

FINANCE COMMITTEE MEETING

held November 19, 2012

6:30 p.m.

Present: Chairman Mike Young  
Councilman Dwight Clark  
Councilman Dave Tadych

Also Present: Mayor Sutherland, Councilwoman Lieske, Councilman Miller,  
Councilman Pohlkamp, Finance Director Presley, Police Chief Wright,  
Service Director Galli, Operations Manager Landers, Foreman Gordon  
Evans

Mr. Young called the meeting to order at 6:30 p.m.

Mr. Young asked Mr. Presley about the line item within the budget that is referred to as the Casino Fund. Mr. Presley explained that there is a requirement by the Auditor of State that in the General Fund a line item called Casino Revenue must be established. There is a formula passed by the state by which each of the municipalities or taxing authorities will receive some money as a result of the casino revenues. Mayor Sutherland noted that this is a county distribution.

**Variance Report for the month of October, 2012 (Exhibit A attached)**

The variance report for the month of October, 2012 was reviewed by the committee. Mr. Young noted that since the report reflects the tenth month of the year, we are .8333% into the year as far as the percentage of funds used. Council is at 77%, and therefore is under budget compared to the year as a whole. At the end of the summation, there is a list of details and comments for various line items.

Mr. Presley noted that some of these variances will be addressed in the supplemental appropriation to be introduced this evening. Department directors will need to address variances and come back with budget adjustments for certain line items, if there is still money in some of the other line items in a specific fund. If there is not enough money in another line item in an account, additional money will need to be appropriated.

As an example, Mr. Young referred to the Street Light/Sign Wages Line Item on Page 3 indicating that wages are at 111% for the year, and Operating Funds at 76%. Mr. Presley stated that there are seasonal wages in the account that is causing the wages line item to be over. It is one of the line items to review with the Service Department managers to see if the classification is correct or if there needs to be an adjustment to a different line item.

Mr. Young stated that there was not money budgeted for cleaning. Mr. Presley stated that funds will have to be either moved into the line items or appropriated, depending on the expenses for the remainder of the year. Cleaning services for the Bay Lodge will need to be appropriated.

Minutes of a Meeting of Finance Committee  
November 19, 2012

There is not enough money in the other accounts to offset the cost of cleaning the lodge, or \$3,000.

Mr. Tadych stated that most of the items that are over are small items. Mr. Presley agreed, stating that there are still some adjustments to be made. As an example, the Finance Department wages for the clerical employees who handle the utility billings will be adjusted in December to charge some of the wages over to the sewer fund.

The wages for Service Director Galli are charged to three funds; those allocations will be adjusted before year end.

Mr. Young stated that the General Fund expenditures for the year are at 79%, as opposed to .8333%.

Mr. Presley noted that the November report will include three wage periods during the month. Mr. Young asked when the 1.75% wage increases will be posted. Mr. Presley stated that this will be done in December for the salary employees. The hourly employees will not be noted until the meeting in late December for a supplemental appropriation. All of the deferred overtime that will be paid out by the end of the year will be addressed at that time.

Mr. Clark asked about the deficit for Prisoner Care (\$2,466.55). He asked if there has been more activity in the jail, noting that there are reimbursement funds received from the county. Mr. Presley stated that they do not receive reimbursement for every person they house. Some prisoners are under the jurisdiction of Bay Village, and some are bound over to the county. In that case, the county is charged per diem. June, July, and August are the heaviest months for incarceration. The weekend prisoners are usually released by Monday afternoon. Starting this Wednesday, November 21, through January 3, 2013, will be the busiest time for the jail.

Mr. Clark noted that Youth Activities also has a negative balance of \$2,204.13. Mr. Presley stated that these funds have been spent for the retrofitting and utilities for the Bayway Cabin. The Kiddie Kollege had three months free rent. Kiddie Kollege has been billed for a portion of the utility costs based on the square footage portion of the building they use. Mr. Presley will check to see if payments have been made.

Regarding the variance comment that audit costs were appropriated at \$20,000 but should be closer to \$39,000, Mr. Clark asked if this is because we had to get comments from the State Auditor this year. Mr. Presley stated that he does not know the reason for the large cost. The audit costs were known because it was bid out for a four year period. Mr. Presley will review.

