

FINANCE COMMITTEE MEETING
held November 17, 2014
6:30 p.m. Conference Room

Present: Councilman Dwight Clark, Chair
Councilman Dave Tadych
Councilman Tom Henderson

Also Present: Mayor Sutherland, Finance Director Mahoney, President of Council Koomar, Councilman Lee, Councilwoman Lieske, Councilman Vincent, Operations Manager Landers, Assistant Finance Director Popovich, Police Chief Spaetzel, Fire Chief Lyons, Safety/Service Director Thomas

Audience: Conda Boyd, Dick Majewski, Marty Mace, Lydia DeGeorge, Barb Galbincea

Mr. Clark opened the meeting at 6:32 p.m. Mr. Clark thanked everyone for their attendance this evening and noted that this could be the last Finance Committee meeting before going to the first reading of the 2015 Budget, scheduled for Monday, December 1. The goal is to have the third reading of the budget finalized and approved on Monday, December 15, 2014. He noted that Finance Director Mahoney has worked very diligently with the administration and directors to present a finalized, balanced budget. A newly revised version of the budget has been presented to the Finance Committee for review this evening.

Finance Director Mahoney stated that Police Chief Spaetzel and she have talked about the date for which he would consider hiring the civilian police dispatchers. The first full time dispatcher will be hired to begin June 1, 2014. Part time dispatchers will begin October 1, 2014. There were minor adjustments made to the overtime budget for the Police Department. With these adjustments, the 2015 Budget is a zero balance looking at revenue over expenditures.

Mr. Clark stated that the Finance Committee has thoroughly reviewed the revenue side of the 2015 Budget and are all in agreement. It includes an increase in Emergency Medical Service (EMS) reimbursements. The ordinance authorizing the increases will be placed on first reading on December 1, 2014. The plan is to continue to move forward with the trash collection fee at \$12.00 per quarter, as it has been. A small increase in Municipal Income Tax receipts is expected due to the economy strengthening. Property taxes stay the same, although they should pick up in 2016 with the revaluation process of properties.

Mr. Henderson commented that he is happy to see the budget move from a negative position to a flat position. Mr. Clark stated that this is being done with no increase in Property Taxes, a minimal pick-up in Municipal Income Taxes, a loss of the Estate Tax, and a cut-back in Local Government Funds.

Commenting further on the Police Department Civilian Dispatchers, Mrs. Mahoney stated that Chief Spaetzel's plan is anticipating a June 1, 2015 hire date of the two full time dispatchers.

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Their training will depend on their prior experience, but a three-month training period is anticipated for each full time dispatcher. In the process of training the full time dispatchers, they would begin the process of hiring the two to four part time dispatchers so that by October 1, 2015 they could begin working. The full time dispatchers would then be in charge of training the part time dispatchers. The hiring of the part time dispatchers would be spread out over a period of time so they are not all being trained at once. The process is reflected in the 2015 Budget.

Chief Spaetzel stated that there have also been minor adjustments made in the Police Department portion of the budget on the operation side. They increased the budget for fuel, car repair, and training slightly. There was a change in the overtime, going down progressively for each of the three years of 2015 through 2017. Uniforms for the dispatchers have been added to the operational side cost.

Mr. Koomar noted that he spoke with Safety Director Thomas regarding Mr. Koomar's intent to have the Environment, Safety and Community Services Committee meet to review the plan for the hiring of the dispatchers. The committee has not had an opportunity to vet this, and Mr. Koomar has expressed to the Mayor and Police Chief that he was not comfortable moving forward with the dispatchers as part of the 2015 Budget without doing a little more due diligence. Mr. Lee, Chairman of the Environment, Safety and Community Services Committee would like to begin meeting in December. Mr. Koomar asked if this is not a \$260,000 add to the budget going forward, once fully implemented. Mrs. Mahoney stated that this is correct, but it is actually saving the City about \$22,000 in 2015 if she were instead to budget for a full time police officer.

Mr. Koomar asked if the full complement of police officers we have is being retained and the police dispatchers being added on top of that number. Over time, it is a cumulative net add. He noted that those numbers have not been vetted, and understood as to why we are not looking at a regional approach to dispatch. A lot of good work has been done, but Council has not been part of that. Council's job is to appropriate the funds. Mr. Koomar stated he is not comfortable with increasing police costs by \$260,000 in perpetuity.

Mayor Sutherland suggested keeping in mind that just because you put it in the budget does not mean it is going to be spent. Changes have to be made to the compensation ordinance.

Mr. Koomar stated that once money is appropriated then legally it is the administration's job to spend it. They may not spend it; they may spend it all. Mr. Koomar noted he has to do his job up front. He asked for analysis to follow up on the Cleveland State study; we are still working on that, we've been patient on it, but it hasn't been received yet. Because we are moving the budget process up doesn't change the fact that we haven't done our due diligence yet.

Mr. Henderson asked how taking the dispatchers out of the budget for now would impact the plan for June 1 hiring. Mayor Sutherland stated that they would have to have the funds added to the budget at the very latest by the beginning of March. They would have to have time to advertise, hire, and train those people to bring them aboard by June 1. Chief Spaetzel stated that would push it back even further. If the money is appropriated March 1, he cannot do a lot of up

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front work and spend money until he knows it is going to work. At that point, it would push the whole process back a couple of months.

Mr. Koomar stated that if all the data is available, the Environment and Safety Committee can begin their work in December and continue into January.

Mayor Sutherland stated that the administration's position is why not follow parallel paths, put it in the budget, and continue talking. A lot of this has been discussed; it is just a matter of rearranging the information in a format requested by Council.

