

FINANCE COMMITTEE MEETING

held March 26, 2012

7:00 p.m.

Present: Chairman Mike Young
Councilman Dwight Clark
Councilman Dave Tadych

Also Present: Mayor Sutherland, Finance Director Presley, Councilman Miller,
Councilwoman Lieske, Fire Chief Lyons, Sergeant Elliot Silva, Service
Director Galli, Operation Manager Landers

Audience: Vince Wright, Nancy Brown, Dick Majewski, Liz Carey, Sue Kohl

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

Chairman Young began the review of the variance report issued by Finance Director Presley to Council, which compares the expenditures to date through February, 2012 to the 2012 annual appropriations.

Finance Director Presley stated that the report lists expenses only listed by the method that the expenses are appropriated: salary and wages, benefits, operating and equipment. The accounts that make up those four categories are shown with two columns as to what is posted, the cash report, totals and appropriations. The year-to-date expended is taken off the monthly reports. Additional salary items will be rolled up into all the salaries for a particular department. The variances between the appropriations minus the year-to-date expenses give the unexpended amount and the percentage expended to the total budget. Each month is 8.33% of the year, and through February the percentage expended should be close to 17%. Encumbrances represent purchase orders that have been placed with companies and encumbered into the system but the goods or services have not yet been delivered. The unencumbered balance is the variance minus outstanding encumbered.

Mr. Presley noted that year-to-date expenses for the Finance Department Operating are listed as a high percentage due to the fact that the maintenance of the Finance Department software for the entire year has been paid in advance. Some of the salary line items, such as Finance and Service Department Administration, will accrue in one account and then be apportioned to the appropriate individual accounts later in the year. The Service Director's salary is divided between General Fund, Street Construction, Maintenance and Repair Fund, and the Sewer Fund. The utility clerks in the Finance Department are charged to the Sewer Fund for the work that they do for the four months through the year to collect and post sewer payments.

Mr. Clark commented that the Central Dispatch Center Account seems high. Mr. Presley stated that the city is billed quarterly for their share. The bill was paid in January for the first three months of the year.

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Hydrants Operating is paid one year in advance to the Cleveland Water Department for the number of fire hydrants there are in the city. The only other expenses that may occur in that account would be repair and maintenance or any motor vehicle accident damages that may require repair or replacement. Reimbursement is then sought from the insured.

Mr. Young stated that three financial concerns are health insurance, municipal income tax collections, and overtime costs for police and fire. Mr. Young would like to have the overtime costs for police and fire listed separately on the variance reports in the future. Mr. Clark asked if this same procedure could be done when showing Service Department wages. Mr. Presley stated that the Service Department wages depend upon where the employees are classified, and gets to be too much to break down in that manner. Mr. Clark stated that overtime wages in the Service Department should be less this year due to the light winter snowfall that occurred this winter season. Mr. Presley directed Mr. Clark to review that item under "Snow-wages." A majority of the overtime is listed in that category.

Mr. Young asked if the committee had any additional comments or questions. Mr. Tadych stated that he thought the variance report is very helpful. The Mayor stated that later in the year the Assistant Finance Director will make comments and notations about line items that need attention.

Mr. Clark clarified with Mr. Presley that Refuse Collection Wages are for City of Bay Village employees and the second line item under Refuse Collection is the cost of the contract for refuse collection. The fuel recovery costs will be listed separately.

Mr. Presley will also list paramedic overtime wages separately.

Mr. Clark stated that the advances for the Bradley Road Improvement Project are still shown. Mr. Presley stated that once that project is completed those advances will be paid back to the appropriate fund.

Mr. Clark asked if it can be assumed that the Service Department salt shed rehabilitation costs will be settled with the insurance company this year. Mr. Presley stated that there is good agreement as to where 95% of the dollars are. The first loss was about \$60,000, and then inched up to \$127,000, and now it is at \$300,000. Some of the details are still being worked out. There have been three to four appraisals. They paid for the salt that was damaged and not usable. Now the discussion is the salt that was in the shed has to be disposed of in some manner. The city chose to sift it and put it back in use which is cheaper than throwing it away. The appraiser is having a difficult time understanding that they already paid for the salt and why it is necessary to pay a second time to get rid of the salt. These are the mechanics that have to be gone through before there is an agreement on the net loss. Secondly, it must be decided with the Service Director, what is going to be done with the facility. If nothing is done, only cash value will be received versus the replacement cost.

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Mr. Young stated that there has been discussion about renting out the Bayway Cabin to a private business and the repairs required to the building. He asked if there are final figures or estimates for the work. Mr. Galli stated that he will give those numbers to Mr. Young this week.

Mr. Presley stated that he has been working with the Police Department and the Service Department on the needed vehicle replacements included in the budget at this point. Mr. Presley is preparing the total figures to begin the legislation required to purchase in April. There is not a deadline on the police cruisers due to the new model. More important, is to get them ordered so it can be determined when they will come in as far as the overall replacement cycle for police cruisers. The other vehicle to be purchased is a replacement for the Dodge Van for the Recreation Department. Fleet Manager Scott White is working on the list of vehicles and the details for the Service Department.

Mr. Clark noted that some of those dollars for vehicle replacement have been reallocated towards the General Fund.

Mr. Clark noted that the municipal income tax collections were down in the month of February. Mr. Presley stated that collections for March were above what March collections were last year.

Meeting adjourned at 7:20 p.m.

Mike Young, Chairman

Joan Kemper, Secretary