

FINANCE COMMITTEE MEETING
held January 20, 2016
6:00 p.m. Conference Room

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

Also Present: Finance Director Mahoney, President of Council Koomar, Councilwoman Lieske, Councilman Mace, Director of Public Safety/Service Thomas

Audience: Russell Thompson

Mr. Clark opened the meeting at 6:00 p.m. Mr. Clark thanked everyone for their attendance at this second Finance Committee meeting of the year 2016.

City Administration's Summary of 2015 Financial Performance

Finance Director Renee Mahoney reviewed the memorandum she submitted to the Mayor and Members of Council dated January 20, 2016 (Exhibit A attached), as copied below:

“2015 General Fund Revenues: \$11,586,112 – an increase of \$453,122 from 2014. The main source of this increase was in Municipal Income Tax (up 7.5%). The other main source of the City’s income is in Property Tax of which the collections were flat from 2014 to 2015. Ambulance fees (up 1.4%) and Cable TV fees (up 2.5%) also showed increases due to the increased collection amounts in both those areas. The City also collected a small amount of Estate Tax (\$18,365) which probably will be the last the City will receive. The General Fund Unencumbered Balance ended up 11.4% higher than in 2014 (\$1,018,951 year end 2014; \$1,136,105 year end 2015). Due to this healthy year-end balance we were able to transfer money to the General Reserve Fund in the amount of \$500,000 to help fund expenditures for future unplanned emergencies. The suggested amount of General Fund reserves is approximately 2 months of expenditures. The City spends approximately \$1 million per month and so the goal would be to have about \$2 million in the Reserve Fund. After the transfer in 2015 the balance is \$888,929; hopefully the positive trend will continue in order the City may increase that balance to accepted levels.”

Mr. Tadych asked if the Estate Tax is a payment, or can the City expect more. Mrs. Mahoney stated that she is assuming this is a reconciliation of a previous settlement.

“2015 General Fund Expenses: \$11,466,798. These expenditures are up approximately 1.6% from 2014 to 2015. The lack of snow in late 2015 along with decreases in overtime costs throughout the year helped Service to show a decrease of about 5%. Fire showed a decrease of about 11% which can be attributed to redistribution of wages from Fire to the EPU fund along

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with a younger work force. Police was up about 10% over 2014 which can be attributed to a few factors in 2015. The Police department had a few officers out this past year which required more overtime and part time to cover the shortened shifts. Also, 2 replacement officers were hired in August of 2014 and therefore 2015 saw the full year impact of these hires. The Finance Department also showed an increase of about 9% which is the effect of hiring a part time Human Resources Manager.”

“Fund 240 – Equipment Replacement: The main purchase in 2015 was the Sewer Video Inspection Truck with a net cost of \$222,307. The Fire Department worked with the City’s new Human Resources Manager to obtain a Bureau of Workers Compensation grant in the amount of \$40,000 to purchase new cot loading systems for the City’s ambulances.”

Mr. Tadych confirmed that the cost of the Sewer Video Inspection Truck included all of the equipment for operation of the system. Mrs. Mahoney stated that the equipment is included in the net cost of \$222,307, with credit for trade-in of \$50,000.

“Fund 490 – Public Improvements: The City received a \$120,000 SWIF grant to improve the City Hall parking lot and to make it more “eco-friendly”. Construction will be complete in the spring of 2016.

Fund 494 – Infrastructure Improvements: Expenses included clean out of the sewer on Wolf Road, repairs to the Long Beach Pump Station and additional paving of Wolf Road in front of the High School.

Fund 495 – Building Improvements: Bay Lodge was upgraded and remodeled at a cost of about \$25,000 and the Clock Tower at City Hall was fixed, thanks to generous donations at a cost of about \$14,000.

Fund 520 – Pool: The pool continues to operate at a slight “profit”. The fund balance from prior years was used to complete the restoration of the water slide at a cost of about \$70,000.”

Mr. Henderson commented that there is debt service for the aquatic center, and he does not perceive the pool as operating as a profit. When you take the pool operations and the debt service together there is not enough operating revenue from the sale of passes, etc., to cover the cost of running the pool.

“Fund 580 – Sewer: Capital costs were incurred for Douglas/Russell/Lake Source Control, Huntington Long Beach, Walmar Road and Sunset engineering. The main expenditure in this fund is the cost paid to the Rocky River Waste Water Treatment Plant, which were \$1,108,622 in 2015.”

Mr. Tadych asked if it is expected that the cost paid to the Rocky River Waste Water Treatment Plant will be similar in 2016. Mrs. Mahoney responded affirmatively.

“Fund 600 – Health Insurance: Insurance costs were almost 32% higher from 2014 to 2015. Most of these increased costs were because of some high claim cases but “taxes” from the

Affordable Care Act also contributed to the cost increase. The City put forth a strong effort at the end of 2015 to combat those costs that the City can control going forward. This includes changing to a different third party administrator which will reduce the administrative costs and implementing a directed wellness program to improve employees' health."

Mr. Henderson stated that it is common to have a participatory wellness program early on, and then after a few years of experience move into a health contingent wellness program with awards for achieving goals.

“Fund 601 – General Insurance: The City went out for bid for the general insurance coverage of the City and realized a significant savings of almost \$50,000 over the prior year.

Fund 602 – Workers Compensation: The effects of hiring a Human Resource Manager are reflected in the savings in 2015 on Worker’s Compensation. By better managing injured workers the employees are back to work quicker and have greater follow up to ensure they are receiving what they need to return to work sooner. The claims cost saved are also reflected in this conscientious effort. The City realized a savings of about \$38,000 from 2014 to 2015. The same savings is expected from 2015 to 2016.

Looking Forward

Acquiring funds to improve the City’s aging sewer infrastructure and to work on reducing the flow of water to the Rocky River Waste Water Treatment Plant should be a main focus in 2016. Capital expenses continue to be the challenge for the City which includes replacing aging equipment and vehicles and maintaining the City’s streets along with the sewer infrastructure.”

Mr. Tadych stated that he and Mr. Thomas had discussed the idea of relining sewers, possibly some this year. Mr. Tadych asked if this is anticipated in the budget for 2016. Mr. Thomas stated that once areas are identified they will find areas of cracks and inflow and infiltration which would best be suited for the option of relining for another 15 to 20 years of life. Mr. Tadych confirmed with Mr. Thomas that the relining will stop the infiltration and keep pipes cleaner.

