

SPECIAL FINANCE COMMITTEE MINUTES

March 5, 2005

The Special Finance Committee meeting was held on March 5, 2005, at North Royalton City Hall, 13834 Ridge Road. The meeting was called to order at 9:00 a.m.

Present: Committee Members: Chair Don Willey, President of Council Robert Stefanik, Lisa Uffman-Kirsch, Council Members: Denise Bobulsky, Vincent Gentile, Tom Koch, Robin Zaccardelli; Finance Director Karen Fegan, Mayor Luks; Neil Price, Tony Sandora.

DISCUSSION TOPIC:

2005 Budget

Proposed Ordinance 05-18, was discussed at length with all present participating.

Ward Representatives were given the opportunity to discuss the budget and were called in ward order. (Tape inaudible until Ms. Zaccardelli completed her statements)

A reallocation of staffing to add a person to the Service Department rather than a patrol officer who was going to be hired to replace a retirement was discussed. There is more need in the Service and Engineering departments in that there are not enough personnel to keep up. There are not significant concerns, issues, or problems because of an understaffing in the Police Department.

If we decide to go forward with safety levies during the year we need the support of the safety forces. The police force may not be supportive of safety levies because they are not happy that one of them will not get a promotion to sergeant; their overall staffing is being decreased; and if a safety force levy is put on the ballot and it is done to restore back to the original millage in order to free up some of the money that is being subsidized out of the General Fund, that means they probably will not see any gain to their department. They are being asked to do more, they are not getting anything more, they have to go out and try to get it to pass or it will not pass, and they will have a problem with this. It was commented that it is sad in the sense that there is a limited pool of funds, the safety forces are being subsidized a huge amount from the General Fund of approximately \$2.7 million, and that the reallocation of the salary for one person meaning a reduction of one person in the department would be looked at that way as it relates to support for an overall levy for the community. In the bigger picture if it does not work everyone will suffer. The combined police and fire General Fund subsidy has gone up almost \$4 million. It was commented that if they do not support a levy they do not support themselves. If it is not approved the city may have to cut back more on the forces, it is an operational issue. Right now the other departments, especially the Service Department, are where the citizens are requesting more services. The issue of having one less sergeant since the implementation of the lieutenants and the administrative responsibilities that they have taken on fills the gap. Engineering equipment is needed, drainage project money is needed. The wish was that more money could be found for more people, but it does not seem to be available. The priority right now is the flooding issue, service, and engineering.

There has been a change in the request for purchase of a rubbish truck. Two recycling trucks will be purchased for approximately the same dollar amount. We have been approved for a grant from the county for about \$30,000 towards a recycling truck and the remaining money will be financed. The Service Director said that the recycling trucks were needed more than a rubbish truck at this time. At the last Streets Committee meeting the increased tipping fees were discussed. Mr. Mayer was going to get information about the cost of commingling. It was asked if the city is committed to the recycling trucks. Mrs. Fegan said nothing will be done until the budget is approved.

It was asked in the Streets Committee meeting if any further grants might be available since tipping fees are being increased. There is no guarantee that money would be available. We have received several grants that have been used for the recycling flyer and equipment. Typically grants are not given to hire people. About 30% of the residents participate in recycling. It is an expensive program considering there is not full participation. We either need to get more participation or cut back on the services.

It was asked if any money was being contributed from the booster clubs for the water line at the York Road field. Mrs. Fegan said they are not donating on the water line, but that they do participate in equipment donations.

The budget reflects an increase in overall revenues and anticipated state tax revenues. This will be going to the General Fund. Council receives revenue and expenditure sheets every month. If the economy picks up adjustments can be made. The State may also be making adjustments to other revenue sources that cities receive. Mrs. Fegan said that while we have some additional money coming in, there are normal increases in the expenditures. Operating costs are going up and they do every year. Mayor Luks said the cost of services study we had performed demonstrated then that all things staying equal, our costs are going up more than our revenues are going up.

The Volunteer Citizens Oversight Flooding Commission has not made final recommendations and we do not have a cost associated with them. There is nothing in this budget to address the recommendations. The Mayor said once the recommendation is made that we will do all we can to find a funding source.

Mr. Willey wanted to summarize three issues and allow additional comments:

Replacing one sergeant with a patrolman as recommended in the budget by the administration had a majority in agreement.

A new four-wheel drive Explorer for the Wastewater Department after additional discussion will be reduced to a used vehicle.

The feasibility study for sanitary sewers in the southern part of the city was debated resulting in a majority in favor of transferring \$20,000 that was going to be used for a new vehicle in Wastewater to fund the study.

