

FINANCE COMMITTEE MEETING

held March 11, 2013

6:30 p.m.

Present: Councilman Dwight Clark
Councilman Dave Tadych

Absent: Chairman Young (ill)

Also Present: Finance Director Mahoney, Law Director Ebert, Police Chief Wright,
Assistant Service Director Sears, Community Services Director Bock,
Operations Manager Landers

President of Council Koomar, Councilman Lee, Councilman Miller
(Councilwoman Lieske is on vacation)

Audience: Susan Fink

Mr. Clark opened the meeting at 6:30 p.m. The purpose of the meeting this date is to review the most recent draft of the proposed 2013 Budget for the City of Bay Village.

2013 Budget (Exhibit A attached)

The Operating deficit forecasted is now down to a negative \$34,000. The three primary changes to reduce the projected deficit are as follows:

- 1) Municipal Income Tax Disbursements will be changed for 2013 only to 98% General Fund and 2% to the Accrued Benefits Fund;
- 2) Outsource the Building Department saving the city \$250.00 for the period May 1, 2013 through December 31, 2013. For a full year period the savings would be over \$450,000;
- 3) Adjustments in line items such as payment back of a DARE Grant in the amount of \$22,000

More changes will be considered for the Expenditure side of the budget.

Negotiations with bargaining units are beginning. At this time the budget reflects no increase in wages. For every percent of projected increase in wages, the cost to the city would be \$75,000.

A major change in the expenditure side is that about \$600,000 of Fire Expenses has been moved to the Emergency Paramedic Fund. There are 11 men assigned to EPU, and 15 to the General Fund Fire Department category.

EPU millage is also funding a majority of the Fire Pension costs. There is a Fire Department retirement in May. Fire Chief Lyons has been given permission to interview candidates. It is up to the Mayor to consider hirings, but the totality of the budget must be reviewed to be sure there are funds. The amount of \$20,000 has been added to the Accrued Benefits Fund because of changes being considered in the Building Department, and this Fire Department retirement.

A review of property tax millage will be reviewed prior to the budget conferences for 2014.

Transfers

Street Construction Transfer of \$380,000 is in addition to the overlay program which will be done in 2013. The overlay program will be reviewed by the Public Improvements Committee. The amount of \$680,000 is made up of \$575,000 of road work in Ward 1, and \$100,000 for Lake Road and Wolf Road improvements.

Bond Retirement and Interest (Exhibit B attached)

Director Mahoney stated that \$1.9 million has been established as the target maximum date. (Revenue generated by property tax millage each year for the Bond Retirement Fund)

Historically, Ohio Public Works Commission (OPWC) loans have not been included as debt. Three are paid from sewer funds. If these would be included as debt, the debt payments would be over \$2 million.

The Bradley Road/Naigle Road Improvement debt, and the Cahoon Creek Aerial Sewer debt payments will not begin to be repaid until January of 2014 since there is work yet to be completed and payments do not start until six months after the contracts are completed. The \$1,250 loan will not be taken in its entirety. It is anticipated that \$650,000 will be borrowed, to be paid for in half by the City of Westlake. A placeholder of \$650,000 will be used. The agreement signed with Westlake will be reviewed by Mr. Galli to determine how Westlake will pay the City of Bay Village.

The Infrastructure Improvement Fund should be reimbursed the entire advance for the Bradley Road Improvement Project.

Five bond issues are being paid off in entirety in 2013, representing \$575,000 available for 2014.

Debt for purchasing a new fire truck was issued in 2012. The expenditure for the fire truck will incur in 2013. The Equipment Replacement Fund has a large balance going into 2013 to accommodate the payment for the fire truck.

Mrs. Mahoney will expand the spread sheet to include the debt beyond 2020.

Bay Family Services

The expenditure will be changed to \$34,400 for the budget from \$40,400 to use a portion of the balance remaining at the beginning of the year.

Analysis of Reserve Funds – (Exhibit C attached)

Municipal Buildings Improvement Funds and Infrastructure Improvement Funds can be spent down for capital improvements.

The \$2.550 million in advance repayments represents \$1 million to the sewer fund for the aerial sewer project, \$50,000 for sidewalks due to a late billing cycle, and \$1.5 to the Bradley Road project.

All of the reserve funds totaled \$12,750,000 at the end of 2008. A large refund was paid back to the County of \$1,350,000. A rainy day fund of \$1.3 was spent down: \$795,000 in 2010, \$525,000 in 2011, and the \$54,000 balance spent in 2012. The General Reserve Fund will be whatever is carried over this year with a balanced budget at the end of 2013.

Capital Requests (Exhibit D attached)

Police Vehicles (2) will be purchased

Total of all capital requests: \$3.3 million

Insurance Proceeds - \$900,000

2012 Bonded Amt. - \$475,000 (Fire Truck and Phone System)

2013 Bonds- \$1.6 million (Street Improvement \$811,000; Equipment Replacement - \$165,000;

Public Improvements - \$630,000

Still needed for 2012 Projects: \$377,040.00

A Finance Committee meeting will be scheduled for Thursday, March 14 at 7:00 a.m. to review:

Road Improvements

Equipment Purchases

Public Improvements

Dwight Clark, Chairman pro tem

Joan Kemper, Secretary