

FINANCE COMMITTEE MEETING
held December 13, 2013
4:00 p.m. Conference Room

Present: Councilman Young, Councilman Clark, President of Council Koomar

Also Present: Finance Director Mahoney, Assistant Service Directors Jim Sears and Scott Thomas, Police Chief Spaetzel, Operations Manager Donny Landers, Fleet Manager Scott White

Audience: Conda Boyd

Mr. Young opened the meeting at 4:00 p.m.

Infrastructure: Sewers

Mr. Young stated that based on the remetering of the Rocky River Wastewater Treatment Plant, the sewer budget will not be able to be finalized for next year until the end of the first quarter of 2014. Since the sewer fund operates separately from the General Fund, any increase in costs associated with the Wastewater Treatment Plant will have to be paid for through an increase in our assessed quarterly sewer fees. It should be noted that the Infrastructure Fund has helped pay for past and current capital sewer projects but there are no longer any funds available to continue this practice.

Walker/Nantucket Pump Station Engineering and Design
Huntington/Long Beach Pump Station

Assistant Service Director Sears stated that there is money in the 2013 Budget for Sewer Engineering to cover two of the three items that are part of the sewer engineering package: planning, survey, investigation, and design. Legislation for the Walker/Nantucket Pump Station engineering and design phase with CT Consultants will be presented at the Council meeting to be held Monday, December 16. The bidding phase of \$5,000 has been left out of the contract and can be incorporated in 2014. It is estimated that the total renovation of the Walker/Nantucket Pump Station will be in the \$200,000 to \$225,000 range.

The second engineering proposal is approximately \$100,000 and is for the Huntington/Longbeach Pump Station. This will allow Mr. Thomas to initiate the planning, survey, and investigation phase which is \$13,200, after January 1, 2014. At that point, when CT Consultants comes back and goes through what they found, there will be \$76,000 if Mr. Thomas would like to go forward with the engineering for the station. Until the investigation and survey is done, it will not be known. The \$100,000 will cover everything up to the point of bidding.

Mr. Clark noted that Finance Director Mahoney has set aside \$100,000 in the Sewer Fund for engineering for 2014. It was decided to wait until the design phase of the Walker/Nantucket Pump Station is complete before setting aside funds for the replacement of the station.

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Mr. Clark noted that Architecture and Engineering fees have been treated as a capital expense and charged to the Sewer Enterprise Fund in the past.

Mr. Clark advised that he has asked Law Director Ebert to review the Sewer Connection Fee. Mr. Sears has been reviewing the section of the ordinances covering that fee, and noted that it was actually changed in 2008. Mr. Sears will present a revision to the ordinance for the Council meeting to be held December 16. The existing ordinance has two sections, one that covers from the center line in to the property at any distance (\$250.00), and beyond the center line (\$500). Mr. Sears will change the first section (a) to be from any distance between the back of curbs to the tree lawn at a fee of \$750. From the distance of the center line back will be \$1,250. From any distance further than the center line to the street \$2,000. He noted a few lots in the city that may require connection to the Interceptor. A section has been added that if specialized equipment is required due to the depth of the main sewer line, an additional \$1,000 will be added.

Mr. Young noted that the budget will reflect 21 connections, the amount that actually occurred in 2013. The number has been multiplied by 10 to increase the revenue from the \$3,700 actual number in 2013, to \$37,000 in 2014.

Mr. Sears stated that a decision as to what department will generate the invoice for sewer connection fees will be made administratively.

Streets

Mr. Sears stated that Osborn and Wolf will be scheduled for 2014. The situation with the overlay of Cahoon Road not being awarded as part of the sewer project creates a new concern. The bid item of Trax Construction for \$155,000 is still on the table for Cahoon Road. The linear footage of the road multiplied by \$15.00 per linear foot comes closer to \$120,000 to \$130,000, not including engineering. We may be able to handle the engineering in-house. It may be in our best interest to let Trax repair the road.

The amount of \$130,000 to \$155,000 will be added to the 2014 Budget for this project. A total budget figure of \$500,000 will be set aside for Street Construction, Maintenance and Repair. The amount will be revised based on final estimates.