Mr. Stefanik said that Burgess and Niple have already made some recommendations with the Matusek project. There is recommendation from them how to possibly get rid of some pump stations. Mayor Luks said that it was only a small part of the project and that the amount of money would not cover the entire area. Mrs. Uffman-Kirsch said she did not think it would be a true feasibility study if all that is looked at is the mechanical or engineering feasibility. She feels that the economic impact of that is more important. She does not think that the approximate \$20,000 figure being discussed in the budget will cover the information needed. Mayor Luks said that we need to keep in mind that the budget may be looking for dollars from this fund to make repairs or improvements to existing sanitary where there is sanitary back-up because of infiltration and inflow. She feels that we need to prioritize existing problems before we look at expanding. The Mayor said we do not know yet what the costs are. Mr. Koch said that the city is due to replace our equipment in Wastewater Department as well as other issues some of which were discussed at the last Utilities Committee meeting.

Ms. Zaccardelli said she agrees with funding the study. Mayor Luks said that right now with the problems we have with sanitary backing up during heavy rains that has to be a priority. We have limited dollars and to spend money on a study that will require a major expense on the part of the city to actually proceed on the project. We are facing problems in the existing system that we have to come up with money to fix. She thought the flooding was the priority. That is where we need to put the dollars right now. Phase two regulations can be done as it can be afforded in areas as able. Taking on a study to expand the entire southern part of the city is not something that we can afford right now. We cannot add the additional debt to our debt service in Wastewater. It is already too high. The Mayor does not agree and she does not think that it is prioritizing correctly. Ms. Bobulsky said she thought that the \$20,000 figure may not be exact. The City Engineer did not state that would be the exact figure. The Mayor said that there was a plan developed and is on file for the interceptor sewer indicating where it would go and how much it would cost that needs to be updated because costs have come up. There is a plan on file. There was a problem with this when it was taken to the Metro Parks because it involved going through some of their property and they said we could not go through that area. Although the plan is not perfect, there is already an existing plan. We cannot afford it now anyway. Mr. Willey said he agrees regarding the prudence of

purchasing a new vehicle that will not be worth anything in four or five years. Mrs. Uffman-Kirsch agrees with the Mayor in that we have to fix what we have before we add new. She is looking at the fact that there is no RFP out. The amount for the study she feels is incorrect. Mr. Koch thinks that the money should be spent for fixing the infrastructure. He is not in favor of the feasibility study at this time. Mrs. Bobulsky is not in favor of the study. The amount of money should be spent to work with the flooding issues. Mr. Gentile said that the existing plan would shave off the amount that would be required for the study. He feels a mechanical feasibility would provide more up-to-date information if availability comes up for grant money. He is in favor of appropriating money for the study. The Mayor said if there is grant money available for sewers that it would be more appropriate to go after that money to fix what is wrong in the existing system before going after grant money to expand. Mr. Gentile said that Regional said that there is no money available for upgrading or repair of existing systems. That is supposed to be collected as maintenance and repair fees. He understands there is availability of grants for expansion of sanitary service. Mr. Stefanik said there is a lot of information already there. It is a feasibility study to see where we have to go. Our Master Plan states there should be a feasibility study done on the master sewer plan and the sanitary sewer system in the southern end of the city. It will be our responsibility with the phase two storm water regulations to correct the problem in the southern end of the city. It has taken over two years to tie-in some people in Ward 1. He cannot believe the city wants to take over regulating septic systems in the city. That is not feasible. If you put in a sanitary sewer once, it is compliance forever. If you put in a new septic system, they will be failing in another 10-15 years. There are so many stipulations with the new systems that it will be a nightmare for anyone who has a septic system on a small lot. It will be costly to build it and maintain it. The problem has to be faced today to make it cost effective for tomorrow. Mr. Koch said he thinks that every resident in the city will be paying for the trunk system. Our sewer rates will be effected. He feels we should repair what we have now. Currently we have 1,100 people that will be causing the increase of sewer rates for the city. Mr. Stefanik said that the feasibility study is an investment in the future. It will tell us what our options are in that area. Once the study is in place we can seek grant money. We do not know that it will increase costs for everyone. It may not cost the city any money or it may be very little if we receive grant money. Mrs. Uffman-Kirsch said that the American Planning Association has a key factor that the installation of a sanitary sewer line is the prime indicator of rapidity and density of growth more so than zoning. Even if it is done for free there is a great economic impact. The argument saying it is for clean water is not true. There is an alternative and that is mandatory septic replacement.

Discussion resulted in the following:

Mrs. Fegan will be preparing a new attachment that will show:

1. The change from the packer truck to the recycling trucks.
2. The Fire Department grant for an exhaust system for the vehicles in the Fire Department.
3. The Bunker/Ridgedale water line 0% interest loan.

Mr. Willey moved that Finance Committee make a recommendation to adjust the budget to \$7,000 for an Explorer for Wastewater and add a feasibility study for Wastewater for \$20,000, seconded by Mr. Stefanik. 2 yeas/1 nay (Uffman-Kirsch).

Mrs. Uffman-Kirsch moved to adjourn the meeting, seconded by Mr. Willey. 3 yeas/0 nays. Meeting adjourned at 11:17 a.m.