

FINANCE COMMITTEE MEETING
held February 17, 2016
7:30 a.m. Conference Room

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

Also Present: Mayor Sutherland, President of Council Koomar, Finance Director Mahoney, and Director of Public Safety/Service Thomas, Police Chief Spaetzel, and Director of Operation Landers.

Mr. Clark opened the meeting at 7:30 a.m. Mr. Clark thanked everyone for their attendance at this third Finance Committee meeting of the year 2016.

Capital Budget – 2016

Finance Director Mahoney has confirmed that the financial capacity of the City in terms of incremental debt for our 2016 borrowing program is \$1,368,000. The debt schedule for 2017 shows a negative \$39,000, or, in 2017 the payments are about \$39,000 more than what the debt is. Bids in for the SCAREB (Composter) being purchased jointly with the City of Westlake range from \$315,000 to \$400,000, which indicate a \$30,000 savings. The original prediction for the SCAREB cost was \$460,000 with the Bay Village portion at 50% (\$230,000). Mrs. Mahoney stated that she is estimating at this point in time that the Bay Village share will be \$200,000. Mr. Clark stated that the Capital budget needs will be reduced by \$30,000.

Mrs. Mahoney distributed revised budget pages for Capital projects. Mr. Clark stated that as of February 16, 2016, there was a \$350,000 gap between the debt capacity and the requests on the table. Mr. Clark worked with Mrs. Mahoney on a pool of options to reduce the expenditures to be in a position of not over-borrowing. We are now backed into a number that doesn't overspend, but also prioritizes what needs to be done on the capital front for the City.

Mrs. Mahoney noted that all the changes are in the Service Department category. Road crack sealing has been taken out of the Capital portion of the budget and will be paid for from Fund 270, Street Construction, Maintenance and Repair Fund. This will mean an increase of \$50,000 from the General Fund to the Operating Budget to cover the cost of crack sealing. The Queenswood Bridge Project will be paid out of the Infrastructure Improvements Fund. Mr. Tadych asked if the amount shown for the project will be enough to complete the bridge project. Mr. Thomas stated it will be enough. The Infrastructure Improvement Fund will be reduced to \$1,450,000 after this project.

Mr. Koomar stated that he would prefer the Infrastructure Improvement Funds be the last resort for funding and not part of the operating cycle. There is a need at times to advance funds on projects. There is a need to keep the Infrastructure Improvement Fund long-term if things are needed to be done on sewer projects which require an advancement of funds. There are the large

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projects of Sunset and Bruce/Russell/Douglas that may require funding from the Infrastructure Improvement Fund. Mr. Henderson stated that he can appreciate Mr. Koomar's comments, and added that when we get to the Sunset project we are looking at various options to make that project happen and balance the expenses that the City incurs versus what the residents incur. He wants to be sure we do not impair our ability to go forward with that project.

The Storm Sewer Drainage Model Project has been pushed to the 2017 through 2021 years rather than 2016 through 2020. Mr. Henderson asked how this will impact the Bruce/Russell/Douglas project. Do we need to consider Bruce/Russell/Douglas in that first watershed model as one project together, or are we able to move forward with Bruce/Russell/Douglas safely if we push out the Storm Sewer Drainage Model Project to 2017? Mr. Thomas stated that he thinks we can because the storm sewer actually drains into Wischmeyer Creek north of Lake Road. It does not really impact a lot of Wischmeyer Creek backwards. We do know that if we were to put in way too much water, it could impact it, but ultimately if we decide to go with a new storm line system we are going to have to look at the drainage area. We are okay to put that back a year because if we are going to model Wischmeyer Creek we are going to do the whole creek because it is one of the watersheds.