Mr. Clark stated that in the past the Finance Director had two funds set aside for street repairs. One fund was for our crews going out and doing patch work, and the second component was the capital overlay program. In 2012 we transferred from the General Fund over \$300,000 just for the regular maintenance program. Mr. Sears suggested that the reason for the transfer may have been for salt and gasoline. In his time here they have never come to Council to add funds for street repairs. Mr. Sears noted that in the past they have also purchased equipment out of the Street Construction, Maintenance and Repair Fund.

Mr. Young noted that we have used General Fund revenue for capital improvements in the past. We do not have the ability to do that going forward.

Mrs. Mahoney stated that if the street projects are kept to \$500,000 a \$100,000 transfer from the General Fund will be all that is needed to cover the fund. If we bonded out the \$500,000 each year we would not need a transfer at all. Mr. Young noted that to totally cover the city streets program in a 15-year cycle, \$750,000 per year is needed. Mrs. Mahoney stated that if the entire need of \$750,000 was bonded out, a transfer from General Fund would not be needed. Mr. Sears cautioned that prices will be higher in future years. Mr. Clark noted that equipment replacement purchases also need to be bonded out.

Mr. Clark asked Mr. Sears to work with Renee Mahoney to provide the figure for the amount needed for the transfer to Street Construction, Maintenance and Repair Fund for 2014.

Equipment Replacement Fund

Westlake is moving ahead on a 23-year old composter that is shared by the City of Bay Village. Replacement cost is in the range of \$450,000 and Bay will pay half, or \$225,000. Mr. Sears recommends proceeding with the continuation of the contract for use of the composter. Mr. Ebert stated that the relationship has been an excellent partnership for over 20 years. Mr. Clark noted that the cost to the City of Bay Village, in terms of the price and the life of the equipment, is only \$10,000 per year. This is a minimal investment for a process that works well.

Equipment replacement for the Service Department is prioritized as follows:

Super Duty Dump Truck
Utility Body
4-Wheel Drive
Parks Equipment
2-Wheel Drive Pick-up

Fleet Manager Scott White would like to purchase the top three pieces of equipment. Mr. Clark stated that he would be in favor of the Super Duty Dump Truck, the Utility Body and the Composter, which is a total of \$320,000 as a starting point. Mr. Young noted that increased revenue in the future may cover additional items. If Westlake should decide not to proceed with the composter purchase this year, a 5-Ton Dump Truck will be considered for purchased.

Mrs. Mahoney stated that she and Mr. White have discussed the need for a software work-order program for the Service Department. Mr. Thomas explained the paper process, and the problems created with that process. A work-order program, web-based, will make the process much more efficient and more accountable to residents. Expected cost is a maximum of \$20,000. The yearly license fee should not exceed \$12,000. Cloud-based would be less expensive. The amount for the licensing will be taken from the General Fund. The initial purchase will be considered a capital expenditure. Mrs. Mahoney made the necessary notations.

Mr. Thomas commented that they will be preparing 5-year programs sewer, traffic, and building maintenance. They will work with the Police Department and Fire Department in these efforts to make it easier for budgeting purposes.

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Mr. Young questioned the amount for full time wages for sewers budgeted at \$530,700 compared to expenditures of \$388,355 for 2013. Mrs. Mahoney stated that the best she can do when she tries to budget for Service is to allocate the expense where the person might happen to work. In total Service wages, that is what you can expect for the year. If Sewers are low, it may mean that another category is higher.

Mr. Clark noted that the objective is to reach a two-month worth of liquidity position in the General Reserve Fund, which now is only about \$163,000. The General Reserve Fund would be set aside for emergency purposes, such as Hurricane Sandy.

Police Department

Chief Spaetzel reviewed the equipment needs for the department. In the past the cycle was to purchase three vehicles one year, and two the next year. The Service Garage does an excellent type of maintaining vehicles which allows mileage of over 100,000 miles. Chief Spaetzel feels comfortable with replacing two vehicles every year.

Car 1126 and car 1127 are scheduled for replacement. Car 1127 is a front while drive and has 48,000 miles. It does not work well in the snow and will be taken out of rotation. Car 1127 will be used elsewhere in the city fleet. Front-wheel drive does not work for police work. Looking forward to 2014, the Ford Explorer is the vehicle of choice for the Police Department. The amount of \$85,000 is budgeted for two, with all equipment included. Nothing can be transferred from current vehicles to Ford Explorers.