Mr. Clark asked how much linear feet capacity there is with the present crew for evaluating the sewer lines. Mr. Thomas stated that the crews have started on the east side and will move west through the city, inspecting not only the main lines but the lateral lines. It will take time, but it is the goal to get that accomplished. The relining process will be subcontracted.

Review of Year-End Financial Statements

The Committee proceeded to review the 2015 year-end financial statements. Mr. Clark noted that Municipal Income Tax receipts were at an all-time high of \$6.5 million. Ninety-eight percent of those receipts are allotted to the General Fund, and two percent to the Accrued Benefits Fund. Mrs. Mahoney noted a refund of \$50,000 at the end of the year which will adversely affect the January, 2016 report.

Health Care has had the second highest claims history in six-plus years. The City’s contract covers

approximately 260 lives. Approximately \$20,000 are being held in payments to Medical Mutual, which is not reflected in the most current report.

An advance was made to **Fund 270**, Street Construction, Maintenance and Repair Fund to bring the fund to a positive balance. Further discussion will be held regarding this advance to reconcile these expenses. **Mrs. Mahoney will provide more information concerning the (\$17,587) encumbrance on this account.**

Mrs. Mahoney will also provide further information on the encumbrances shown in Senior Programs. (Fund 290)

Mr. Henderson asked how encumbrances are treated rolling from year 2015 to year 2016. Mrs. Mahoney stated that the encumbrances rolls across in the encumbrance column, but does not show up in the expense column because the encumbrances are not impacting the 2016 budget.

Bond Retirement Fund is actually \$4.7 million rather than the \$4,069,182.48 shown on the report. Mrs. Mahoney will make that revision in Fund 340, General Bond Retirement.

General Fund Revenue

The Committee reviewed the line items in General Fund Revenue and Mr. Clark noted that many of the items are above budget. The sale of mulch will no longer occur in 2016. Bay Village has fared well in the Local Government Fund revenue. Mr. Tadych asked about Interest on Investments. Mrs. Mahoney stated that at the end of the year interest is allocated according to Codified Ordinance 171.02, Allocation of Interest Income on Treasury Investment. A copy of the code will be provided to the Committee, and is incorporated herein.

171.02 ALLOCATION OF INTEREST INCOME ON TREASURY INVESTMENT.

Interest income on the various Treasury Investments of the City shall be allocated by the Director of Finance in the following manner:

- (a) Interest on General Revenue Sharing shall be credited to the Federal General Revenue Sharing Trust Fund;
- (b) Interest on specific instruments held by the Bond Retirement Fund-Special shall be credited to that Fund;
- (c) Interest on specific instruments held by the Bond Retirement Fund-General shall be credited to that Fund;
- (d) Whenever a Fund contains the proceeds of borrowed money, the recipient Fund shall be credited with the interest earned on the cash balance in that Fund;
- (e) Interest on the balance in the Accrued Benefits Fund shall be credited to that Fund.
- (f) Subject to the above requirements, interest on the other Funds of the City shall be credited to the General Fund.

(Ord. 86-123. Passed 11-3-86.)

Mrs. Mahoney stated that the 48100 Account will give a picture of all of the investments of the City. Mr. Clark asked if there would be a better way of doing this by budgeting Interest on

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Investments at a lower number. **Mr. Clark stated that after reviewing this ordinance, the Finance Committee will review this further.**

Mrs. Mahoney stated that comments from Directors of specific departments regarding 2015 Financials will be sent to Council in their packets this Friday, January 22, 2016. **Mr. Clark stated that a final year-end account for the revenues taken in from SAFEbuilt, Inc. would also be beneficial for the Finance Committee to receive, to compare what was paid out.** The City should be making at least 15% per the contract.

Account 230.498 – Miscellaneous Donations represents donations for the Fitness Trail equipment.

Athletic programs were self-sustaining in 2015.

Sale of Property - \$70,462. A majority of that amount is the sale of the old camera truck for \$50,000. The rest is miscellaneous sale of property. Most sales were through Gov.deals. The auto auction was the site of the sale of old cars. These are summarized in the Service Department report of the year 2015.

Fund 270 – Sale of Notes – The amount borrowed was short and caused a negative balance in the fund, which precipitated the need for an advance and transfer. Mr. Henderson commented about the encumbrances and how that will affect the account.

Fund 340 – General Bond Retirement – Interest on Investments is shown as \$30,000. Throughout the year the interest is placed in the General Fund and at the end of the year it is distributed to the other funds in accordance with the administrative code 171.02. Mr. Tadych noted that if this were done monthly it would provide a more accurate picture.

Employee contributions for health insurance are indicated at \$136,474, representing 10% employee share of the cost of health insurance for 2015.

Bayway Rental income is from rental to the Kiddie Kollege. The rental obligation to the City is up-to-date. Mr. Tadych asked if there will be maintenance done in the building this year. Mr. Clark stated that this will be discussed in the Capital Expense discussion. LED light replacement and floor replacement are under consideration.

Overall, General Fund revenue was up about \$450,000 over budget.

Expenses – 2015

Finance Equipment Repair for \$13,000- Information is still to be provided to the Committee.

Election expense will be paid in 2016. NOPEC is to pay for the May election in which the gas aggregation was presented to the electorate.

Contract Services - \$119,255. The amount of \$14,000 is for the annual audit. **The amount of \$16,000 is for the survey that was conducted. Mrs. Lieske has recently questioned whether the results have been received.**

Account No. 1100.116 – Architectural and Engineering Fees includes the monthly retainer paid to CT Consultants. (\$2,000 per month in 2015). The amount is increased for 2016 with CT Consultants representative Bob Greytak at City Hall 4 hours per week.

Other Supplies has an encumbrance of \$7,000. This covers the work order program service contract in the amount of \$5,900 annually.

There is the proper balance now between the Emergency Paramedic Unit fund and the Fire Department Fund for the expense of wages of firefighters and paramedics.

Mr. Henderson suggested that when Council receives a revised appropriation ordinance the prior appropriation ordinance be provided in the same packet to see the changes made.

General Fund Expenses are approximately \$360,000 below the revised appropriation.

Recreation and Seasonal Wages – There has been a reverse entry due to the fact that Mrs. Mahoney is doing away with the seasonal wages line. The expenses are being moved to the Part Time category. Mrs. Mahoney stated that there is no difference between part time and seasonal employees. Leaf pick-up employees are included in the 100.321 General Fund line item. The Recreation part time employees in this account includes all part time recreation workers for office help and programs, other than pool workers and life guards.