Mr. Koomar stated that the one thing they have asked for is a manpower analysis. It is a huge add to say we've got some numbers and haven't taken a look at it and vetted it. If you are comfortable adding \$260,000 going forward now without looking at number of calls, types of calls, and other things discussed with Safety Director Thomas, that's fine. I surely am not. I would like Councilman Lee here for his comments as well.

Mr. Clark stated that we want to work on this in earnest. It is my opinion that we take the dispatchers out of the budget and start discussing this in December and work it into January to make sure we make the right decision.

2015 Budget Review (continued)

The Bay Family Services transfer for 2015 will be noted in the amount of \$42,400.

Mrs. Mahoney stated that the only other changes she made were moving around the Capital expenditures. A transfer from the General Fund to the Street, Maintenance and Repair Fund of \$100,000 will be included, as it was in a prior iteration of the budget. Mr. Clark noted that in the past transfers from the General Fund to the Street, Maintenance and Repair Fund have been made as high as \$350,000. The transfer from the General Fund would finance some component of our road resurfacing projects. Adjustments have been made to the Police Capital Budget, lowering the expense for cars, and correcting the CAD system to representing financing by the dealer, and spreading it out over time, which will delete the need to pay the maintenance fee. Mr. Clark explained that this is the CAD system that we originally spoke about for \$84,000. If we finance it out for five years, including the software cost, it brings the initial outlay down. The Finance Committee is supportive.

The engineering costs for the Lake Road Project have been removed because Director Thomas does not believe the project will be addressed until 2016.

Thirty thousand dollars has been taken out for the Inflow and Infiltration Program volunteered by the administration. Sewer funds are available for the project. Mr. Clark stated that the program has a good premise to it but he was concerned about borrowing for a program that really has to be laid out.

Mr. Clark stated that the Finance Committee is in agreement about paying the \$60,000 for the painting of the tower at the Aquatic Center. The SWIF grant will pay for half of the City Hall

Parking Lot project this coming year. Money has been put aside for the new City administration phone system. Forty thousand dollars to be taken out of the Municipal Buildings Fund is to pay for the Fire Department Construction Study (\$15,000), and \$25,000 for the Renovation of Bay Lodge Project. There is \$1,700,000 in the Municipal Buildings Fund at this time.

Mr. Tadych asked how long the work on the Bay Lodge Project will take, noting that it will disable the Lodge at some point. Will it affect our income from the Bay Lodge rental? Service Director Thomas will be consulted.

Fire Chief Lyons stated that a \$60,000 request to replace the cardiac monitors for the Fire Department which are no longer going to be supported by the manufacturer has been changed. A trade-in of the two Life Pac 12's will be allowed, at \$5,000 each if they are traded in the first quarter of 2015. The supplier will bundle the deal so the Fire Department can also trade in their mechanical chest compression machines. They will get a \$3,000 trade-in for those machines. The same \$60,000 request is going to take care of not only the two machines being replaced this year, but also the machine they were looking to replace in 2015. In essence, they will be saving \$15,000. Mr. Clark stated that this seems like a reasonable offer and the Finance Committee will recommend support of the proposal.

Mr. Clark asked Chief Lyons to speak about the 2015 vehicle request of the Fire Department. Chief Lyons stated that this vehicle would replace the current 2000 Ford Expedition which is due for replacement since the core support is ready to give way which would cause the engine to fall out of the vehicle. It has been recommended by Fleet Manager Scott White that the vehicle be replaced. Chief Lyons stated that the vehicle, known as Car 18, is used probably four to six times per day. It is used for running errands to residents' homes to replace smoke detector batteries, hydrant checking, public relations work, and errands.

Mr. Clark stated that a utility vehicle was purchased last year for the Fire Department, and asked the purpose of that vehicle. Chief Lyons stated that the vehicle, a Ford Explorer, is used by the Fire Prevention Bureau. That program has been revamped and revised, with four individuals now using the vehicle on a daily basis to do building inspections. That vehicle will also be used in the evenings to send members of the department to classes.

The 4x4 Pick-Up Truck used by the Fire Department is a specialized vehicle. It would not be cost efficient for that vehicle to be used for errands and the type of use that the Ford Expedition receives. There is a plow on the truck for those instances when the Fire Department needs to get into a driveway, which has happened on numerous occasions, to get to a patient. That truck is brought out to clear the driveway more quickly than waiting for someone else to clear the drive.

Regarding Service Department vehicles, Mr. Clark noted that bids have come in on the Sewer Video Inspection, at the \$250,000 level. He asked if this includes any trade-in allowance. Operations Manager Landers stated there is a possible trade-in value of the vehicle if giving up the old vehicle. If the equipment must be retrofitted to the new vehicle, there will be no trade-in. If the whole vehicle is traded in, as is, we will achieve a greater value. Mr. Tadych stated that the vehicle worth is approximately \$30,000. Mr. Landers stated that we would offset that in the

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cost of the new vehicle with a trade-in. The company stated that they would give the City \$25,000 to \$30,000 trade in for the old vehicle with the equipment.

Mr. Clark stated that he does not want to overspend on capital or debt service, for what we anticipate receiving in property taxes and what we allocate for payment of debt. We have all agreed that we are going to amortize road improvement debt over seven years, historically what the City has done for most years. Capital equipment debt will continue to amortize over five years.

Mr. Henderson stated that even if the economy is doing well and income tax collections and receipts are up, and health care expenses are trending downward because of changes in the plan, it makes sense this year to stay level on the capital and operating expenses, and begin building up reserve funds for future years, ones which may not be so economically good for the City.

Meeting adjourned at 7:00 p.m.

Dwight Clark, Chairman

Joan T. Kemper, Secretary