Mr. Koomar stated that Mr. Clark had the concept of pulling the Sunset and the Bruce/Russell/Douglas projects out until we get firmer numbers, and then dealing with that debt issuance at the same time. The complete modeling makes sense because you cannot size a whole storm line until you have done the complete modeling and know how many homes come out of it that can be modified with disconnection measures. Mr. Tadych noted that you can out-fox yourself without having the whole plan in front of you. Mr. Clark added that by having the modeling complete for Bruce/Russell/Douglas, and Lake and Bradley, we then have a couple successful projects in tow and we can then tackle more comprehensive modeling.

Mr. Koomar asked Mr. Thomas about the Lake/Bradley modeling project, noting that the area flooded once and some things that need to be addressed have been uncovered. The lines have been cleaned. Could some of that modeling go toward the watershed modeling? Mr. Thomas stated that they started to look at that and if they feel they can move that line they will give that consideration.

Mr. Clark stated that the engineering cost for the Dwyer Memorial Center Kitchen Remodeling Project has been talked about in concept. Mrs. Mahoney stated that the request came from Community Services Director Selig. (Exhibit A attached). Director Selig's plan for seniors is to basically provide two meals per week. What they have now are residential appliances in the kitchen and they are not permitted by the County Health Department to cook hot food with these appliances. There is funding from the Western Reserve Area Agency on Aging for hot catered lunches, but you must have a commercial kitchen in order to receive those grants. North Olmsted and Fairview Park both receive those grants and serve hot lunches two days per week. The grant would provide 60% funding with the City paying 40% of the cost of the lunches once the kitchen is up and running. Director Selig's goal is to apply for a grant from the County to get the kitchen up to commercial standards. The grant application is available for funding up to \$150,000. The initial estimate for the kitchen renovation cost is \$174,000. In order to determine how much to ask for in the grant, the engineering is necessary at a cost of \$20,000.

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Mr. Henderson asked what the cost would be to the City to execute the nutrition program, factoring in the 60% paid by the Western Reserve Agency on Aging. Mrs. Mahoney stated that she does not know what that cost would be. Director Selig's concentration has been on getting the grant to upgrade the kitchen.

Mr. Tadych asked if the kitchen has to be a gas kitchen, or electric kitchen. It would be interesting if it were gas because it might function better in power outages. Mr. Clark asked if the space just south of the kitchen could be increased for storage needs. Director Thomas stated that the architect has been consulted about expanding that area and the \$174,000 estimate will include that expansion.

Mr. Henderson stated that he believes this is a very good, ambitious thing to do. One of the challenges is that the amount of \$20,000 is being asked for engineering for a project that would be potentially funded by a grant, and the element from a financial standpoint that is not seen is the ongoing operating expense of the program. It is a not-complete proposal in some regards because we are talking about the Capital expense, but not the on-going Operating expense. If it is costly to run the program on a perpetual basis, that would be a reasonable thing for the Finance Committee to understand.

Mr. Tadych suggested that information can be obtained from the City of Fairview Park's operation because they have the program up and running and well attended.

Mr. Clark noted that when he was Council's representative to the Community Services Advisory Board, he actually tasked Mrs. Selig with looking into this project. The General Fund Budget allows \$250,000 per year for Community Services, a small amount in the large picture. He would like to see if we could accommodate this request.

Mr. Koomar noted that to Mr. Clark's point it is a great community give-back to those who might have been paying taxes for twenty to thirty years. Our job is to make sure we can make it work on an on-going basis. Mr. Tadych stated he is all for making it work.

The engineering costs for the Dwyer Memorial Kitchen will be left in the budget and at her earliest convenience; Mrs. Selig will pull together the cost of comparable operations.

The Fire Station Remodeling Project has been proposed by the administration for funding in the amount of \$320,000, to be taken out of the Municipal Buildings Fund. This is a renovation of the existing living quarters, with architectural renderings of a smaller and larger project. The question is how this fits into the priority list of all the different Capital projects for consideration in the City, including sewers.