Mr. Henderson stated that the State of Ohio has created a website where cities and school districts can publish their financials (Opencheckbook.com) for public consumption. Mr. Henderson stated it is a nice website, creating pie charts, graphs over time, etc. The City of Westlake schools, and the City of Lakewood are now on board. It is becoming something more common in our area. Approximately 450 school districts and municipalities have put their data on line, or committed to putting their data on line. Mrs. Mahoney stated that she spoke with the representative and he has not gotten back to her. Mr. Henderson stated that he would be supportive to see the City of Bay Village included in this effort in 2016. Mrs. Mahoney stated that the Bay Village financial system (CMI – Creative Microsystem, Inc.) is antiquated and may not be able to be included. Discussion followed regarding updating the system, with an expected cost of \$100,000. The City of Rocky River also has CMI and Mrs. Mahoney has spoken with their Finance Director about a joint approach to a new system.

Mr. Tadych asked if the training program for a new system is difficult. Mrs. Mahoney stated that she would first train, and then train employees. A new system would incorporate an on-line system rather than a paper system of purchase orders. The same would be true for a payroll/time keeping system. The currently used utility billing system is also time consuming for the Finance Department, and could be improved for efficiencies.

Capital Expenses and Budget for 2016

Exhibit B, dated January 20, 2016, attached, was distributed by Mrs. Mahoney.

The first page of the exhibit is the General Obligation Bonds, Bond Principal and Interest Schedule.

Anticipated revenues will cover anticipated debts, and the second page of the report indicates how much can be taken out in debt based on available resources: \$1,328,166 in 2016. Mr. Clark complimented the report created by Mrs. Mahoney, noting that it shows how much new money can be issued and also tracks what is rolling off on the amortization of debt issued from 2013 through 2016 (roads over 7 years; equipment over 5 years). Mrs. Mahoney stated that about \$200,000 additional could be taken out in debt, over the \$1.3 million.

The next page shows the shortfall of anticipated Capital expenditures and total anticipated debt of \$373,539. The question is whether we want to dip into fund reserves, or defer projects. Mr. Clark noted that all of this is before there is any consideration to any of the sewer infrastructure projects. Mr. Henderson noted that there is a Public Improvements, Streets, Sewers and Drainage Committee meeting scheduled for Monday, January 25, at 6 p.m. with more detail on those projects to be provided.

Information Technology

The amount of \$35,000 is set aside each year for equipment to keep things upgraded in departments.

Recreation Capital

The amount of \$10,000 has been set aside for Play-in-Bay improvements.

Community Services

Dwyer Windows will receive an amount of \$10,000 for replacement in 2016. **There is a question about moving forward with engineering for the kitchen project, estimated at \$20,500. The committee is interested in information concerning the possibility of a grant and what the kitchen will be used for in the future.**

Fire Capital

The amount of \$9,500 has been set aside for diesel filtration for the engine room, and \$5,500 has been set aside for exercise equipment for the Police Department/Fire Department gym.

Police Capital

The budget includes replacement of two vehicles and a continuation of the CAD/RMS System from 2015 in the amount of \$14,575. Chief Spaetzle was able to get a \$12,000 grant for the automated

fingerprint system. **It is not shown on the Police Capital budget but Mrs. Mahoney will put it in the expense category for 2016, to help track source of funding.**

Service Department Capital

School Flashers for Normandy School were questioned as to whether this would be eligible for School Board assistance with this item. Director Thomas noted that the City is responsible for the streets. Mr. Tadych suggested asking the School Board, and Mr. Clark suggested looking at the entirety of the system for all the schools.

Targeted areas for the road overlay program have been identified. Ward 1 has been completed. The Queenswood Bridge Improvement project is estimated adequately at \$130,000, per Director Thomas.

The Fire Station Rehab Construction project was discussed. Mr. Thomas submitted drawings, Exhibit C (Bay Village Fire Station, First and Mezzanine Floor Plan- Feasibility Study; Impact Study) attached to explain the long-term plans for the rehabilitation. Certain areas inside the original footprint of the building will be increased for more space. Mr. Henderson noted that there is indicated a jump in square footage from 34.5 to 70 thousand. There is an additional option to increase the footprint of the building. The plans were reviewed at length. Mr. Henderson verified with Mr. Thomas that the \$788,000 option is for the expansion of the footprint. **Mr. Thomas stated that he would provide further information to Mr. Henderson.** Mr. Henderson stated that his general question, once they have an opportunity to look at what Mr. Thomas will provide, is that the Fire Station is 44 years old, so what is the general intent of how long the Fire Station will continue. If we spent \$388,000 rehabbing the station, what would the useful life of the station be expected to be extended by? Mr. Thomas stated that he would expect it to go well past 25 years with the expansion. Mr. Tadych asked if the upgrade can be done over a period of time, rather than over one year. Mr. Thomas stated that he would prefer it to be done that way. **Mr. Thomas will provide a drawing or plan that shows what can be done over that period of time. Mr. Thomas will also invite the architect to one of the Council Finance Committee meetings to answer any questions in regard to the different options.** Construction costs will vary year to year, perhaps significantly.

Mr. Tadych asked if the old railing on the gazebo will be replaced. Mr. Thomas responded affirmatively.

Mr. Clark stated that one of the concerns he has about the improvements to be made to the Bayway Cabin which accommodates the Kiddie Kollege is that to spend \$20,000 (\$6,700 for LED lights; \$13,000 for flooring) at this time there must be a review of the revenue stream from the rental to Kiddie Kollege. Mr. Tadych stated that presently Kiddie Kollege is paying an electric bill that is not the true electrical bill. It is proportioned by the square footage. Mr. Clark noted that the contract for rental expires May of 2017. There is a clause for a lease negotiation in 2017, 2018, and 2019 that needs to be addressed. Otherwise it will be difficult to spend \$20,000 for improvements when there is a for-profit tenant that is benefitting from the rental, without an offsetting increase in the tenant's lease payment. Mr. Thomas has informed Mr. Clark that replacing the floor is not a safety issue for the children, but is more of an aesthetics issue.

Mr. Henderson stated that it makes sense to review this further. He would not be opposed to waiting another year for the improvements. Mr. Tadych expressed agreement.