Mr. Young asked about the mileage disparity of the police fleet. Chief Spaetzel stated that the Ford Taurus is not a good police vehicle. They are holding the Crown Victorias in reserve, hoping to phase out the Taurus. The top three vehicles in the fleet run 1,000 miles per week. Car 1126 is the SWAT vehicle. SWAT equipment cannot be fit into the Taurus. An Explorer can be used as a SWAT vehicle. The Chief vehicle is No. 1181 is the old 1151 and has 22,000 miles. That car will not be changed out until 2020. The third detective car is No. 1151 and is currently being used by the FBI agent assigned to the Amy Mihalivic case. The other detective vehicles have low mileage and are not scheduled for replacement until later. The former Chief's car is No. 1152. It is being driven by one of the detectives. Fire Chief Lyons is using Car No. 1129.

Mr. Clark noted the need to set aside funds for the Marcs radios. Chief Spaetzel stated that the radios are the Number 1 priority. The department originally got three radios. Lakewood and the other Westshore communities got 10 or more. The Communications Committee of Cuyahoga County gave the remaining 54 radios to the Westshore communities. It is hoped that Bay Village will get 12 more, totaling 15 radios which is enough to get the department up and running. The vehicle costs discussed includes two new Marcs radios. The revised request for purchase is ten radios, two base radios, and 14 mobiles. The amount of \$47,000 will allow the department to be up and running. There is a \$20.00 per unit, per month service charge. This must be factored into the budget. There will also be discussion about having a radio bank, rather than each person having their own radio. There is also a possibility of getting more radios from the Communications Committee of Cuyahoga County.

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A network copier is requested to replace the current eight-year-old copier. Parts will no longer be guaranteed. The cost is expected to be \$6,000 to \$8,000.

Dispatch chairs have been purchased from the 2013 budget.

Discussion followed concerning vehicle replacement. Miles driven per day are 142 for the top three vehicles, per car. The Finance Committee will support the replacement of one vehicle. Mr. Clark asked if there is a car in the fleet that would be appropriate for Chief Lyons to drive, as opposed to buying a new car. Chief Spaetzel stated that Car 1127 would fit Chief Lyons' needs. Mr. Koomar stated that in his travels he does not see safety forces widely using SUV vehicles. Chief Spaetzel noted that when model purchases are changed, equipment must be purchased to fit the vehicles. The police car market is very limited.

The 2014 budget will include the Marc's radios and the network copier. Mr. Young suggested one Ford Explorer going forward for budget purposes, replacing one of the squad cars. Mr. Clark agreed. Chief Spaetzel noted that if he is only allotted one vehicle he cannot release Car No. 1127 to Chief Lyons.

Fire Department

There is a need to put money into the fire station in terms of lights and installation. Mr. Sears stated that the drywall ceiling is hanging down and has numerous holes. The downside is that the lighting will have to be removed to patch the ceiling. A quote from a plasterer amounts to \$7,500. The lighting work can be done in-house.

Rope rescue and surface ice training will be provided at a cost of \$17,000.

The department does have a crew cab 4-wheel drive pick-up truck that could be used for beach rescue. It could also be used for fire inspection, or a vehicle in the police inventory could possibly be used for fire inspection purposes. Mr. Clark questioned whether a vehicle could be leased instead of purchased. Further discussion as to vehicle needs will take place with the Fire Chief.

Scott White noted that the vehicle replacement program allows the release of vehicles to the city fleet while there is still life left in the vehicle. Once a vehicle gets over 100,000 miles it will probably only last a few more thousand miles.

Community Service

Mr. Clark is in support of replacing the transportation bus since the van is at its maximum state of use.

Public Improvements

Mr. Sears would like an opportunity to go through these and reprioritize the need. Mr. Young noted that items, excluding the pool, will be taken out of the Building Improvement Fund which

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has a balance of \$1.9 million. A reasonable amount of money, approximately \$85,000, must be set aside for painting and coating equipment at the pool. Mrs. Mahoney stated that she believes this expense can be taken out of the Municipal Buildings Fund.

Mr. Sears will present his review on Monday, December 16 at the Finance Committee meeting scheduled for 6:00 p.m.

Mrs. Mahoney reminded the committee of the need for renewal of the IT contract for a three year period in the amount of \$75,000 and the fiber optics as discussed at the December 9 Finance Committee meeting. Mr. Young stated he has no problem going forward with these items.

There being no further business to discuss the meeting adjourned at 6:30 p.m.

Michael A. Young, Chairman

Joan T. Kemper, Secretary