Director Thomas stated that they can divide this project into phases based on funding available. They had looked at the smaller scale plan for expenses purposes which includes the housing of the firefighters, the eating area, and ADA accessibility. By addressing those three areas they

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would make this fire station usable into the perceivable future and bring that older station up-to-date. There has been nothing upgraded since the 1960's when it was built. The eating area is in terrible condition. Breathing apparatus must also be addressed, because when the engines are running and the carbon monoxide is going through there must be a way to aerate the building. A proper storage area is needed for the call-out gear. When the firefighters return from a fire they hang up their gear in a certain area. Those things should be in an encapsulated, proper area with air cleaning so they are not breathing it in on a continual basis. In talking to the architect, the project can be divided into smaller amounts starting this year.

Mr. Koomar asked about equipment purchased in the recent past to eliminate the carbon-monoxide problem. Mr. Thomas stated that the equipment purchased hooks up to the back exhaust of the fire engines to make sure the carbon-monoxide is not going into the building when the engines are running. We have to make changes because that is the same area where we hang all of our call-out gear.

Mr. Henderson asked if this project was included in the five-year Capital plan that was documented in 2015. Mrs. Mahoney stated that it just included the architectural portion. Mr. Thomas stated that Council authorized the architectural assessment last year to address some of the issues.

Mr. Tadych asked if any of these issues are safety-related. Mrs. Mahoney stated that the one issue is ADA compliance of the whole front office area. Mr. Thomas stated that one option they looked at was making the first bay the accessible area for public entry. That itself could be up to \$150,000. Mr. Koomar noted that there is an entrance door in the middle of the bay. Mr. Thomas stated that it does not count for access. The way the building is set up, the Ohio Revised Code states that the front office area is for the public entry. OSHA and the American Disability Acts requires that there be access to the rest rooms, and the rest rooms have to be wheelchair accessible. The outside entrance is not accessible.

Mr. Koomar suggested that if you took the path that starts to go up toward the building toward Wolf Road and back toward the front entrance, remove the steps, and add a ramp, would that complete ADA access. Mr. Thomas stated he would have to look at specific plans. Mr. Koomar noted that the public is not allowed in the other part of the fire station. If all that is required is a ramp to the front office for ADA accessibility that would be a quick-fix. Mr. Thomas noted that the whole set-up just does not meet ADA requirements. Mr. Clark suggested tasking the architect to look at another rendering to make it ADA accessible in a place that might be more appropriate. Mrs. Mahoney stated that the whole project was \$390,000. They suggested it be divided into smaller projects.

Mr. Koomar stated that he is open to the discussion, but the way we have always approached projects, e.g., police station, outdoor pool, with the architect coming back with ideas, and then presenting the ideas to the Public Improvements Committee and/or the Committee of the Whole. There would then be discussion as to how we would phase in the project, tighten the cost estimate down, and if it is determined to move forward, it would be put into the budget. This Fire Station project has skipped those steps and moved right to the budget request. To Mr. Tadych's point, how much of this is cosmetic? You do want a good working environment for

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the firefighter/paramedics, but how much is needed. The call-out gear area is a valid concern. But, really understanding the components of the project would require a committee meeting first and this needs to be done before putting the budget on first reading.

Mr. Clark suggested delaying this until there is more time to confer with the architect, taking the project out of the immediate budget process at this time, but continuing the discussion. Mr. Tadych stated that anything that is necessary for the health of the men and women at the fire station is something that should be looked at first.

Mr. Koomar asked how many visitors come to the fire station. Mr. Thomas stated that we do not get a lot of visitors but it only takes one to claim it is not ADA accessible. Mr. Koomar asked if it is not an option in the law to make reasonable accommodations. Mr. Thomas stated that if someone pulls in and they try to get into the building and they can't, there is a problem.

Mr. Thomas agreed that the Public Improvements Committee is where this fire station project needs to be referred with the architect providing information. Mr. Koomar noted that the City must find out how to fund those projects that are under EPA mandate and it is difficult to go forward with the fire station project without giving those EPA mandated projects the first consideration. Mr. Clark added that the architect will be able to provide the information about the Ohio Revised Code and the ADA component for the fire station.

