

FINANCE COMMITTEE MEETING
held July 29, 2015
7:30 a.m. Conference Room

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

Also Present: Finance Director Mahoney, Service/Safety Director Thomas
Fire Chief Lyons

Mr. Clark opened the meeting at 7:30 a.m. Mr. Clark thanked everyone for their attendance.

Amended Appropriation Ordinance

Finance Director Mahoney read the following changes to the appropriations as highlighted in her memorandum to the Mayor and Members of Council dated July 29, 2015:

Fund 100- General Fund General Fund Transfer to Fire Pension Fund

Finance Director Mahoney advised that at the conclusion of the last audit, the auditors recommended listing a payment from General Fund to the Fire Pension Fund as a transfer. Council had previously budgeted \$60,000 for such reimbursement. There is no change in amount appropriated, rather just how the expenditure is presented.

Fund 230 – Parks and Recreation – Fitness Trail

All funds have been pledged to fund the Fitness Trail. Funds need to be appropriated in the amount of \$11,000 so that purchase orders can be cut and equipment ordered.

Mr. Henderson reported that \$3,500 was donated by O’Neill Health Care; \$3,500 from Highland Consulting; \$1,000 from the Bay Village Foundation; \$1,000 from Bay Village Kiwanis; \$750 from Perfect Fit Health Club; \$750 from Arthur’s Shoe Tree and \$500 from an anonymous donor for the fitness equipment.

The donations were made to the Bay Village Foundation and they are now prepared to effectuate the donation to the City. There will be public acknowledgement of the donation at a future meeting of Council.

Mr. Tadych asked when the project will begin. Service/Safety Director Thomas stated that the project will be slated for fall. Mr. Henderson is working with Mr. Barry Tyo on the creation of sponsors’ signage for the equipment. Mr. Tadych noted that approval will be required for the signs.

Fund 234 – Play-in-Bay – New Feature

The Bay Village Foundation has pledged the full amount of \$16,985 to expand the south side of the Play-in-Bay playground and add a new feature. The improvements will be installed by resident volunteers and City employees. Council will need to accept the donation and appropriate the funds in order to move forward.

Mr. Clark advised that it is his understanding that this is the first component of a total uplifting project for the Play-in-Bay. Mr. Henderson added that the total fund raising campaign is in the amount of \$70,000 to \$75,000 and is to be carried out in the next year.

Mr. Tadych referred to an attached quotation from Meyer Playground Design in the amount of \$24,400. Recreation Director Enovitch will be asked to advise further on the quotation.

Fund 240 – Equipment Replacement – Appropriate City’s share of cot lifters for Fire Department

The City has been awarded a \$40,000 grant to purchase 2 cot lifters to work in tandem with the Fire Department’s current cots to assist loading patients into the ambulances. The grant pays 74%; City’s share would be \$13,701. Full amount needs to be appropriated and the Bureau of Workers’ Compensation will wire funds to City. Funds can be paid from the existing fund balance.

Fire Chief Lyons commented that this is a great program that is offered by the Bureau of Workers’ Compensation. This system is a companion system to the cots already in service at the Fire Department. A mechanical arm from the ambulance lifts the cot up into the vehicle. Several other departments in the area have the system in place. It is felt that with the assistance of this system the possibility of back injuries are greatly reduced.

Mr. Tadych asked why the City’s share is \$13,701 for one-quarter of \$40,000. Mrs. Mahoney stated that the math needs to be adjusted to show the proper percentage.

Fund 270- Street Construction Maintenance and Repair – Close out 2015 road projects and propose additional funding to pave Wolf Road

The street improvement projects are complete for 2015. The final numbers came in at \$1,700 over originally budgeted so they are asking to appropriate the additional funds. Also, they would like to consider additional paving of Wolf Road in front of high school and west to 29618 Wolf Road. (East of Bassett Road). Total estimate for additional paving of this section is \$70,000 for 1,350 linear feet. If approved, a change order to the Chagrin Paving contract would need to be executed. This would need to be covered by a transfer from the Infrastructure Improvement Fund (494).

Service/Safety Director Thomas commented that many compliments have been received about the resurfaced 1,600 linear foot section of Wolf Road. The crews have started this week on the east side of Wolf Road for repairs in the areas that need the most attention. In regard to the section in front of the high school, an opportunity has arisen to resurface the area with the work to be done by Chagrin Valley Paving who is currently repaving the parking lot at the high school.

