

FINANCE COMMITTEE MEETING
held November 9, 2015
6:30 p.m. Conference Room

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

Also Present: Finance Director Mahoney, Mayor Sutherland, Director of Public Service/Safety Scott Thomas, Councilman-elect Marty Mace, Police Chief Spaetzel, Fire Chief Lyons, Director of Operations Landers, Councilwoman Lieske, President of Council Koomar

Audience: Richard Fink

Mr. Clark opened the meeting at 6:30 p.m. Mr. Clark thanked everyone for their attendance. This evening's meeting is dedicated to the first review of the proposed Capital Budget of the City of Bay Village for the year 2016.

Finance Director Mahoney has put together a template showing by year, by area, by department, how the capital expenditures are planning to be funded.

Mrs. Mahoney suggested \$1.3 million in new debt for 2016 to fund the capital projects. This would bring the payoff of debt in 2017 to \$3,383,400. Mrs. Mahoney stated that this amount is just about covered by the property tax proceeds. If any more than that is borrowed, it would require going into the fund balances or issue additional to pay down the debt in 2017. Mrs. Mahoney explained that because interest rates have been so low, the City has been rolling over debt each year.

Mr. Clark stated that when the pumper truck was purchased in 2012 ten years was allotted for the payback. The only other long-term debt for twenty or thirty years is the Ohio Public Works Commission financing for the Cahoon aerial sewer and the Cahoon Road sanitary sewer improvements.

Mrs. Mahoney noted that if the City debted out everything that is requested for 2016 it would be \$3.2 in new debt. All that Mrs. Mahoney can show is \$1.3 million for new debt in 2017 without going into the City's fund balance resources. Mr. Clark noted that 2016 will be a challenging year for capital funding.

Mr. Clark noted that many of the required principal payments for existing long-term debt are coming up for payment in less than three weeks. Interest payment on debt is coming due on December 1, 2015. Increases have accumulated in the Bond Retirement Fund which will provide for those payments.

Information Technology

In 2016 \$33,800 will be set aside for computers, software for the Dwyer Memorial Center to keep track of their programs, and touch-screen terminals for the pool concession area.

Mr. Tadych asked if there are anticipated needs for the new gasoline dispensing computerized system. Mr. Thomas stated that everything is running fine and there are no additional expenditures required.

Mrs. Mahoney discussed the new telephone system for the City. Recently Mrs. Mahoney contracted with a consultant who was referred by the City of Westlake. The amount of money to be saved through his consulting services is expected to be offset by the amount of savings he will acquire for the City through his expertise. Although the system was funded three years ago with debt and the IRS debt requirement is that the contract be completed by December 31 of 2015, that will not be the case. Mrs. Mahoney is checking with the bond attorney to see if an extension can be granted. Mr. Clark noted that penalties apply if the three year deadline is not met.

The new system will be compatible with the newly installed fiber optic line. Director Thomas stated that the line is working well and there are no complications.

Community Services

New windows are requested for the Dwyer Memorial Center. Engineering for a new kitchen has also been requested. Director Thomas explained that the kitchen for the Dwyer Center is considered a commercial area, open to the public, and engineering and an architectural design is required for ventilation and upgrades. The Mayor added that the engineering is also needed to apply for grants. The number of people to be served will be part of the information being prepared by Director Selig. There are no plans to prepare Meals-on-Wheels in the Dwyer kitchen.

Fire Department

The Fire Department's largest request is the new ladder truck. Chief Lyons has stated that sharing of the ladder truck will not work well. Mayor Sutherland will speak further with Mayor Clough.

Mr. Clark noted that last year a new ambulance was scheduled for 2016, and the purchase of a ladder truck would be in 2017. Fire Chief Lyons stated that for the second year in a row the ladder truck has failed its annual certification testing due to an excessive amount of rust build-up. Certification is done by third-party vendors and is a standard, nationwide certification.

Mr. Henderson stated that the documents relative to proposed regionalization of fire departments mention that four fire ladder trucks would serve the entire region for the study done in 2010. Mr. Henderson stated that he believes Chief Lyons is now in a leadership role on the next phase of that study.

Fire Chief Lyons stated that the plan has changed considerably. There has been a paradigm shift from the original idea of merging seven or eight fire departments to looking at the ways the four departments, Rocky River, Fairview Park, Westlake and Bay Village can do more of functional cooperative initiatives. Working together, but maintaining separate departments. The cost avoidance that folks were hoping might materialize from a merger of departments may not actually be there. In terms of the original study, there were a lot of details that were incompetent in reducing the number of ladder trucks, primary among which would have been changing our approach to staffing from a jump staffing level to a firefighter assigned to a single piece of apparatus and he would man that apparatus for an entire shift. To reduce the number of ladder trucks for an entire region you would need that staffing model.