Service Department Capital

The Bay Lodge floor project (\$13,000) is for the benefit of the community and the project should be completed. A laminate with a wood design is preferred.

The Bay Village Historical Society has mentioned that there are some HVAC issues at some of the historical buildings. Mr. Gertz has been asked to put together a request to Mr. Thomas to accelerate the necessary work and there will be a split with the Historical Society for the cost. The total cost is \$16,000 and the Historical Society will contribute \$8,000. If the cost is more, the Historical Society will be responsible for half of the additional amount as well. Mr. Thomas will obtain additional estimates to see if the cost can be adjusted. Mr. Tadych asked if a State of Ohio Preservation Group might be able to help with funding. Mr. Thomas stated that there is not that type of money out there any longer.

Sewer Improvements and Engineering totaling \$485,000 – The Service Department has prioritized these items with the Lake/Bradley Roads Sewer Modeling. Mr. Thomas explained that the reason for the work is that there is a large storm line that runs down Lake Road. On the sanitary side, they ran the west bound sanitary line south down Bradley Road to Huntington Woods, and then they ran it underneath the storm line. It then runs on an angle back up to Lake Road. One of the problems found when cleaning and looking at the configuration is that there is back-up over there. The area was surcharging a great deal during rain events. They need to take a closer look at how the area can be addressed because there were a number of floods in the Huntington Woods area. Sooner or later it will also impact what is happening on the west end of Lake Road, west of Bradley Road. The modeling cost will be \$20,000 and there will be engineering costs as well, for a total of \$40,000. In order to accomplish this work, they are removing the Clague/Lake Roads modeling as an item for 2016 and holding that to 2017.

Mr. Henderson asked if the type of modeling that will be done at Lake and Bradley is a small version of the type of modeling that will be done for the Comprehensive Calibrated Sewer System Model expected to cost \$500,000. Mr. Thomas responded affirmatively. **Mr. Thomas will provide an update for the Council packets.** He noted there was modeling done for the aerial sewer approximately five years ago to help understand the issue before the work was done.

Mr. Tadych asked if there is a need for this type of modeling in the Bruce/Russell/Douglas area. He was informed that this has been done. Mr. Tadych asked if a stand-alone plan for that area has been identified. Mr. Thomas stated that the model for Bruce/Russell/Douglas shows that the storm sewer is undersized for the area, specifically a two-year storm range. Anything above that will cause street flooding and ultimately back-ups. A 100-year rain event like that which occurred last year overloaded the system. There are three options that will be discussed further on Monday evening at the Public Improvements, Streets, Sewers and Drainage Committee meeting. A five year model will be shown for each option to see the difference in cost and the difference in time frames. This will show the exact proposals to deal with this specific issue, including the flooding of the homes and the sanitary sewer overflow. Ultimately, there will need to be an upgrade to the lift station on

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Glen Park Road. Each one of these options will show how it will be affected and how the sanitary sewer over flow will be addressed, and more importantly to stop residents from being flooded.

Service Department Capital Equipment requests were reviewed. There are large dump trucks that need to be replaced, and many of the replacements listed for 2016 are for units that are at least ten years old. Information will be provided in the Council kits this weekend as to the mileage and hours of use for each vehicle.

Discussion followed concerning expected costs for Sewer Improvements and Engineering. Mr. Clark noted that if there are large expenditures to occur, there may be a need to reprioritize some of the items listed.

Mr. Henderson stated that if there is a planned indebtedness issuance of \$1.3 million this year, and we know that potentially there is an approximate \$3 million expense for sewers in the future, and a \$2.1 million Sunset Neighborhood project on the horizon. He asked the overarching plan for Capital expenditures for those projects. Mr. Clark stated that this is a discussion that can be taken in entirety in a Finance Committee meeting. A sewer Capital charge can be instituted, or the money can be borrowed separately for the \$1.3 million. As we have done with the Ohio Public Works Commission for the Cahoon aerial sewer and some of the other large projects, there is long-term financing at zero percent interest. Part of it will be an assessment to homeowners, which Sunset may well be. There are a whole different level of sources and uses which have to be matched up on a grand scheme for some of these larger projects. We are looking at doing these projects for the first time ever. We did not have the technical assistance before, and the projects were delayed. Now, there is some immediacy. We are also trying to get ahead of the curve on some of this as well. Mr. Clark noted that the Bruce/Russell/Douglas area is the only area that is left that is under Environmental Protection Agency orders. Mr. Henderson stated that the Public Improvements, Streets, Sewers and Drainage Committee will work through the details and the timing that goes with the options to make sure that the problems of residents are being solved, and the EPA matters being addressed. Subsequently, there will be financial discussions.

Mr. Tadych stated that because Bruce/Douglas/Russell Storm Sewer is listed as to be determined under the Service Department Capital heading, and Sunset Neighborhood improvements are also to be determined, what is the procedure for budgeting that? Mrs. Mahoney stated they are not budgeting for that this year; it was included because of the need to find out how much money that is going to be. Mr. Tadych asked if the Sunset Neighborhood improvements will be done this year. Mr. Thomas stated that we are a couple of months away from the easements needed for Sunset Neighborhood. This will push us past the budget timeline of March. To do the Sunset Neighborhood improvements in 2016 will be extremely difficult. Mr. Tadych stated that we promised the people of Sunset that this year would be the year they would see something done, and we are going to say, no, this is not the year. He asked if this is correct. Mr. Thomas stated that the easements have to be taken care of and the people in the Sunset Neighborhood have to agree to the easements before moving forward.

Mr. Clark stated that Council promised to do something by the setting aside of \$136,000 to undertake the Sunset engineering process. He noted there is an assessment process as well as many other moving parts that may not be able to be done before we finish the budget cycle. Just because

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we didn't put it in the budget this year doesn't mean we would not otherwise try to approach it if some of these issues got worked out. In terms of the constraints we have as a City we have to figure out what the administration's preference is and what we have to address first: Bruce/Russell/Douglas or Sunset. Mr. Tadych stated the residents will be upset.

Mr. Thomas stated that he talked to Mr. Greytak today about having the Sunset Neighborhood on the list and also some of the hurdles as Mr. Clark has stated. Mr. Clark stated that the Finance Committee members have not been involved in those discussions.