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They will be on-site for another two weeks and can incorporate the City project without additional mobilization fees. It is hoped to recover some of the \$70,000 to be spent for this resurfacing project from Cuyahoga County, since Wolf Road is a county road.

Mr. Tadych asked if Mr. Thomas feels this is the worst section of Wolf Road, or is being done because the high school is putting in the parking lot. Mr. Thomas stated that this is the worst section on the west portion of Wolf Road. Mr. Thomas would anticipate further work on the east side of Wolf Road next year. Crews are on the east side of Wolf Road presently patching and repairing.

Mr. Thomas reported further that Lake Road, from Columbia Road to Rocky River, is not on the state schedule until 2023. The City has submitted a request for them to speed up the process for this section of Lake Road. The state uses a technology called "Pathway" to rate all of the state roads yearly. This section of Lake Road is rated as a "70" and a rating of "60" or less is needed for consideration.

Mr. Tadych asked if the Wolf Road project will be just the blacktop or will include the material underneath. Mr. Thomas stated that it is just the blacktop. Wolf Road was last resurfaced at least twenty years ago.

Mr. Henderson commented on the fact that Chagrin Valley will do the work because they are already on site doing the high school project, but asked if there would be a benefit at some point in the future to get multiple bids. Mr. Thomas noted that when bids for resurfacing projects in the City were received this year Chagrin Valley came in substantially lower than other bidders. It is just a coincidence that they are still in the City doing the high school project.

Mr. Tadych noted that a great deal more work was done with the money appropriated for road resurfacing. He asked if the estimate of cost was incorrect, or why was there money left over to do all the patching that was done. Mr. Thomas stated that the estimate was not incorrect, but the bids came in very low, which allowed additional work to be done. Mr. Tadych asked if there is any hope for getting money from the County for the additional work on Wolf Road. Mr. Thomas stated that there is a possibility and the City will reapply again at the end of the year for reimbursement.

Mr. Henderson commented that he believes this project is warranted, noting the positive feedback he has received on the section of Wolf Road resurfaced this year.

Mrs. Mahoney noted that in order to pay for this \$70,000 project funds, from the Infrastructure Improvement Fund (494) will have to be used. There is currently \$1.8 million in the fund. Mr. Clark noted that the City has now been reimbursed in full from the state for previous transfers for projects now completed.

Mr. Clark noted that the appealing factor for resurfacing this portion of Wolf Road is that it is probably the most traveled road by the residents of Bay Village. Lake Road has a lot of travelers from other counties but the Wolf Road corridor is traveled extensively by the residents and the area being considered in its present condition is one of the choppiest segments of Bay Village.

Estimated life of the project is 5 to 7 years, but it is hoped that this will be a 10 year fix. Mr. Tadych noted that semi-truck travel is significant on Wolf Road and should not be so traveled.

The project will take two days and will be done prior to the beginning of school this year.

Mr. Tadych asked why water drainage was not considered in installing the new high school parking lot and the other schools' parking lots, as the City is doing with the City Hall parking lot. Mr. Thomas stated agreement, noting that in any hard surface there will be more run-off and water into the storm system. Mr. Tadych noted that it would help all residents if the water does not go into the sewers.

Fund 494- Infrastructure Improvement Fund – Cleanout of Wolf Road Sewer and Emergency Force Main repairs

An appropriation of \$32,000 to clean the sewer line from Walmar to Porter Creek manhole along Wolf Road is proposed to help alleviate future potential flooding. During the rainstorms in July, the force main at pump station ruptured and repair was needed. Cost of the repair was \$17,400 and it is proposed to pay this from this fund.

Service/Safety Director Thomas stated that after the most recent water events in the City, they started pinning problem areas. They also started looking at areas of the City that the crews cannot clean out because of depth and need of professional equipment. Director Thomas displayed a map and explained that one area that was a problem after this most recent storm was the Wolf Road Interceptor. It drops 26 feet by the creek and runs over to the Long Beach Pump Station. There was 80 to 90% blockage in some of these street areas which tells us we have to clean these areas. The next problem area is the Huntington Pump Station, which has not been cleaned and is a 21 to 24 feet depth. These are sanitary sewers and after seeing these problem areas, he noted that they have to be addressed.