Mr. Young commented about the DARE Grant notation that states that the award for the DARE grant for 2012-2013 (September through May) will need to be discussed to come to a decision if we are going to continue the DARE program under the current format. He stated that it is his position, and he believes it is the school's position as well, that DARE is not going to continue next year. Mr. Clark stated that this was what was conveyed to the schools and this is what they agreed to. The plan was that the schools were going to take over the responsibility. This would

mean that we have to return the grant. Mr. Young asked Mr. Clark to confirm that with the schools and ask Superintendent Keener to send something over in writing.

Regarding roof expense, Mr. Young asked if there is any idea about when the insurance claims will be paid.

Mr. Presley stated that the deficit in the line item of \$1,750.00 is for the third-party neutral to split the cost with on the claim for the original hail damage to municipal buildings. The city is in a three panel arbitration process and has to share the cost of the agreed-upon neutral party. It took six weeks to agree upon a third-party neutral. The appropriation of \$1,750.00 is just for that third-party neutral. Sixty-one thousand dollars was received toward the claim. The panel still has to proceed with their original work and evaluate subsequent damage.

Mr. Tadych asked if the panel is going to look at the original work before the next set of damages happened. Mr. Presley will call the members of the panel and ask that question. The panel was in today meeting with the Travelers Insurance Company.

Mayor Sutherland noted that a new roof is needed on the City Hall building. Mr. Presley will follow up this week with Travelers Insurance and the Sil Company to see if the original claim will be waived due to the additional damage by Hurricane Sandy.

Mr. Clark asked if the ADA project for doors and washroom renovations at the Dwyer Center is on target for completion by the end of the year. Mr. Galli stated that the project will be finished by the end of the year. When the project is finished, photographs are taken, invoices are sent, and the necessary documentation submitted for receipt of the grant funds.

Mr. Young asked when the 2013 Budget will be ready. Mr. Presley stated that he will go forward using last year's numbers. A temporary appropriation will be adopted in December.

Mr. Tadych asked what the line item of Animal Control Operating represents. Mayor Sutherland stated that this is for the utilities and cleaning of the kennel.

### **Supplemental Appropriation Ordinance**

Mr. Presley reviewed the supplemental appropriation ordinance on this evening's Council meeting agenda, as follows:

Council Operating of \$275.00 represents the deficit in the fund caused by the printing and mailing of the letter of the Charter Review Commission to each household in the City of Bay Village.

Law Operating of \$15,000 is Outside Legal costs.

General Administration appropriation of \$6,150.00 is for unemployment benefits.

Civil Service Operating appropriation of \$100.00 is for office supplies.

Minutes of a Meeting of Finance Committee  
November 19, 2012

The Zoning Board appropriation of \$100 is for ordinance books that the members of the Board of Zoning Appeals requested.

Police Benefits appropriation of \$1,475 represents the uniform allowance for two new officers.

Police Equipment appropriation of \$2,100 is for the new officers and may have to be changed in December because there may need to be the purchase of a new bullet-proof vest.

Prisoner Care Wages appropriation of \$2,450.00 and Prisoner Care-Operating appropriation of \$3,000 is for the cost of running the city jail. The Operating portion covers the cost of meals and care for the prisoners.

Hydrants Operating – There were replacement costs of \$5,765.00, partially due to a motor vehicle accident. Reimbursement will be received, but the expenditures must be increased.

Mr. Young addressed the Law Operating appropriation amount of \$15,000 for Outside Legal. He stated that he is not comfortable with appropriating the \$15,000 into the account without a contract in place. Mayor Sutherland stated that they do have a contract in place. Mr. Young stated that it would need to be a contract approved by City Council. Mr. Clark asked if the Mayor has a copy of the contract. Mr. Clark stated that he is comfortable with a maximum of \$15,000. Mayor Sutherland stated that that is what the contract is, and distributed a copy of the contract for Council's review.

The Parks and Recreation Fund appropriation of \$10,000 is to cover the maternity leave of one of the two full time employees in the department. The benefits appropriation of \$8,235 is for a possible miscalculation. This will be checked into further, and reduced at year end if a reduction is required.

The Public Improvements Fund appropriation of \$17,300 includes the cost for the Smart Board installed in the Police Station Community Room. Two thousand dollars of these funds were donated by the VFW Post. The members of the VFW are very pleased with the new system. The Lenox Air Conditioning System was replaced at the Dwyer Memorial Center at a cost of \$3,725. The Cahoon Memorial Park rental home demolition was \$4,445. The Community House boiler repair was \$1,950.