Mr. Clark noted that in 2015 \$100,000 was transferred from the General Fund to the Street Construction, Maintenance and Repair Fund to fund operations, due to the cost of the street construction work done by the City being about \$200,000 more than the revenues taken in through gasoline taxes and license fees. Mr. Clark noted that he did not want the shortfall of \$373,539 in the 2016 Budget to occur because of projects that grew in size. It is just a way of reallocating the transfer from General Fund to Street Construction Fund of \$250,000 to be sure the revenue and expenses are even on an operating basis. Mrs. Mahoney stated that we are still budgeting that transfer from General Fund for operating expenses, not Capital expenses. Mr. Clark stated that Mr. Henderson's question was: Is that it is a \$175,000 advance from General Fund that we need to rectify; \$75,000 from the corpus in Account 250, and \$100,000 from General Fund? Because the shortfall was Operating and not Capital, we did not want to borrow the money or curtail any street improvement projects. We had the money in General Fund to take care of it. An appropriation will need to be done.

Mrs. Mahoney stated that a few years ago we only estimated \$550,000 per year for Street Improvements. Somehow the number moved up to \$700,000. Mr. Clark stated that we also may have estimated high and the bids came in lower. Mr. Tadych stated that we could have done more work than we planned. Mr. Clark stated that if gasoline prices stay low we may be able to do additional work this year, based on lower asphalt prices.

Mr. Clark stated that we have isolated the Capital budget shortfall for 2016 and have a number of different options available. Before we get to the sewer projects, we will have to determine how to gap the shortfall.

Mr. Clark suggested the options are: borrowing, curtailing other expenditures, or consider transferring money from other funds.

Mr. Tadych stated that the Finance Committee was going to try to understand how the \$100,000 shortfall in 2015 came to be and Mrs. Mahoney was going to put numbers together. Mrs. Mahoney stated that she should not have lowered the debt by the \$100,000 transfer from the General Fund to the Street Construction, Maintenance and Improvement Fund. The amount of \$722,000 was budgeted for street repair, and only \$622,000 was debted out. The \$100,000 transfer should have been for operating expenses, not Capital expenses.

Mr. Clark stated that the cost of operating (employees) for Street Construction was about \$200,000 more than taken in through revenue. We made the transfer \$250,000 because this last year we did not spend a lot on salt and are concerned about a bad winter this year. We could set that back at \$200,000, and then decide on the Capital side, which is the overlay program and crack sealing.

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Mr. Henderson asked if the \$150,000 for the Fire Station Rehab Project will not be necessary for 2016. Mr. Thomas stated that these are things that will be done as a phase-in and is something we hoped to be able to do it in 2016, but recognize there are other things the City has to address.

Mr. Clark summarized that they have isolated where the Capital shortfall is and tried to prioritize the equipment, public improvements, street overlay, and other types of projects after a lot of discussion. When the Annual Appropriation Ordinance goes to first reading, it is the goal to have the Operating and Capital components of the budget go on first reading at the same time. It is all a function of where healthcare and labor negotiations come out.

Mr. Thomas stated that he plans on going out for bid in the beginning of March for street construction, and would like to have the funds in place before going out for bids.

Mr. Clark stated that when the minutes are published there will be follow-up on the items that need to be addressed. Mrs. Mahoney will furnish a report on how the departments have done this year financially.

There being no further business to discuss, the meeting adjourned at 8:00 p.m.

Dwight Clark, Chairman

Joan T. Kemper, Secretary

MEMORANDUM

To: Mayor and Members of Council
From: Renee Mahoney, Director of Finance
Subject: 2015 Review
Date: January 20, 2016

2015 General Fund Revenues: \$11,586,112 – an increase of \$453,122 from 2014. The main source of this increase was in Municipal Income Tax (up 7.5%). The other main source of the City's income is in Property Tax of which the collections were flat from 2014 to 2015. Ambulance fees (up 1.4%) and Cable TV fees (up 2.5%) also showed increases due to the increased collection fees in both those areas. The City also collected a small amount of Estate Tax (\$18,365) which probably will be the last the City will receive. The General Fund Unencumbered Balance ended up 11.4% higher than in 2014 (\$1,018,951 year end 2014; \$1,136,105 year end 2015). Due to this healthy year-end balance we were able to transfer money to the General Reserve Fund in the amount of \$500,000 to help fund expenditures for future unplanned emergencies. The suggested amount of General Fund reserves is approximately 2 months of expenditures. The City spends approximately \$1 million per month and so the goal would be to have about \$2 million in the Reserve Fund. After the transfer in 2015 the balance is \$888,929 hopefully the positive trend will continue in order the City may increase that balance to accepted levels.

2015 General Fund Expenses: \$11,466,798. These expenditures are up approximately 1.6% from 2014 to 2015. The lack of snow in late 2015 along with decreases in overtime costs throughout the year helped Service to show a decrease of about 5%. Fire showed a decrease of about 11% which can be attributed to redistribution of wages from Fire to the EPU fund along with a younger work force. Police was up about 10% over 2014 which can be attributed to a few factors in 2015. The Police department had a few officers out this past year which required more overtime and part time to cover the shortened shifts. Also, 2 replacement officers were hired in August of 2014 and therefore 2015 saw the full year impact of these hires. The Finance Department also showed an increase of about 9% which is the effect of hiring a part time Human Resources Manager.

Other Funds to Note:

Fund 240 – Equipment Replacement: The main purchase in 2015 was the Sewer Video Inspection Truck with a net cost of \$222,307. The Fire Department worked with the City's new Human Resources Manager to obtain a Bureau of Workers Compensation grant in the amount of \$40,000 to purchase new cot loading systems for the City's ambulances.