Mr. Tadych asked, by pushing sanitary flow from the west side to the east side of the City, will the sewers on the east side of the City be prepared to accept that additional flow without any backup to the residents on the east side of the City. Mr. Thomas stated that the flow goes to the Longbeach Pump Station and then goes down the main interceptor line. Mr. Tadych asked if that line is large enough to handle additional sanitary flow which must be received at the other end before it leaves the City. That could cause more problems at the other end of the City. Mr. Clark noted that this feeds into the Lake Road Interceptor.

Mr. Thomas stated that he believes the capacity is good. Another issue is clear water going into the system, which is why the study is being done now at the Bruce/Russell/Douglas area. Mr. Tadych stated that the inflow and infiltration doesn't enter into this picture as far as what backs up. It only increases the amount of water. Mr. Thomas stated inflow and infiltrations takes out the actual volume of the pipe itself. Mr. Tadych stated it reduces it, yes, but we are not talking about reducing at this point. Mr. Thomas agreed that we are talking about adding water into the sanitary system, but he believes the interceptor can handle that.

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Mr. Clark asked if these areas have been inspected by the sewer camera for blockage. Mr. Thomas stated that they have not been inspected by the camera as yet. The area is next on the list.

Mr. Tadych asked if the clean-out is under roads or on the sides of roads. Mr. Thomas stated it is under the roads.

Mr. Henderson stated that the area near Saddler and Wolf where water was not going down into the storm sewer line, as reported by a resident on Bradley, will be addressed by this work. Mr. Thomas stated that this will not alleviate the problem. The City will have to look at cleaning the storm system to make sure it is running effectively, and that will be done in conjunction with this project.

Mr. Clark asked if this work will impair any of the mill and overlay that would have ordinarily been done at that time. Mr. Thomas stated that it will not affect that work.

Mr. Tadych asked if CT Consultants has reviewed this project. Mr. Thomas stated that he spoke with Mr. Greytak of CT Consultants about it and he recommended cleaning the system.

Mr. Clark noted that none of us have known the history of cleaning out the storm and sanitary systems. He has asked that as we develop a plan over the next three to five years of how that will be done it allows us to be able to answer to residents. He noted the two large sandstone boulders that were found in the Lake Road Interceptor years ago that was causing a backwash effect.

Mr. Henderson asked if this just deals with sanitary back-ups into homes, rather than storm water back-ups. Mr. Thomas stated that this is correct. Mr. Tadych asked how many of those homes have sanitary sewer back-ups, rather than just water. Mr. Thomas stated that they are still developing those answers. They are in the process of contacting homeowners, using a couple of the Finance Department employees to follow-up in addition to Service Department employees following-up. They have pinned down the areas in the entire City on a map. The map tells an actual story of what is going on. As they review that further, they will start dissecting, working them out, and putting them together with a final program. This is part, but not all, of the calls. Each section must be looked at thoroughly to see what is going on. Mr. Clark suggested that this be a topic of a future town hall meeting to set the record straight with residents as to where we have been, where we are now, and where we will be going forward. The map is at the Service Garage and Mr. Thomas will have it brought here for Council's review.

Mrs. Mahoney asked if the storm sewers can be cleaned out. Mr. Thomas stated that it is vital to keep the crews working through the storm lines, and part of it is to check with the engineer to see if we add more water to the storm system, can the system hold the water. They will continue looking at that issue.

Mr. Clark noted the importance of the initiative in addressing corrective sewer action. Mr. Tadych commented that he would rather see money being set aside to alleviate the sewer problems, than set aside dollars for additional road work.

Mr. Clark asked if it would be possible to televise the storm sewer as it is being cleaned. Mr. Thomas stated that the camera equipment the City has is meant for the small sewer pipes and not the larger, deeper storm flow system.

Mr. Tadych stated that flow meters were placed for a period of six months on sewers in specific locations in the City in the past. Much was learned from this effort. He asked if there are any intentions of doing any of this flow metering as part of this corrective work. Mr. Thomas stated that there is no intention of doing flow metering at this time. Mr. Tadych noted that you need to know the flow before and after. You will not know what the flow is after the corrections, unless flow meters are put in now. Mr. Thomas stated that in cleaning the sewers they will know by the amount of residue that comes out of the sewer, and it will increase the flow. Mr. Tadych stated that the flow will not be increased if there are other blockages ahead that haven't been touched.