The Sewer Fund Operating expenditure is being reduced by \$61,675. The Pump Station Operating increase (\$19,675) is for the rental and installation of a temporary set-up of a Goodwin Pump at the Huntington Pump Station. The \$42,000 appropriation for Pump Station Capital is for the emergency repairs for the Longbeach and Huntington Pump Stations. The insurance company has been notified of the damage. **The Finance Committee will be kept updated as to the coverage.** A certificate of coverage, which is an acknowledgement of claim, has not yet been received by Mr. Presley. An ordinance is on the Council agenda this evening for Citi Electric for these repairs.

Minutes of a Meeting of Finance Committee  
November 19, 2012

Mr. Young asked about the hose on the temporary, stand-by pump station that is directed toward the creek. He asked if the EPA has been informed that the city may have to use this outlet. Mr. Galli stated that he spoke with Jeff Harrington at the Rocky River Wastewater Treatment Plant. He also called the city's contact at the Environmental Protection Agency about the temporary bypass, informing him that there was no intention of using it unless there is no other choice. The EPA informed Mr. Galli to follow the reporting procedure if it has to be used.

Foreman Gordon Evans stated that there are four pumps at the Longbeach Pump Station. There are three pumps at the Huntington Pump Station. The Longbeach Pump Station was lost completely, and two pumps at the Huntington Pump Station were lost. The whole west side of the city is now being run on one 200 HP pump. If we lose that pump, the temporary, stand-by pump will be used.

Mr. Young stated that from studying the contract specifications with Citi Electric Co., he notes that a panel board with starters is being replaced at the Longbeach Pump Station. Mr. Evans stated that the pumps are fine; the starters, panels and switches were lost. The motors were tested and are fine. The power to the Longbeach Pump Station goes down the access road by the Police Department, through the MetroParks. Mr. Evans stated that they are not sure if the pump station was hit by lightning, or if the damage was caused by a power surge.

The General Insurance Fund Operating appropriation of \$1,000 represents an overage of \$265 on premium and additional funds being added for a very minor motor vehicle accident that the city is involved in. It is the city's policy that since the city is at fault, to pay for the deductible for the individual.

Mr. Presley discussed the cost of lighting retrofits at the Fire Station. Final proposals have been received. One proposal is for \$13,968, and one is for \$13,550. That amount was not included in the Public Improvement Fund supplemental appropriation prepared for this evening's Council agenda.

Mr. Young stated that the Fire Station is open 24 hours per day, 7 days per week. The payback for the energy savings is two years. The estimated energy savings is \$7,776. The First Energy rebate is \$5,400. Mr. Presley stated that the company with the lowest bid of \$13,550 performed the work at the Middle School Gym, and everyone is very pleased with the result. The company, McGranahan and Associates, is a Bay Village business owned by a Bay Village resident. An additional appropriation will be added for this cost, amending the ordinance by reading, for a total of \$30,850.00. Mr. Clark verified with Mr. Presley that the rebate for the contract will be placed back into the Public Improvement Fund.

Mr. Tadych noted that he recently heard that the rebate from First Energy will be discontinued soon.

Mr. Young asked that the Executive Session on this evening's Council agenda be held prior to the Finance and Claims Committee portion of the meeting in order to give the Council an opportunity to talk about the appropriation for the Law Operating line item in tonight's supplemental appropriation ordinance.

Minutes of a Meeting of Finance Committee  
November 19, 2012

Mr. Clark stated that funds were advanced out of the Infrastructure Improvement Fund for the Bradley/Naigle intersection. He asked where the project stands money-wise, as far as receiving the anticipated grants and loans. Mr. Galli stated that they are waiting to close the project out now that they have been told that everything with the railroad is working. Everything is a go and it is just a matter of signing off this week. The eight day notice will be given and starting possibly the first week in December everything will be operational. The project will close out by the end of the year.

The paving project at Huntington Woods finished this past week. Mr. Clark noted that the paving company also did a fine job with West Oviatt. Mr. Galli advised that the base coat of asphalt is down at the tennis courts. The asphalt plants close at Thanksgiving. There is a final course of asphalt, fencing, and color coating to be done. The work will most probably be held off to be finished in the spring. Fencing will be done as the very last portion of the project. The temporary fencing will be removed.

Mr. Tadych stated that he had a report from a resident about the fire hydrant on Clague Road that has been non-functioning since spring. The Mayor suggested that Mr. Galli check with the Fire Department because they flushed all of the hydrants and may have further information.

The meeting adjourned at 7:20 p.m.

---

Mike Young, Chairman

---

Joan Kemper, Secretary