BAN Payments

For Year 2015

	Year	Original Amount	Yearly Pay Down	Balance at Year End	Balance 2016
2013 BAN	2013	1,250,000	250,000	750,000	500,000
2014 BAN	2014	1,320,000	264,000	1,056,000	792,000
2015 BAN	2015	1,505,000	258,600	1,505,000	1,246,400
			772,600	3,311,000	2,538,400

2015 BAN		Annual Pay Down	
	5 years all otl	763,000	152,600
	7 years roads	742,000	106,000
			258,600

For Year 2016

	Year	Original Amount	Yearly Pay Down	Balance at Year End	Balance 2017
2013 BAN	2013	1,250,000	250,000	500,000	250,000
2014 BAN	2014	1,320,000	264,000	792,000	528,000
2015 BAN	2015	1,505,000	258,600	1,246,400	987,800
2016 BAN	2016	1,328,156	225,631	1,328,156	1,102,525
			998,231	3,866,556	2,868,325

2016 BAN		Annual Pay Down	
	5 years all otl	628,156	125,631
	7 years roads	700,000	100,000
			225,631

For Year 2017

	Year	Original Amount	Yearly Pay Down	Balance at Year End	Balance 2017
2013 BAN	2013	1,250,000	250,000	250,000	0
2014 BAN	2014	1,320,000	264,000	528,000	264,000
2015 BAN	2015	1,505,000	258,600	987,800	729,200
2016 BAN	2016	1,328,156	225,631	1,102,525	876,894
			998,231	2,868,325	1,870,094

Exhibit B - 1/20/16

**City of Bay Village Capital Equipment and Projects
1/20/2016**

	2016	2017	2018	2019	2020
INFORMATION TECHNOLOGY	\$78,800	\$35,000	\$35,000	\$35,000	\$35,000
RECREATION	10,000	-	-	-	-
COMMUNITY SERVICES	30,500	-	-	-	-
FIRE	15,000	1,095,500	468,000	550,000	-
POLICE	129,195	74,575	64,575	114,575	102,000
SERVICE	1,942,200	2,308,000	1,675,000	935,000	1,530,672
TOTAL ALL CAPITAL	\$ 2,205,695	\$ 3,513,075	\$ 2,242,575	\$ 1,634,575	\$ 1,667,672

Sources of Funds for 2015 Capital

Prior Fund Balance (Phone/Scareb)	275,000
County Road Maintenance Reimbursement	25,000
Sewer Capital Funding-\$20/quarter-start quarter 2	
Fund 495 Municipal Building Improvement for Fire Rehab	150,000
for Painting Projects	46,000
Historical Society Contribution Rose Hill/Osborn	8,000
Transfer from Other Funds for Streets or Sewer	373,539

Debt	
Information Technology	33,800
Fire	15,000
Police	129,195
Community Services	30,500
Service	
Road Improvements	700,000
Equipment/Improvements	419,661
TOTAL DEBT	1,328,156
TOTAL SOURCES	\$2,205,695

Information Technology Capital

	2016	2017	2018	2019	2020
Compter Replacement					
Annual Replacement Estimate	\$ 20,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
iPads	1,900				
Fire - Wifi	2,500				
Dwyer Software	3,900				
Touch Screen Terminals for Pool - 5	5,500				
Phone System					
From 2012	45,000				
Total IT Capital	\$ 78,800	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000

Recreation Capital

	2016	2017	2018	2019	2020
Facility Improvements					
Restroom Renovations Reese/Cahoon/Bradley		TBD			
Play in Bay Improvements	10,000				
Total Recreation Capital	\$ 10,000	\$ -	\$ -	\$ -	\$ -

Community Services Capital

	2016	2017	2018	2019	2020
Dwyer Windows	10,000				
Generator (if Grant Received)		TBD			
Dwyer - Kitchen Engineering	20,500				
Total Community Services Capital	\$ 30,500	\$ -	\$ -	\$ -	\$ -

	Fire Capital				
	2016	2017	2018	2019	2020
Fire Apparatus					
Replacement Truck - 16 (1996)		\$785,000			
Replacement Engine - 15 (1996)				550,000	
Replacement Medic - 12 (2007)		220,000			
Replacement Medic - 11 (2008)			250,000		
Diesel Filtration for Engine	9,500				
EMS Equipment					
Fire and Technical Rescue Equipment					
Self Rescue Equipment		10,000			
Exercise Equipment for PD Gym	5,500				
Replacement SCBA			218,000		
Replacement Rope Rescue Equipment		60,000			
Purchase Rescue Watercraft		20,500			
Total Fire Capital	\$ 15,000	\$1,095,500	\$ 468,000	\$ 550,000	\$ -

Police Capital

	2016	2017	2018	2019	2020
VEHICLES					
#1121-2014 Ford Explorer				52,000	
#1123-2015 Ford Explorer Utility AWD			50,000		
#1124-2011 Ford Crown Vic			XXX		
#1125-2010 Ford Crown Vic	45,210				52,000
#1126-2014 Ford Explorer				50,000	
#1127-2013 Ford Explorer (acquired 7/2013)					
#1128-2014 Ford Taurus AWD (acquired 7/13)	Becomes 1151				
#1151-2009 Ford Crown Vic	45,210				
#1152-2013 Ford Taurus FWD (acquired 8/2012)				50,000	
#1153-2010 Ford Crown Vic					50,000
#1181-2010 Chevrolet Impala					
#1191-2001 Ford Excursion		60,000			
EQUIPMENT					
CAD/RMS System (continuation from 2015)	14,575	14,575	14,575	14,575	
Mobile Forensics Analysis	13,000				
Forensic Investigative Computer	11,200				
Total Police Capital	<u>\$ 129,195</u>	<u>\$ 74,575</u>	<u>\$ 64,575</u>	<u>\$ 114,575</u>	<u>\$ 102,000</u>

Service Department Capital

	2016	2017	2018	2019	2020
Road Improvements					
Various Street Improvements	700,000	700,000	700,000	700,000	700,000
Crack Seal Program	50,000	50,000	50,000	50,000	50,000
Parking Lot - Service		TBD			
Parking Lot - Columbia Park			TBD		
Pavement Marking & Striping (see Fund 270)					
School Flashers - Normandy	6,000				
Lake Road Resurfacing					
Engineering				50,000	655,672
Construction					(85% outside fundi
Sunset Sewer					
Construction	TBD				
Bridges and Culverts					
Queenswood Bridge Improvements	130,000				
Ashton Lane Bridge Engineering		TBD			
Ashton Lane Bridge Improvements			TBD		
Building Repairs and Improvements					
Osborn House Painting	10,000				
Community House Painting	30,000				
Gazebo Painting and Railing	6,000				
Fire Station Rehab Construction	150,000	170,000	TBD		
Light Replacements	7,200	6,000	10,000	10,000	
	PD Garage	City Hall	Service	Service	
Canopy over Gas Island		10,000			