Mr. Clark stated that it would be fair to say that if we want to expedite the cleaning of these sewers we have support by way of the manpower to do so. Mr. Tadych stated that he will call a meeting of the Public Improvements, Streets, Sewers and Drainage Committee to discuss this further. It is important for the Public Improvements Committee to see what the start of the work is so they can see what the finish might be.

The Force Main repair occurred at the Longbeach Pump Station. Estimates were received between \$28,500 up to \$70,000. The repair had to be made and reported to the Environmental Protection Agency due to the impact on the creek. The contract was entered into with the best bid and repairs were made in less than 24 hours. The final price came in at \$17,400.

Crack Seal

Request to appropriate \$19,100 for crack sealing on Osborn and Cahoon Road. Mr. Thomas stated that the area must be crack sealed in order to maintain the expected twenty-year life of the repair of the road. He noted that crack sealing must be done yearly throughout the City.

Mr. Tadych asked why we are crack sealing roads that were just paved last year, and not crack sealing roads that have not been paved recently. Mr. Thomas stated that it is important to address the cracks that occur after the recent paving to maintain the life of the project. The Service Department is putting together a program for crack sealing all of our roads. He noted that crack sealing is a main part of road maintenance and must be done every year.

Mr. Clark noted that the Osborn overlay project was a two-inch overlay. He asked if the cracks have been caused by weather. Mr. Thomas stated that it was caused by the winter weather, and in the northern states when the weather is cold the pavement separates. If you don't seal it, the condition worsens each year. Mr. Thomas wants that recent project to be maintained for the expected life of the repaving. Crack sealing has also been done on the newly repaved portion of Lake Road.

Mr. Clark asked when Council can expect to see a five-year crack sealing program. Mr. Thomas stated that they are working on that right now and it will be part of the 2016 Budget.

Administrative Compensation Ordinance

Mrs. Mahoney related that the General Foreman of the Service Department will retire in October of this year. Mr. Thomas stated that in looking at the salaries, they have proposed a reorganization of the department. Instead of the supervisor being called a General Foreman, he will be called a Public Works Supervisor. There will be a Public Works Supervisor of Operations, which is currently filled. Duties to be added to the position will be the Building and Traffic (sign shop) under this category. Mr. Thomas noted that one person should not be supervising 34 employees. He is reducing that from the current position of \$73,500 to the starting pay of \$70,000. Supervisors do not get paid to be on call. When something happens in the City, the on-call supervisor must respond. This on-call duty will be rotated monthly between the three supervisors. The Sewer Maintenance Supervisor will be added on to that rotation, resulting with three on call. His salary will be increased annually by \$2,000, taking the money from the reduction of the General Foreman position.

Mrs. Mahoney commented that a range of pay is being proposed, with the thought to eventually go to a merit raise situation. The Human Resource employee has been asked to work with the Service Department Supervisors on an evaluation process.

Mrs. Mahoney explained that the reorganization will be a Public Works Supervisor of Operations, and a Public Works Supervisor. Mr. Henderson noted that it would make sense to have two separate lines in the compensation ordinance for those two categories.

There is no increase in cost in the reorganization process due to the elimination of the General Foreman position, and the creation of the Public Works Supervisor at a lower rate of pay. The position will be filled internally. The administrative compensation ordinance will be discussed further in Executive Session on August 3, 2015, and placed on first reading after Council recess.

June, 2015 Financial Reports

Mrs. Mahoney reported that Municipal Income Tax receipts should be the same at the end of 2015 as they were in 2014. Through July, we are probably at minus one percent as compared to the same time last year. Mr. Henderson noted that it was estimated, when doing the budget last year that Municipal Income Tax receipts would increase by 2 or 3%. He asked if this is causing any strain on the financial situation of the City this year. Mrs. Mahoney stated that she keeps a close eye on expenses with department heads. Mr. Clark noted that this is offset by what has been saved along the expense side.

Health Care expenses have increased this year, but Mrs. Mahoney feels that the costs have stabilized at this point in time. Mr. Clark noted that the contract with Medical Mutual expires in February and options are to be explored. This will come into bargaining discussions as well. Mrs. Mahoney noted that she has received input from others during discussions that being self-insured, as the City is currently, is the best option. Mr. Henderson stated that there is a lot of movement now on health plans and innovations encouraging people to maintain their health and wellness. Studies indicate that this works quite well in reducing health care expenditures, and

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bears financial rewards for municipalities. Mr. Henderson will be looking forward to hearing updates about conversations with providers about using innovative techniques to reduce medical expenditures.