Mr. Henderson noted that there are two plans. One is in the amount of \$758,000 and the other is \$338,000. An option is where we just meet the ADA requirements, and another option would be to meet the ADA requirements and address the health and safety issues. We can decide which of those paths to follow and determine the funding necessary. This would seem a reasonable set of options for the Public Improvements Committee to review.

Before today's discussion, the shortfall in the Capital Budget would have been about \$300,000. Taking \$50,000 out, which is the transfer from the General Fund to Fund 270, Street Construction, Maintenance and Repair Fund for road crack sealing, taking into consideration the savings of \$30,000 for the SCAREB, taking out \$75,000 for the Storm Modeling System, and funding the Queenswood Bridge Project through the Infrastructure Improvement Fund (\$130,000) reduces the shortfall to \$15,000. We will still move forward with the engineering costs for the Dwyer Memorial Center Kitchen Project, and fulfill the IT projects, Recreation/Play-in-Bay, Community Services, Fire, Police and Service Projects for Capital funding as proposed. Mr. Clark stated that with these revisions, the Annual Appropriation Ordinance will be ready for first reading. Mr. Koomar suggested placing it on a Committee of the Whole session on February 22, 2016, with first reading on February 29, 2016. Mr. Clark agreed. Council will authorize the Director of Public/Safety Service to advertise for bids for the 2016 Road Resurfacing Project on February 29, 2016. The work will include a three-inch overlay.

2016 Operating Budget

Director Mahoney reviewed a document (Exhibit B attached) entitled City of Bay Village, Ohio General Fund Revenue and Expenditures Budget 2016. The General Fund Budget includes a 2%

increase in Personal Services (salaries and wages) for the entire Service Department. The last page of the General Fund schedule indicates a projected 2016 year of \$340,000 Excess Revenue over Expenditures. All of the required transfers are included, as well as replenishment of the Infrastructure Improvement Fund.

Community Band

Mr. Henderson confirmed that an expense is included for the Community Band. Mrs. Mahoney stated that the amount of \$1,000 is included in Fund No. 234.100.54300 for the Community Band. This amount is not from donations but is the City's contribution.

Tree Commission

Mr. Tadych stated that no one knows what is going on about funding for the Tree Commission. As Council's representative to the Tree Commission, Mr. Tadych asked what is happening and how much is being set aside, if any, for the Tree Commission to do something effectively. Mrs. Mahoney stated that the amount of \$20,000 is budgeted for tree removal. Mr. Koomar asked Director Thomas if the grants he applied for to replace the trees that were taken down on Wolf Road were successful. Director Thomas stated that no grants were received.

Mr. Tadych stated that there is the amount of \$3,100 set aside for the tree planting program. This amount is not very meaningful to replace the trees taken down on Wolf Road and other areas. Mr. Henderson added that there are people along the Walker Road Park that are hoping they can get the trees replaced that were taken down along the driveway to the park.

Director Thomas asked Mr. Tadych if the Tree Commission has implemented the fund raising for tree planting that had been discussed previously and for which Director Thomas passed along information. Mr. Tadych stated that they have not received the Mayor's permission to conduct a fund raising effort, and it is unknown if a Tree Commission can raise funds. They have not talked to the Legal Department. Mr. Tadych noted that the effectiveness of this effort has to be with the City giving them something to show off and complete for residents that indicates that they are an active group and not just cutting down trees. The significance of the \$20,000 is for cutting down trees, not planting. Mr. Tadych would like to see some funds included for the Tree Commission's program. They are working very hard and not getting any place because they have no money to operate. Mr. Tadych would like to see about \$5,000 in addition to the \$3,100 allocated.

Mr. Koomar stated that Director of Operations Landers has the list of recommended plantings. Mr. Koomar noted that many residents plant their own trees. Some residents complain that the City is planting trees while basement flooding needs attention; these are the wrong priorities. Mr. Tadych stated that they have forms for donations and are using that as an effective tool, but have to have something else.