Service Department Capital

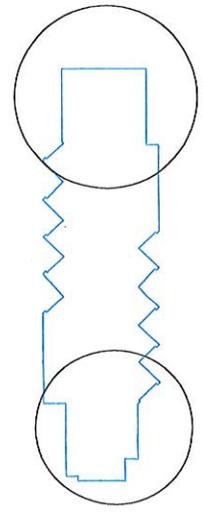
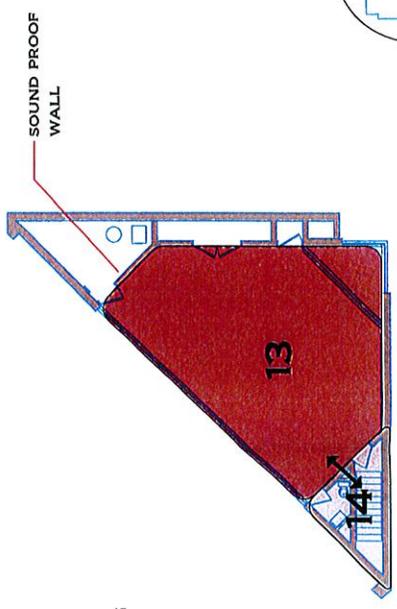
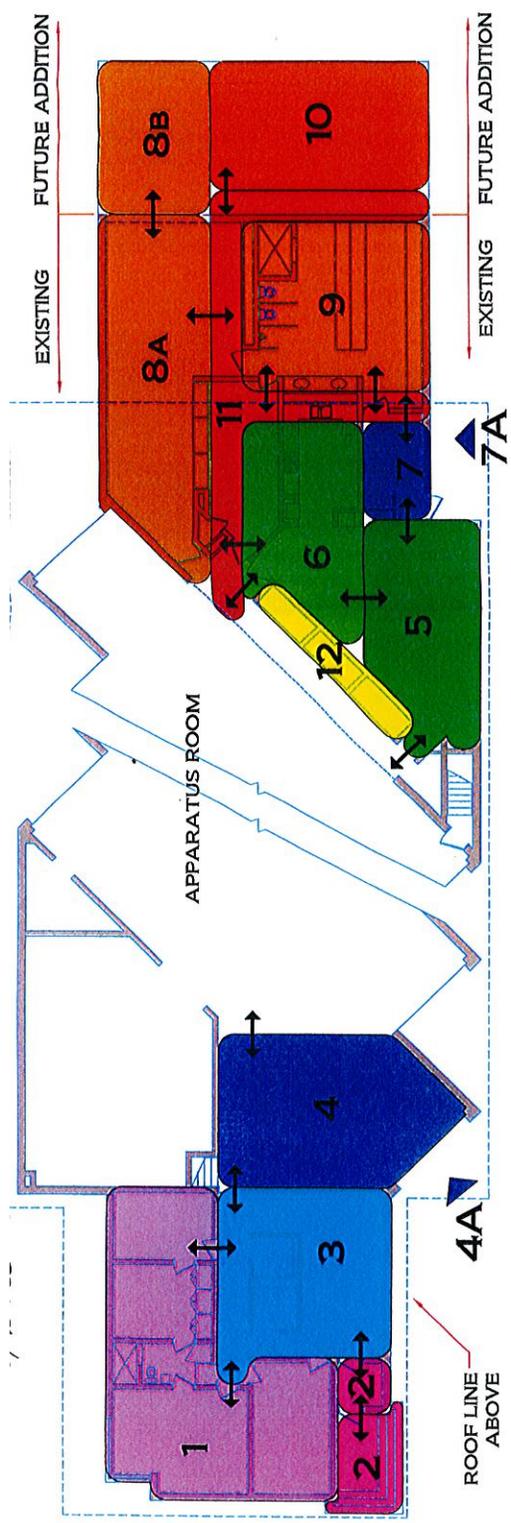
	2016	2017	2018	2019	2020
Steam Jenny Transport Point		14,000			
Clear Span for Topsoil		15,000			
Community House Rehab	TBD	TBD	TBD		
Kiddie Kollege Floor		13,000			
Bay Lodge Floor	13,000				
Rose Hill/Osborn House (split with Historical Society)	16,000				
Sewer Improvements and Engineering					
total \$485,000					
Lake Road Sewer Cleaning and Fliming	40,000				
Huntington Pump Station - CPU Design	30,000				
Huntington Pump Station - CPU Installation		30,000			
Lake Road Pump Station Improvements-Engineering		125,000			
Comprehensive Calibrated Sanitary Sewer System Model		250,000	250,000		
Comprehensive Calibrated Storm Drainage Model	75,000	75,000	75,000	75,000	75,000
Source Control Program		50,000	50,000	50,000	50,000
Bruce/Douglas/Russell Storm Sewer	TBD				
Bradley & Lake Sewer Improvement - Construction		300,000			
Computer Model Lake/Bradley Sanitary	20,000				
Lake Road Pump Station Reconstruction			250,000		
Huntington Pump Station Radiator/Heat Exchanger	15,000				
Porter Creek Sewer	15,000				

Service Department Capital

	2016	2017	2018	2019	2020
Equipment					
Construction Trailer	4,000				
#19 GMC 1500 4wd (2007)	30,000				
#18 Ford Explorer (2006)	30,000				
#71 F250 Pick up Truck 2wd (2004)	35,000				
#503 Ford Tractor/Loader (1986)	35,000				
#66 F250 4wd with Plow (2006)	35,000				
#21 Super Duty Dump (2006)	60,000				
#35 Five Ton Dump (2003)	170,000				
Scareb with Westlake	230,000				
#22 F800 65 Ft. Bucket Truck (1996)		175,000			
#511 Smithco Field Machine (2007)		XXX			
#70 F 150 Pick up Truck 4wd with plow (2003)		30,000			
#73 4wd Pickup with Plow (2006)		32,000			
#103 Rubber Tire Front End Loader (1999)		XXX			
#209 1996 Dinkmar Leaf Loader (1996)		35,000			
#37 International 7400 Five Ton Dump (2006)		160,000			
#38 Five Ton Dump (2006)			160,000		
#74 F450 Dump Truck (2005)			XXX		
#17 Pick up Truck 4wd (2007)				35,000	
#206 1998 Dinkmar Leaf Loader (1998)			XXX		
#514 Ferris IS 3000 Mower (2006)				30,000	XXX
#63 Pick up Truck 2wd (2008)				65,000	XXX
#23 Super Duty Dump (2006)					XXX
#32 Five Ton Dump (2007)					XXX
#112 New Holland LS Skid Loader (2002)					XXX
#20 Super Duty Dump (2007)					XXX
#25 Super Duty Dump (2008)					XXX