Mr. Clark noted that MetroHealth has a plan that could possibly be added as part of the City's platform as a complimentary item. Mrs. Mahoney stated that they have spoken with the MetroHealth representative. MetroHealth has just opened a facility at Crocker Park.

Mr. Tadych reviewed the interest on investments with Mrs. Mahoney. Mrs. Mahoney captured a 1.7% interest rate on \$500,000 in July, one-half point higher, for a three-year term. Another \$500,000 reinvestment is due in August. Mrs. Mahoney is adding additional funds to investments, recently receiving a 1.2% rate on a CD.

Mr. Tadych asked if the sidewalk plan is completed. Mr. Thomas stated that it is scheduled for September. Part of Ward 4 will be done this year (250 blocks), and additional work in Ward 4 will be reviewed for 2016.

The Local Government Fund is tracking what was budgeted for 2015. It is unknown if that will change with the new state budget.

Mr. Clark noted that all of the permit sections for the SAFEbuilt Building Department are broken down. The gross amount is shown in the receipts section, and the 85% to SAFEbuilt is shown on the expense side of the report. Mrs. Mahoney noted that SAFEbuilt will soon reach the \$1 million threshold of their receipts, incorporating all of the municipalities they serve, which, by contract with the City, will result in a 5% increase to the City's portion of the permit fees. SAFEbuilt, Inc. must inform the City when the threshold is reached, and the increase would be effective immediately thereafter.

Mr. Clark asked Mrs. Mahoney to indicate on the financial reports the areas that are subject to the 85% that SAFEbuilt retains (7 items).

Ambulance Reimbursements have not reached the total amount anticipated due to a stagnation in terms of collections, fundamentally based on Medicare reimbursements. There may be an increase when the terms are corrected between the reporting agency and the collection agency. Mr. Clark noted that deductibles impact receipts in the first part of the year; the second half should show an increase in collections.

Mr. Clark asked if there is an update on the composting agreement with the City of Westlake. Mr. Thomas stated that the regional contract states that all fees collected from the selling of mulch, or any other items that come from the compost facility, are to go back to Westlake. Westlake has never asked for it, but they will now be asking for those receipts to share the cost of running the facility. Last year the City of Bay Village revenue was \$21,000. In the future there will be no revenue for Bay Village, however, it will not be required to pay back revenue from previous years. The contract with Westlake expired in 2011.

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Mr. Clark noted that the City of Bay Village has already funded our share of the new composter. Westlake has been asked to move forward with the purchase, with an agreement to be approved by Bay Village City Council.

Bids for the City Hall Parking Lot Project have come in lower than the expected \$240,000, at \$184,407.50. Only one bid was received, Licursi Company, who was the contractor for the Bay Village Tennis Courts, the Lakewood Green Project Parking Lot, and a number of other cities where they have done acceptable work. CT Consultants feels strongly that they will do a good job for Bay Village. The grant funding of \$120,000 is fully applicable to the project. Bay Village will save \$55,000, minus consulting fees of approximately \$22,000. Mr. Clark asked to provide these numbers to Council when the bid is reviewed.

Mr. Tadych asked how much Licursi Company did to correct the flaws in the tennis court project they did in in Bay Village. Mr. Thomas stated that the company did what was asked by the City, but the problem was not Licursi's. The problem was that the person overseeing the project did not come back to Council to talk about the issues. The city employee did not come back to Council to ask for money to correct the base. Since that was not done, the project did not come back the way it should have. The company wanted it done correctly, but they were told to move forward. Therefore, the fault lies with the City, not on the contractor.

Mr. Tadych stated that the company should have said the base was not correct. Mr. Thomas stated that they have it documented that they absolutely did report that. The city employee said to do it anyway. The company did what they should have done, based on the contract, and the city employee told them to go forward. Mr. Tadych asked to see the email documenting this conversation. Mr. Tadych stated he will need to see the email before voting yes for the City Hall Parking Lot Project.

The Fire Department staff is at full complement. Further retirements are not expected in the near future.

Civilian Dispatch is still in the hands of the Civil Service Commission, who is waiting for information from Law Director Ebert.

There being no further discussion, the meeting adjourned at 8:25 a.m.

Dwight Clark, Chairman

Joan T. Kemper, Secretary