Police Department Operations

Mr. Clark noted that we are now down to 22 officers including the Police Chief, and there is a retirement coming this year. The Chief has asked to take the complement to 23 FTE for funding for this year, and at the same time allow for civilian dispatching to be incorporated. Revisions have been made in the budget package that would allow bringing in a couple of new officers this year, and backing off some of the dispatch because it looks like it is going to take longer to incorporate dispatch than originally thought.

Mr. Clark stated that he is supportive of doing so and asked the Chief to comment on what the savings would be in overtime, in part time wages, and looking at a Schools' Resource Officer in 2017.

Chief Spaetzel stated that they reduced the budget of the Bay Village Police Department to get it down to a more manageable number, and a number that the Chief is comfortable with this year. There will be an increase in 2017, however, because new hires will be on for the full year. There will also be a reduction in overtime and part time in 2017, and a greater flexibility in the department for coverage. There is the possibility of looking at a Schools' Resource Officer in the fall of 2017. The School Board must also take this under advisement.

Mr. Koomar stated that it was the strong hope last March on behalf of Council that there would be some funding from the Bay Village Schools for future years. Mr. Koomar asked if the Schools would approve a Schools' Resource Officer it would be good to have that position in place the first half of 2017. Chief Spaetzel stated that the realities of the staffing dilemma with required training may not make that goal possible. It depends on the person hired and the training needed. Chief Spaetzel noted that the School Board would probably not fund until the beginning of their fiscal year of July 1.

Mr. Henderson stated that his understanding is that the dispatchers are hired to create greater efficiency inside the department and use more officers for patrol or other duties. Mr. Henderson stated he would like to see that come to fruition and see how the operations flow and consider an additional position once you have the time made available for officers due to the dispatchers working.

Chief Spaetzel stated that they have studied this for years. An expert hired by Council recommended 27 officers with dispatchers. Chief Spaetzel stated that he can run the department with 23 officers and the dispatchers. There used to be 24 officers, 23 is the new reality with dispatchers. In reviewing staffing numbers, overtime and short shifts, there is no way 22 officers and dispatchers are going to make it. It just doesn't work. The staffing is clear. Twenty-three officers and civilian dispatchers.

Mr. Clark stated that if the plan is rolled out in 2017 there will be a \$75,000 savings in overtime and deputy wages. He noted the possibility of upcoming retirements in the deputy roll. Mr. Clark stated an appropriate compromise has been reached, and he is supportive. Mr. Tadych stated he is also for the plan.

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Chief Spaetzel updated the Finance Committee on the dispatching hiring process. The test was held November 21, 2015 and they have been working through the list of 46 candidates. They have reviewed 26 of those applications and have found four candidates. It will be challenging after getting the first two hires to find additional, qualified candidates. They may have to go back to the Civil Service Commission and ask for another test. The Chief would anticipate having someone on board in mid-June. The process for Police Officer hiring will be done following the dispatch hiring.

Mr. Clark asked how the Civil Service requirement complicated the dispatch hiring process. Chief Spaetzel stated that had there been no Civil Service requirement he would have started looking at resumes in applications last June and would probably have a dispatcher in place now.

Mr. Clark summarized the discussions this morning noting the following actions to be taken:

- The 2016 Budget will be reviewed by the Committee of the Whole on Monday, February 22, 2016.
- First Reading of the Annual Appropriation Ordinance will be held on Monday, February 29, 2016.

Mr. Clark thanked everyone for their attendance. He noted that it is important to maintain the City's bond rating, and the fiscal discipline used for years. There are projects on the horizon that exceed those done in the past and we should address them based on a balance of priority, benefit to our residents, and availability of financial resources.

There being no further business to discuss, the meeting adjourned at 8:40 a.m.

Dwight Clark, Chairman

Joan T. Kemper, Secretary