Service Department Capital

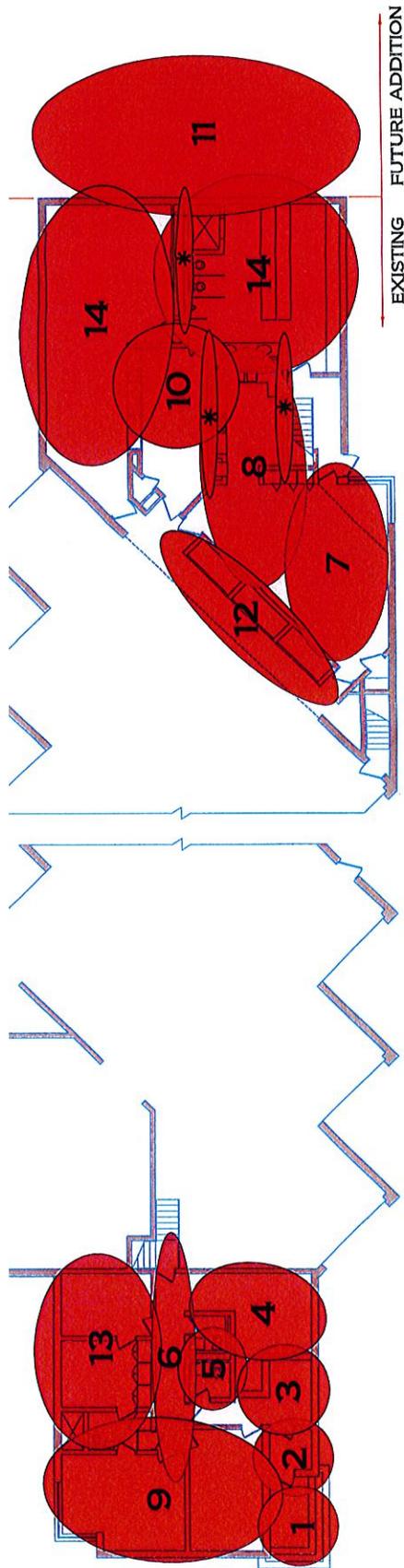
	2016	2017	2018	2019	2020
#62 Pick up Truck 2wd (2008)				XXX	
#75 Pick up Truck 4wd with Plow (2006)				XXX	
#117 Erin Trommel 512 Screener - Westlake Facility				XXX	
#210 1999 Dinkmar Leaf Loader (1999)				XXX	
#516 Ventrac Compact Tractor				XXX	
#39 Five Ton Dump (2009)					XXX
#26 Super Duty Dump (2009)					XXX
#79 F250 4wd with Plow (2008)					XXX
#53 E150 Sewer Van (2008)					XXX
#59 Freightliner (2000)					XXX
#110 New Holland LB 110 Backhoe (2002)					XXX
#55 Sewer Flush Truck (2005)					XXX
#513 Ferris IS 5000 Mower (2003)					XXX
Total Service Capital	<u>1,942,200</u>	<u>2,308,000</u>	<u>1,675,000</u>	<u>935,000</u>	<u>1,530,672</u>



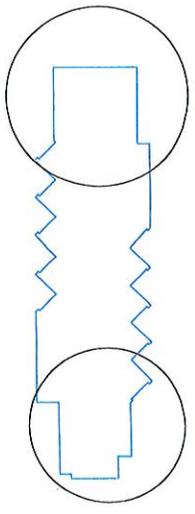
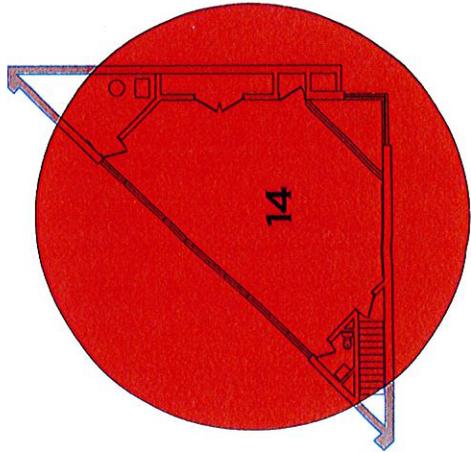
- 1 COSMETIC IMPROVEMENTS
- 2 ABANDON ENTRY & MODIFY FOR INTERIOR USE
- 3 OFFICE SPACE IMPROVEMENTS/ABANDON TOILET ROOMS
- 4 ACCESSIBLE SPACES - LOBBY, RESTROOM(S), OFFICE(S), TRAINING
- 5 PUBLIC ENTRY/ADA UPGRADE
- 6 FORMAL DINING
- 7 KITCHEN
- 8A LOBBY
- 7A PRIVATE ENTRY, NOT A FOCAL POINT
- 8B MEN'S DORMITORY
- 9 ON DUTY OFFICER SPACE/WOMEN'S LOCKER/DORM (IF NEEDED)
- 10 MEN'S LOCKER ROOM, UPDATE
- 11 ADDITIONAL SPACE
- 12 CIRCULATION
- 13 TURN OUT GEAR STORAGE ALTERATIONS
- 14 FILL FLOOR OPENING/UPGRADE/DAY ROOM
- UPGRADE/EXPAND TOILET ROOM, STAIRWELL LIGHTING
- PROPOSED SPACE RELATIONSHIPS

**BAY VILLAGE FIRE STATION
FIRST & MEZZANINE FLOOR PLAN
FEASIBILITY STUDY**





- 1 - ADDITIONAL INTERIOR SPACE
- 2 - ENLARGE
- 3 - LOBBY
- 4 - FIRE PROTECTION
- 5 - ACCESSIBLE UNISEX RESTROOM
- 6 - ACCESSIBLE/EXPAND CORRIDOR
- 7 - FORMAL DINING
- 8 - EXPAND KITCHEN
- 9 - RECONFIGURE, PROVIDE CONFERENCE SPACE
- 10 - FEMALE DORM/LOCKER ROOM
- 11 - PROGRAMMING EXPANSION
- 12 - TURN-OUT GEAR; PREVENT CROSS CONTAMINATION
- 13 - UPDATE/RECONFIGURE DUTY OFFICE
- 14 - UPDATE/RECONFIGURE
- * - EXISTING LOAD BEARING WALL



**BAY VILLAGE FIRE STATION
FLOOR PLAN
IMPACT STUDY**