

FINANCE COMMITTEE SPECIAL MEETING MINUTES
February 26, 2007

A Special Meeting of the Finance Committee was held on February 26, 2007, at North Royalton City Hall, 13834 Ridge Road. The meeting was called to order at 5:31 p.m.

PRESENT: Chair Kurt McKee, President of Council Bob Stefanik, Don Willey; Council: Denise Bobulsky, Vince Gentile, Larry Antoskiewicz, Lisa Uffman-Kirsch; Administration: Mayor Cathy Luks, Finance Director Karen Fegan, Service Director Skip Mayer; Other attendees: Barb Soggs, Pat Jones, Joanne DuMound, Gary Obenauer.

2007 Budget

Mr. Willey wanted to discuss the staffing of the Service Department. He questioned the laborers for recycling and streets, and the expeditor. He would like that money removed and transferred to the leaf collection system. He felt this program would prevent leaves getting into the storm water system and prevent flooding problems.

Mr. Stefanik said that the money from the five positions amounting to approximately \$145,000 could be placed in the Storm Water Fund with the intent to purchase equipment this year for a citywide leaf pick-up program to begin in the fall of this year. Mr. Stefanik suggested waiting to hire the new people since there will be a new administration next year and that administration should decide what will be done with rubbish. If rubbish would be privatized, then the people working the rubbish trucks would be available to work in the Service Department. The five positions anticipated for hire this year would not be necessary and the new hires would face layoffs next year.

Mayor Luks said that the positions were placed in this budget because of the promise of road work with the approval of the income tax. We would not be able to get down the list of streets for repair and would be going back on what was told to the residents who approved the income tax issue. She said also if the automated rubbish system would have been in place that has been discussed as more efficient and cost effective that this would have freed up money and workers to put toward leaf collection. Continuing to wait to make a decision with the rubbish collection means the continuation of throwing good money after bad due to the money needed to maintain old equipment. There is a long lead time in ordering trucks for automation or for the process of privatizing, so a new administration will not have a rubbish system running early in their term. The Mayor said it is risky to put off a decision on rubbish collection.

Mr. Mayer said if the manpower is not in place that the new backhoe in this budget for the cleaning of storm sewers would not have sufficient manpower to operate it. Mr. Stefanik said five laborers were just hired at the first of the year who should be able to handle the program and he thought that it was short term thinking to say roads would not get done this year. There is \$5 million being spent on roads. There are no promises being broken. Council is thinking of the future. Mr. Stefanik said other cities around us and people in the business around us are not using the automated system and neither are private haulers. So as far as he is concerned it is not an option. He said the new administration does not need to start with a new collection system at the beginning of the term. He felt it was a long term consideration with thought toward the future of the city.

Mayor Luks said that the automated system is the cutting edge and leading trend in the industry. Many are using it and just because people around us are not using the system does not mean it is not the best way to go. Two years ago the administration was looking at this because it is an efficient and cost effective method and it was looking to the future of the city. Concrete and road repairs are critically needed. Residents will be extremely unhappy that they passed an income tax and the roads are still not getting fixed. There was a replacement hiring freeze and the city was down many people last year from an already extremely low staffing level.

Mrs. Uffman-Kirsch said she attended a meeting where Mayor Jackson of the City of Cleveland spoke. Mayor Jackson said that they are seriously looking into automation of garbage and how it would save money by making it more efficient through the use of personnel.

Mr. Stefanik said that it was also mentioned by Patrick Holland that any time more cities are involved as far as tipping fees and the whole operation of rubbish, that the price will be driven down for the cities involved. Mr. Stefanik said that he wants to start working with the communities around us to get serious about regionalization especially in the Service Department with rubbish.

Mayor Luks said that she attended a meeting where there was representation about regionalization of rubbish. It was said that they really do not know if there will be any savings. The Mayor said that they will continue to look at it. She said in our own inquiries with some of the landfills they are basically saying that the tipping fee is what it is and it does not matter how many communities go there that the fee will remain as it is. Mayor Luks said once you privatize that you are at the mercy of that private company in terms of the fees continuing to go up and that they have to make a profit and the city does not. She is not sure that it will be a good savings long term.

