

FINANCE COMMITTEE MEETING

held February 27, 2012

7:00 p.m.

Present: Chairman Mike Young
Councilman Dwight Clark

Absent: Councilman Dave Tadych

Also Present: Mayor Sutherland, Finance Director Presley, Councilwoman Lieske,
Councilman Pohlkamp, Police Chief Wright, Fire Chief Lyons,
Detective Kevin Krolkosky, Service Director Galli, Operations Manager
Landers, Police Officer Anne Smith, Police Officer Stacey Fifer

Audience: Bruce Geiselman, Nancy Brown, Kent Silverberg, Jeff Gallatin, Dick
Majewski, Susan Murnane

Mr. Young called the meeting to order at 7:00 p.m.

2012 Budget

Finance Director Presley stated that there is a totaling problem in the Parks and Recreation budget. Total Recreation Department figures shown are actually a total of the Emergency Paramedic Fund and anything that was expended or budgeted in the General Reserve Fund.

The correct numbers for Recreation are: Recreation \$373,956, and \$335,500 plus the \$77,880 for Community Gym totals \$787,336.

For 2011, the correct actual numbers for Recreation are: \$401,000, \$372,000 and \$18,000.

Mr. Presley stated that with the latest rendition of the 2012 budget dated 2/24/12 the General Fund for 2012, revenues versus expenses, expenses exceed by \$21,039.

Mr. Young stated that the committee is still working to get the deficit number down to zero. There are still a few moving parts that will take place before the final reading of the budget. The ordinance will be placed on first reading this evening.

Mr. Young commented that when the budget review began there were anticipated transfers of \$820,000 and at this point the transfers total \$90,000. In the past, in order to balance the budget monies were taken from capital improvement funds. This year the \$90,000 in transfers will be:

- \$30,000 Accrued Benefits Fund

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- \$30,000 Workers Compensation Fund
- \$30,000 Bond Retirement Fund

The Accrued Benefits Fund and Workers Compensation Fund have adequate fund balances that will allow the transfers. The \$30,000 from the Bond Retirement Fund transfer is possible due to redoing the bonds for the police station and saving \$30,000 per year.

Mr. Young stated that he has received a number of telephone calls about the elimination of senior transportation. He stated that this is not the case. There has been discussion about the cost and, on the Mayor's part, about actually changing the arrangement but still providing the service. The service is included in the budget and there is no intention of eliminating it.

- The funding for Bay Family Services is included in the February 24 version of the 2012 budget.
- School crossing guards funding of \$33,750.00 (one half year of use) is not included in the budget.
- Police part time in the amount of \$30,000 has been added and could be moved later to overtime wages.

Mr. Presley did add under Account 490 one item that is known and that is the remainder of the grant for the Fire Department that was not expended in 2011.

A complete Capital Improvement budget will be reviewed at a later date. Even though vehicle replacement is specified, Mr. Presley will still present each and every vehicle and analyzing those potential purchases throughout the year. Sewer Improvements will also be discussed to determine what is available on interest free loans and grants. The Infrastructure Improvement Fund and the Public Buildings Improvement Funds will also be included for review.

Mr. Young stated that the Mayor is trying to form a Master Plan Committee and he would expect that a Master Plan would speak to the needs of the city hall building and other municipal buildings. The Community House should move forward with renovations. The Cleveland Restoration Society has estimated \$500,000 in needed repairs. Mr. Young would like the Planning and Zoning Committee to work on that project this year.

Mr. Clark noted the possibility of Dover Center Road tennis court repair and Columbia Road Park beach steps. Mr. Pohlkamp stated that these are items for discussion at the March 5 Public Improvements, Streets, Sewers and Drainage Committee meeting.

March 2012 Appropriations

A temporary appropriation ordinance is on the agenda for Council consideration this evening since the annual appropriation ordinance will not be adopted by March 1, 2012. This temporary ordinance and the prior temporary appropriation ordinances will be rolled into the annual

appropriation ordinance. The actual 2011 numbers less the transfers from the General Reserve Fund averaged monthly were used to calculate the temporary appropriation ordinance.

Medical Mutual of Ohio Contract Renewal

Mr. Presley stated that there is an increase in the attachment point which is defined as where the stop-loss insurance would kick in once the city reached a level of claims. The level is \$1,505,000. Mr. Presley questioned why the attachment point would go up when there was not a specific \$60,000 hit from a plan participant and there were no hits on the aggregate. After reviewing further with the company and Mr. Presley reminded them that there are less enrollees in the plan, they agreed to maintain the attachment point as the same as 2011. There is an increase of 12.5% in the underlying stop-loss insurance and a 3.5% increase in the administrative charge. Volunteer consultant Mr. Chelko has been forwarded this information.

Mr. Clark asked if there is a possibility to renew the contract for a shorter period of time. Mr. Presley stated that the current rates will be paid month to month, without the ability to freeze the February rates going forward. Mr. Young asked if another insurer is found to begin a contract January 1, 2013, is it possible to cancel the Medical Mutual contract early. Mr. Presley stated that it would be possible.

The stop-loss insurance in 2011 was \$178,785 and for the new contract will be \$201,000.

Mr. Young stated that if a 30 day cancellation notice is acceptable and considering the numbers he is comfortable with the renewal.

Meeting adjourned at 7:20 p.m.

Mike Young, Chairman

Joan Kemper, Secretary