

FINANCE COMMITTEE MEETING  
held December 2, 2013  
6:30 p.m. Conference Room

Present: Councilman Young, Councilman Clark, Councilman Tadych

Also Present: Mayor Sutherland, Finance Director Mahoney, President of Council Paul Koomar, Councilwoman Karen Lieske, Councilman Clete Miller, Councilman Lee, Fire Chief Lyons, Operations Manager Landers

Audience: Tom Henderson, Suzanne Graham, Conda Boyd, Lydia DeGeorge, Jeff Gallatin

Mr. Young opened the meeting at 6:30 p.m.

**2014 Budget**

Finance Director Mahoney distributed a copy of the 2014 Budget which is an amended copy of the document distributed by Mrs. Mahoney previously. Changes are:

- Ambulance Reimbursements budgeted number changed to \$250,000
- Accrued Benefits – Accounted for a transfer in from the General Fund of \$37,000
- Legal Fees – Changed to \$95,000 from the previous \$125,000
- Transfer to the Street Construction Fund of \$360,000
- Increased Transfer to Bay Family Services to reflect \$54,000 payment per year instead of \$34,000 per year, or \$4,533 per month. (The amount of the payment will be verified by Director Mahoney)
- Transfer to Accrued Benefits Fund \$30,000

Salaries in the 2014 budget include the outcome of all labor negotiations, including the recent settlement with the fire union, and all of the other bargaining units effective January 1, 2014.

Rocky River Wastewater Treatment Plant - Originally plant operations to Rocky River were changed by 8%. If Bay Village is up 8%, other cities are down, requiring Bay Village to take a bigger cut. The estimate for Bay's cost to the RR Wastewater Treatment Plant for 2014 is \$963,000. This represents 24.8% x \$3.88 million for the operation of the treatment plant. An additional \$70,000 is paid for improvements. In 2013 the budget amount for operations was \$624,000. The Mayor noted that some of the amounts paid for operations are set aside for capital improvements.

The annual sewer fees collected are \$780,000 under the cost of the operation of the plant. Estimated revenue for 2014 is \$2.4 million; estimated expenses for 2014 are \$3.2 million. Mayor Sutherland stressed the importance of reducing storm water infiltration into the sanitary sewers to reduce this cost. The next flow metering will take place in four years.

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Additional sewer operation cost per home owner was calculated at \$112.00 per year.

Mr. Bob Greytak, CT Consultants will be invited to the December 9 Council meeting for an informative session with Council regarding the sewer metering flow process and other sewer capital improvement projects.

2014 Budget Discussion (continued)

Sale of Recycling - \$4,500. Sale of bulk pick-up items

Cable Television Fees- Director Mahoney will check the additional revenue if the fee is increased from 3% to 5%.

Permit Fees – A significant change in revenue is not expected with the new fee structure

Municipal Income Tax Distribution – 98% to the General Fund; 2% to the Accrued Benefits Fund - \$5,533 is budgeted for the gross Municipal Income Tax receipts which is a 3% expected increase for 2014.

Police Pension Fund and Fire Pension Fund expected revenues are identical at \$341,824.00. Mr. Young noted that the rates paid are different (19.5% Police; 24% Fire). Mrs. Mahoney was asked to review the transfers in for the Fire Pension Fund.

Parks and Recreation – Transfer to Parks and Recreation Fund is high due to reallocation of existing cost (health insurance and pension for employees) that was being charged to the General Fund. Expenses should be reflected in the Parks and Recreation Fund for these four full time employees.

Public Improvements Fund – Numbers for 2014 will be known after discussion with Assistant Service Director Jim Sears. Mayor Sutherland stated that some projects may be pulled back next year until other projects are completed. Mr. Clark noted that the Huntington Woods project was suspended for a year in 2011, and picked up at a cost of \$500,000 the next year. We should look at our historical street construction numbers. Mrs. Mahoney will provide that information. Mr. Tadych stated that he thought the annual costs are approximately \$650,000 to \$700,000. Mrs. Mahoney stated that Mr. Sears had indicated about \$457,000 in resurfacing projects for 2014 and if this was held the General Fund transfer could be lowered to about \$160,000 instead of \$360,000. Mr. Clark noted that the money for the work is bonded out; Mrs. Mahoney stated that the proceeds from the sale of bonds are deposited in Fund 270, and are paid out of the Street Construction, Maintenance and Repair Fund.

Mr. Young stated that sewer connection fees will be increased. There were 25 connections at \$150.00 each. Surrounding communities collect between \$1,500 and \$3,000 for each connection.

Insurance Proceeds for Roof Repair - \$580,000. Accounts are still being finalized

## Expenditures

Fire Department - Expenses are budgeted for 24 firefighters and one Chief. Instead of having a floater and full time inspector, the inspections are covered by the on-shift responsibility. Mr. Young questioned whether budgeting for that manpower 365 days per year is realistic. Chief Lyons stated that there has been a lot of turn-over for the last half-dozen years. The department is entering a time when there will be more stability. It is unknown if there will be retirements in 2014. If known ahead of time, a replacement must be hired within 30 days; otherwise the contract states 60 days.

Mr. Clark stated that the information is relevant due to a large deficit in the General Fund. The Fire, Police and Service Departments are the major expenditures. Mr. Koomar stated that a full complement of personnel should be budgeted, including a vacancy factor built-in. It is not reasonable to budget 100%. Mr. Clark suggested looking at the last three years to determine the vacancy factor.

Chief Lyons stated that he is optimistic about filling the existing three vacancies on the department by January 1, 2014.

Overtime Wages for the Fire Department for 2014 are budgeted at \$63,700 and expenditures for 2013 are shown at \$23,007.41. It was explained that banked overtime, paid at the end of the year, is anticipated. A footnote will be included on the next revision of the budget.

## Central Dispatch

2012 Expenditures were \$119,000 and 2013 Expenditures \$154,686.26. Mr. Young would like to see a justification for that increase. Mayor Sutherland will check with the City of Westlake who is in charge of the Central Dispatch budget, revenue and expenses. Mr. Koomar asked to receive a copy of the approved budget for the Central Dispatch Center from Westlake. Mr. Clark asked if it would be possible to get a copy of the 2013 budget as well.

## Police Department

Mrs. Mahoney did not budget for proficiency pay in 2013, which is why the expenses are higher than the budgeted amount for uniform allowance. (This is the line item that was used for the proficiency pay). The 2014 Budget includes two vacant police officer positions to begin on January 1, 2014. Mr. Young will seek further discussion with the Mayor, Mr. Koomar, and the Police Chief regarding the Police Department budget, before committing to the Full Time Wages budget amount for 2014.

Seasonal Wages for the Police Department have been in the \$64,000 range. For 2014 it is projected at \$90,000. Director Mahoney stated that this represents 14 school guards at 565 hours each, at varying rates.

A 12% increase has been built in the budget for the hospitalization increase, with an increase in the employee contribution to 9%.

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Election Expenses – \$9,200 is budgeted for election expense. Mr. Clark noted that the bill is going to be at least \$21,000 to \$22,000. Mayor Sutherland stated that she bill for the election will probably not be received until January.

Mr. Young stated that the next meeting (December 9, 2013 at 6:30 p.m.) will cover the Service Department. Discussions will be held prior to the next Finance Committee meeting with the Police Chief regarding the Police Department budget and Assistant Service Director Sears regarding Public Improvements. A representative will be present to discuss Fiber Optics.

There being no further business to discuss the meeting adjourned at 7:25 p.m.

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Michael A. Young, Chairman

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Joan T. Kemper, Secretary