

FINANCE COMMITTEE MINUTES

July 18, 2005

The Finance Committee meeting was held on July 18, 2005, at North Royalton City Hall, 13834 Ridge Road. The meeting was called to order at 6:30 p.m.

Present: Chair Don Willey, President of Council Robert Stefanik, Lisa Uffman-Kirsch; Denise Bobulsky, Vincent Gentile, Tom Koch, Robin Zaccardelli, Mayor Luks, Finance Director Karen Fegan, Law Director Tom O'Donnell, Service Director Skip Mayer, Mr. Lobianco, Neil Price, Rhonda Hall, Sun Star Reporter Joanne Dumound, Paula Recker, Tony Sandora.

Moved by Mrs. Uffman-Kirsch, seconded by Mr. Stefanik to approve the minutes of June 20, 2005. 3 yeas/0 nays. Motion carried.

NEW BUSINESS

1. Auditors report

Auditor Rhonda Hall was present to discuss the unofficial audit report. The financial statements have not been released by the State Auditor's office, once that is done the results will be made official.

UNFINISHED BUSINESS:

1. Lobianco Moral Claim

Mr. Lobianco explained and reviewed his moral claim request to the committee. Information requested of the Law Director was supplied to the committee previous to the meeting. The lateral was blocked, which according to our Code is the responsibility of the homeowner, yet that portion was blocked in the right-of-way of the city. The homeowner was not able to reach the blockage because it would require working in the street.

The Law Director said this is an example of a moral claim. While the city has no legal responsibility for this claim, based on the circumstances it would seem morally to be the appropriate thing to accept the claim. Mr. O'Donnell said it would be his recommendation based on all the facts presented that Council accept the claim of Mr. Lobianco.

There is an issue of a pond in the back of his property that is also causing an additional problem. Mr. Lobianco said he understands this is a private property issue and not part of the moral claim.

Mr. Willey moved that the city pay the moral claim submitted by Mr. Lobianco in the amount of \$1,274.39, seconded by Mr. Stefanik. 3 yeas/0 nays. Motion carried.

2. Economic Development Report

Mr. Kosdrosky supplied the committee with information regarding Chagrin Falls.

3. Tax collections status as of this date.

Mrs. Fegan has received the receipts for July in the mail today. That information is not yet processed. She will provide the information later in the week.

4. Costs of Master Plan, review and discussion.

Mrs. Fegan said there is no further information.

Mayor Luks said that there have been no further expenditures. The development of design codes and architectural standards will begin and will be handled by our Architectural Review Board that is being asked to be appointed on Tuesday. Mr. Kosdrosky is finishing the redevelopment study for the downtown district which is necessary to have completed before getting into any kind of agreement with any of the developers asking for the project.

5. Monthly finance report

No discussion.

6. Capital appropriations

The report was distributed to the committee.

7. Bid process and purchasing policy

Mr. O'Donnell said he has not heard back from all department heads.

8. Police and Fire levies/income tax increase

Mayor Luks spoke to the committee regarding the previous discussions about moving forward without a plan. She said she feels there are several plans that need to be incorporated. She mentioned the cost of services study that was performed for the purpose of looking at where the shortfalls are and will be in order to determine ways to fill those shortfalls as being one part of the plan. In terms of needing road repairs and Service Department workers, the need for the Service Department workers is in the cost of services study. The amount of money we are going to need to generate annually to keep up with road repairs is in the cost of services study. The study was based on scientific information calculations. In addition we have the road rating system that was put together by our Engineering Department. She felt as she is watching NOACA develop the pavement management system that has been brought up is a good tool to put in place when you have caught up and are trying to get into a routine maintenance. Right now we know how many failing roads we have and she thinks that the residents can believe that there are roads in need of repair. She does feel that to tie specific roads and dates to be done to the ballot issue is not wise because it is not possible to know what will change in other infrastructure needs. In addition to all this the Citizens Oversight Flooding Committee made recommendations and estimated dollar amounts that do not include land, easements, purchase of easements or acquisition cost to build retentions. We need to look at from where all these funds will come. There is limited funding ability in the federal government funds to assist. Some projects can be applied through Issue 2 funding; she said she is marginally optimistic in getting funding. Block grants are available to some extent and we have a chance at getting those on the FEMA projects. Funding is needed for flooding projects and road repairs and we need to decide if we are going to do an income tax issue this year or are we going to look at a storm water utility. She has asked the Finance Director to look at how storm water utilities are formed, what is involved, how they are calculated, and how residents are charged. It is getting to the point where it will be too late to decide whether or not there will be an income tax issue. Forming a storm water committee will not address the road problems.

The discussion followed about the shortfall that was predicted of approximately \$1.6 million and that the income tax increase of approximately \$3.2 million would leave approximately \$1.6 million to deal with storm water, road repair and flooding, and staffing. We would be short right at the start.

When there is a steady revenue stream, money can be borrowed knowing that there is an annual amount coming in. Things would be done over time with the most pressing priorities first. That is something that is decided by Council with the budget.

It was asked about projects that were identified in the final report of the Citizens Oversight Flooding Committee and where it would be public or private responsibility. There was discussion about storm water utility and what it would fund and the income tax issue and what that would fund and revenue creation. There is a need for staff dollars and project dollars with the revenue sources of income tax and storm water utility. There is an effort being made to stall the predicted deficit.

Action needs to be taken by the end of August in order to get the income tax issue on the ballot. There are many needs and not as much money to fund them. The commitment is needed to the residents to help show what will be done. Information on how to approach the solution is needed.

Discussion continued about putting the roads and storm water on the ballot and not creating a storm water utility at this point, or just roads and infrastructure.

A Special Finance Committee meeting will be scheduled for Monday July 25, 2005, at 6:30 p.m. to further discuss the income tax issue. The Mayor will provide information to the committee by the end of the week. A Special Council meeting will be needed to send legislation on to the Board of Elections.

9. Moral Claims Commission

The Mayor recommended that the procedure that is currently followed with Moral Claims continue. Claims are deferred to the Law Director as to whether or not they are submitted to our insurance company. If the insurance company rejects it then it goes on to the Law Director to process as a Moral Claim because ultimately it will be the Law Director who will have to defend. Discussion continued to request that the Department Head also be available to present information to the committee along with the claimant presenting their information so the committee can ask questions if needed to both sides of the claim. This procedure will not be handled legislatively; it will be done via guidelines and standard operating procedure. The Law Director said it can be written up and decided if it needs anything further at that time.

10. Proposed Ordinance 05-93 Amending Appropriations

Mr. Willey moved to approve proposed Ordinance 05-93, seconded by Mrs. Uffman-Kirsch. 3 yeas/0 nays. Motion carried.

11. Boston Road repairs

Mr. Mayer is still waiting for a cost quote from Hinckley and Medina County.

12. Paving of Oakridge

No action.

13. Enforcement of 1045.02 Noncompliant Sewer Tap-ins

Mrs. Fegan will be sending a letter to the properties. She is waiting for input on it from the Engineering Department. Charges will be made after the appropriate time.

Regarding delinquent sewer billing, there is a good response with that.

Mrs. Uffman-Kirsch moved to adjourn the meeting, seconded by Mr. Stefanik. 3 yeas/0 nays. Meeting adjourned at 8:38 p.m.