Mr. Koomar stated that Chief Lyons has reported that mutual aid is working fine. Why couldn't we rely on a ladder truck assistance from another community with those agreements? Chief Lyons stated that if we were relying on another community, such as Westlake, for a ladder truck it would put Bay Village in a difficult situation due to the number of ambulance calls Westlake is running per year. More often than not, their station doesn't have anyone in it to send a ladder truck. Mr. Koomar noted that there are four options including Avon Lake, Fairview Park, Rocky River, and Westlake.

Mr. Clark stated that there will be further discussion on this topic in the future. Mr. Henderson asked how often the ladder truck is used. Chief Lyons stated that it is used between 400 and 500 times per year in response calls.

Police Department

The CAD RMS system is a continuation for 2015. Forensic analysis computer hardware/software and a new fingerprinting system is requested. Two new vehicles are also requested.

Police Chief Spaetzle stated that in 2015 the department requested two vehicles and received one vehicle. They do not want to get into a situation where they would fall behind. Previously the department was allowed three new vehicles one year, and two the next year. They have one car that will be turned over to the City for other uses. That car has approximately 93,000 miles. Another car that has over 100,000 miles will be sent out for auction. Two vehicles are requested in 2016. Mr. Koomar agreed that two new vehicles are needed. Chief Spaetzle stated that the same SUV Interceptors are requested.

Mrs. Mahoney noted that the fleet manager has stated that idling time doubles the mileage on a vehicle. Idling time results in 30 miles per hour of idling.

Chief Spaetzle explained the new fingerprinting system that is requested for purchase, noting that it will significantly reduce paperwork. The forensic analysis computer system now used is outdated. New desktop and mobile forensic software will allow the ability to analyze tablets and smart phones during investigations. These new systems will bring the department up-to-date with today's technology.

Mrs. Mahoney will add a column to cover year 2020 in the five-year plan for departments.

Service Department

Service Director Thomas stated that they try to budget at \$60.00 per linear foot, or 12,000 feet per year, a total of \$720,000 per year for road improvements. To include the crack sealing program would total about \$750,000 per year for road improvements. A 20-year replacement program is used as the basis for the yearly costs. City streets total 42.5 miles, as compared to a total of 60 miles of roads inside the City of Bay Village. The 17.5 miles of other roads are a combination of county and state roads.

Mr. Clark noted that in the past the City has had a 15-year replacement program. Did that include county and state roads? Mr. Thomas stated it did not include county and state roads.

Mr. Koomar asked if it is a realistic program based on the weather we have been experiencing. Mr. Thomas stated that it is realistic if a crack-seal program is maintained.

Mr. Thomas distributed information to Council a 5-year Capital Roads Program with the linear feet measurement of each road, and a 5-year linear program for all of the streets. Mr. Thomas will provide Mr. Koomar information as to the number of linear feet of county roads. Mr. Koomar asked what the worst case scenario of the City maintaining the county roads. Mayor Sutherland stated that it is probably best not to rely on their financial help. Ohio Department of Transportation is in a similar situation due to the reduction of revenue in gasoline tax due to energy efficient vehicles and people not driving as much. Mrs. Mahoney has planned for \$25,000 in maintenance reimbursement in 2016 from the county.

Mr. Thomas will provide Mr. Clark information concerning the crack-sealing program planned for 2016.

The underside of Queenswood Bridge scored very low with the state and county. Traffic has been closed off for the Fire Department and 5-ton trucks to exercise caution. Replacement cost of the bridge is in excess of \$600,000. A bridge rehab would be \$130,000. The other alternative is to completely close the bridge to vehicular traffic. It is felt that the rehab of \$130,000 is something that can be managed to bring the bridge back to a safe condition. Most of the deterioration is in the water area rather than up above. The work will commence upon budget approval.

Osborn House painting and Community House painting are included in the capital requests. The Gazebo will be painted and the railing repaired.

There are deteriorations within the fire station that need to be addressed. The amount of \$150,000 has been requested. An architect will be asked to review the situation as a starting point. Mr. Clark noted that it appears that this is a multi-year expense of \$320,000 through 2018.

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Mr. Tadych asked if the number that is indicated for the Sunset area sewer improvement is the shared number or the total cost. Mayor Sutherland stated it is going to be the total cost. Mrs. Mahoney stated that she has listed it as \$2.1 million. Mayor Sutherland stated that plans have been completed up to about 80%. There was an issue at Sunset about the width of the right-of-way. It is unknown at this point if the road is encroaching on the park or the park is encroaching on the road. The decision is in the hand of the Sunset neighbors as to whether they want an 18.5 ft. roadway or a 16.5 foot roadway. Their decision will affect the right-of-way acquisition which is needed to complete the estimates.

Mayor Sutherland noted that the improvement is being planned with 100-year storms because the new outfall at Rockledge is a 100-year outfall to accommodate all of the water in the area. The differential in the pipe size will not make that much difference.

CT Consultants will make a presentation to Council when the final estimate is prepared. Council will then start the discussion about how much the City will absorb and how much will be absorbed by residents' assessments.

The Ashton Lane Bridge has passed inspection.

