund #617. At least we will be able to track it.

Mayor Andrzejewski: They have been doing a good job.

Mr. Knuchel: There are several areas where that money is taken out – not just this account. They may have taken more out of #617.

Mr. Condron: Not really, they only have spent \$2,000 out of that one. If you remember he sent a memo before doing the budget in March – he estimated his costs at \$60,000 for the year and we budgeted \$25,000 and \$35,000. I think with the injury list and the new people he may have curtailed. To date he has spent a little over \$5,000 total out of both.

Mr. Knuchel: Does that training include the new officers?

Mr. Condron: The time sheets come from the Fire Department – there is a line item. When they do their in-service it is listed and gets thrown into that code.

Mr. Knuchel: #550 “JFK Senior Center” - #5407 “Other Contracts” – what does that cover? “Repair heat at old JFK...security system replacement...repair A/C,”

Mayor Andrzejewski: That is a good thing – it is budgeted at \$16,000 – if they don't spend it that is okay.

Mr. Condon: We are on the wrong one.

Mayor Andrzejewski: We were in #560. What is the problem?

Mr. Knuchel: The problem is we still have six months to go. How often do they do the monitoring for the security system?

Mr. Condon: Quarterly.

Mr. Knuchel: We have to hope we don't have any more problems down there.

#610 "Building Department" #5323 "Communications"- it looks a little low. It looks like it is cell phone usage.

Mr. Condon: We should be okay. Their cell phones are about \$120 per month – there is \$1,058 encumbered for the rest of the year.

Mr. Knuchel: Was the \$1,302.36 and the \$330 new phones?

Mr. Condon: Could be. I think when we changed vendors.

Mr. Knuchel: #810 "Service Administration," #5100 "Salaries Wag" – is this the one we take some out of SCM&R for our Service Director and Assistant Service Director?

Mr. Condon: Yes.

Mr. Knuchel: #810.5323 "Communication Expenses." This looks a little low.

Mr. Condon: We will have to look at that one.

Mayor Andrzejewski: We looked at that one before.

Mr. Condon: It is the same – throughout the system the last four digits are all the same.

Mr. Knuchel: #810.5407 "Other Contracts."

Mr. Condon: They had a new server put in.

Mr. Knuchel: Are you considering that to be it?

Mr. Condon: Yes. That is part of a computer upgrade.

Mr. Knuchel: #830.5393 “Service Garage Building” - we have landscaping – there is \$2,300 in there – no money was spent in that account? What do we use landscaping for in “Service Garage Building?”

Mr. Condon: I will look into this.

Mayor Andrzejewski: The only thing I can think of is the flowers we buy. I have asked them to buy perennials instead of annuals.

Mr. Knuchel: #860 “Rivers and Harbors” - #860.5410 “Port Authority Grant” – did we take care of that?

Mr. Condon: Yes, we paid it in July. There dredging was \$250 higher so the grant as \$250 lower - \$15,000.

Mr. Knuchel: #202.821.5407 “SCM&R Fund – Other Contracts” – it looks like we are spending a lot of money on small tools. Do you think we will be all right?

Mr. Condon: Yes.

Mayor Andrzejewski: By contract, the guys get a tool allowance - you will see tools bought under annual tool allowance.

Mr. Knuchel: I just wanted to make sure we were going to be alright in that category.

#202.871.5394 “Signal Systems” – I noticed we haven’t spent a lot of money on this. Would you like to make a comment on that?

Mayor Andrzejewski: No, only that we realized that – we weren’t too pleased with Signal Systems – now you will see even less because of the new LED bulbs being installed – the next phase of that will be the new controllers and then we have already trained two of our guys with another guy who used to do it in Euclid and is now retired – he will work for us on a subcontracting basis if we need it. I think by the time the new controllers go in we should be pretty self-sufficient in doing it ourselves as opposed to going with Signal Service. The light bulbs will last five years. That was from the NOACA grant.

Mr. Knuchel: That was a good thing.

Mr. Morley: I thought the use of Signal Systems was going to go down because we bought the bucket truck and we were doing more of the work ourselves.

Mayor Andrzejewski: Yes, all that is leading to us being free of them.

Mr. Condron: When we looked before in 2006 the biggest expense was not so much changing the lights when we used anyone else – it was when the signals needed correcting. It was about \$4,000 - \$5,000 to have an outside contractor. We don't do it anymore.

Mr. D'Ambrosio: #202.850.5408 "Salt Contract" – are you planning on not ordering any salt?

Mr. Knuchel: The salt contract is somewhere else.

Mr. Condron: #203.000.5408 – we have \$37,000 encumbered and we have \$93,000 left.

Mr. D'Ambrosio: What is #202.850.5408?

Mr. Condron: That is something we don't use, I guess. We haven't used it since I have been here. Since I have been here it has been funded out of #203.

Mayor Andrzejewski: How much salt does Wickliffe have right now?

Mr. D'Ambrosio: Maybe 700 ton.

Mayor Andrzejewski: How many snowfalls would that last?

Mr. D'Ambrosio: For us – not many.

Mr. Condron: We have \$130,000 left. We should be okay.

Mr. Knuchel: #212.5407 "Other Contracts" – what did we have budgeted for \$35,000?

Mr. Condron: We still have the North/South Riverview project budgeted.

Mr. D'Ambrosio: The resident that was pushing this came to me and said they had a change of heart and preferred we did not do project – that is why we haven't pursued it.

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 7:37 p.m.

dac