Mr. Koomar noted that some cities have a machine that heats up overnight and can be used in the winter time for crack sealing. Mr. Thomas stated that the Ohio Department of Transportation will use that equipment when the weather is 45 degrees or higher. There are machines that will break down the asphalt. Mayor Sutherland expressed concern about heating equipment overnight in the Service Garage when no one is there.

Lighting replacement for the Police Department Garage and Kiddie Kollege with LED lighting will amount to \$14,800. This will reduce electricity costs.

Mayor Sutherland stated that energy costs for all buildings have been analyzed. LED lighting in general is less than a two-year payback.

The storing of topsoil has been investigated by the Service Department and it is recommended to use a cover called Clearspan which will cover a 35 feet x 45 feet area adjacent to the salt area at the City Garage. This will allow the City to use a filtering process and keep the soil from digs and water breaks. The amount for Clearspan is \$15,000.

The Community House rehab is a fully integrated project ranging from architectural engineering to foundation. Mr. Thomas stated that it has been put on hold at this time due to the cost. The Fire Detection system has been installed and the building will be painted.

Floors for Bay Lodge and Kiddie Kollege are included in the 2016 Capital Budget. Mr. Koomar asked if the plans for the new floor and lighting at Kiddie Kollege will affect the rent payment. Do we have license to increase rent? Mayor Sutherland stated that this should be reviewed when the lease is up.

Sewer Improvements and Engineering

Service/Safety Director Thomas has created a five-year plan for the sewer system. In 2016, some of the problem areas to be addressed are engineering for Lake and Bradley Road sanitary line area (\$20,000), and Clague and Lake Roads where the intersection needs to be reviewed for problems. The Huntington/Long Beach lift station needs electrical improvements for monitoring. This would allow immediate notification to the Service Department if a problem should occur at the lift station, a much-needed improvement over the present alarm system. Mayor Sutherland noted that if the lift stations go down the entire west side of Bay Village would have sewage in their basements.

The amount of \$250,000 is requested for equipment recommended by the engineer for both the storm and sanitary systems to allow the City to know how the sewer system is functioning and pinpoint problem areas. It includes actual computer data and will address flooding and how those options will affect other portions of the system. The City of Mentor is installing the same system.

Mr. Koomar asked if a citywide plan of all the pipes and diameters will be received. Mr. Thomas stated that they will get all the information needed to better design the system. It is in an electronic format for both storm and sanitary sewers.

Mayor Sutherland stated that they would be happy to bring in CT Consultants to explain this proposal.

Mr. Henderson asked the useful life of this proposed improvement. Would updated projects actually be added to the model once completed? Mr. Thomas will check with CT Consultants.

Bruce/Russell/Douglas area - It has been found that the storm lines are undersized for the amount of water going into the system. To upgrade the storm sewers would be a projected cost of \$3 million. Engineering for the project is approximately \$300,000. The engineering is complete for a comprehensive model. This would include Wischmeyer Creek, and making sure EPA requirements are met. Mr. Koomar asked if this is a duplication of the comprehensive, celebrated sewer system model. Mr. Thomas stated that they have already done this ahead of time, so it would be included. He would suspect that the cost would be a little less than the estimate.

Mr. Clark asked if the desire is to use CT Consultants for the design and engineering for all of these projects. Mr. Thomas stated that he believes that CT has the best understanding of our system. Mr. Tadych stated he is very concerned about overload for CT Consultants.

Mr. Koomar asked if the Bradley – Lake Sewer Improvement, and Clague and Lake Sewer System blend into this comprehensive, celebrated sewer system study. Could they start there and get that information to us first? Mr. Thomas stated that those are problem areas of which we are already aware.

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Vehicles for the Service Department – Mr. Thomas has moved the aerial bucket truck purchase to 2017. Requested for 2016 is replacement of six vehicles, one tractor, and one trailer. The composter to be purchased with Westlake will be brought to the Committee of the Whole very soon. Fleet Manager White has been meeting with the City of Westlake. The \$230,000 for the Bay Village share of the composter was in the Capital Budget for 2015.

Mrs. Mahoney stated that she has budgeted a \$250,000 transfer in 2016 from the General Fund to further fund the Street Maintenance Program. It is estimated that we will receive \$25,000 from the county for street maintenance assistance.

Mr. Clark closed the discussion for the evening, noting that \$1.7 million of additional funds are needed to meet the estimate of requests of the administration for capital expenditures for 2016, and \$1.3 million will be available through additional debt funding. The Finance Committee must continue to prioritize and reduce the amount requested.

The sewer fee for capital improvements will continue to be under consideration with the Committee seeking further knowledge of design and construction costs for support from Council. Mayor Sutherland stated that the administration is gathering that information.

At the request of the Finance Committee, Mrs. Mahoney will begin preparations of a Temporary Appropriation Ordinance for 2016.

Mr. Clark thanked everyone for their time and effort in the Capital Budget preparations.

There being no further discussion, the meeting adjourned at 7:37 p.m. The next meeting will be held on Monday, November 16, 2015 at 6:30 p.m.

Dwight Clark, Chairman

Joan T. Kemper, Secretary