Mrs. Bobulsky said that she is all for leaf collection and she thinks we should offer this at some point. She does not feel now is the correct time. While we are spending \$5 million on asphalt repairs, there are repairs needed in developments that have concrete streets. These are the same employees that will be involved in leaf pick-up that will be doing concrete repair. It is her preference for this year to keep the laborers and continue concrete repair. If we get caught up next year, then look at leaf collection.

Mr. Gentile said he is not against doing the concrete repair. He thinks we should consider sub-contracting more of the road work and concrete work. This will mean we will not have to carry employees all year around. He thinks we should look at offering residents a leaf program.

Mrs. Uffman-Kirsch said that during the income tax discussion there was extensive discussion of wanting the specific streets that would be done with the street repair program if the tax were to pass and if all of Council would support the income tax because Council wanted to tell people exactly what their money is going to be used for. The specific storm water projects and specific streets that were going to be repaired were requested. There was no conversation or any minutes or literature, or newspaper articles at that time reflecting that any of the money would be used for leaf collection. For Council to say we need to be very specific about what the money would be used for and to say now it is a good idea to use it for a leaf collection because it is part of preventative maintenance for storm water seems disingenuous.

Mr. Willey said perhaps it should be part of the evolving process and part of the \$5 million addressing the storm water situation. Mrs. Fegan said that we would then have to cut an existing storm water project. Mr. Willey said it is an evolving process and we do not have a final list of what the money will be spent on. There are areas that have flooding that were not addressed in the original flooding evaluation project. It is his understanding that an updated study would be done and the projects would then be prioritized.

Mayor Luks said that when the temporary budget was presented to Council a list of concrete and storm water repairs was included as well as a list of asphalt projects. This was approved by Council. The administration is already in the process of hiring consultants and bidding out the road projects and engineering projects. These were reviewed in the combined Streets and Finance Committee meeting and it was approved. Based on the approval of the temporary budget the city has begun the process and committed to it. Council was told that the only thing that would change would be if a bid came in higher than anticipated that the prioritized list would then be used to cut the lower priorities. It was the intention to stick to the list that has been provided to the public.

Mr. Antoskiewicz said that the issues he hears most about are roads, sewers and then leaf pick-up. While the issues are being addressed, people also want more service. The leaf pick-up impacts sewers and residents will

have another service. Outside of rubbish pick-up and snow plowing, there is not much else being done. He feels it does have an impact on everything. If it appears that the projects promised are falling behind then they can be contracted out to finish.

Mr. Mayer said more will be paid if it is contracted out. The budget includes equipment and manpower for retention basin and I&I work. The problem of storm water leaching into the sewers is part of the work to be done.

Mr. Willey asked about hiring the persons we need to handle the sewer problems. The Mayor and Finance Director said it would require a raise in sewer rates. There is not enough money right now. The Mayor said Council is the only one who can raise the sewer rates; she is working within the budget. Mr. Willey felt that if we are running a utility that we are negligent in not having the adequate manpower. The rate should be whatever the cost of the utility to run; it is an enterprise.

Mr. O'Donnell said that I&I is important in the new EPA study. It is a necessary program and will take time to complete. The administration needs sufficient manpower to address the issue in order to be prepared for the upcoming EPA requirements.

Mr. Obenauer of Ashley Woods is concerned about leaf pick-up and the cost of the program. He felt purchasing only one truck for picking up leaves did not make sense when right now the city picks up leaves one day a week in each ward. He wondered how one truck will be able to pick up the leaves in all wards.

Mr. Stefanik said this has been discussed in the Streets Committee for several years. He said the units tag behind trucks we have now and that we would need two or three units.

Mr. McKee said that we are looking at approximately \$5.3 million dollars on roadwork for 2007. We have approximately \$5.2 million for flooding. That should show the voters that we are working toward getting the work done as promised to the voters. Showing this and expanding services shows movement in the right direction to the people in the city.

Mr. Stefanik moved to transfer \$35,000 from the General Fund and \$110,000 from SCMR Fund to the Storm Water Fund #33 with the intent of purchasing equipment this year for a citywide leaf pick-up program to begin in the fall of this year. Seconded by Mr. Willey. 3 yeas/0 nays. Motion carried.

Mr. Willey said that the Police Department is going to be hiring an IT person. He is hoping that the person will also be a resource for the rest of the city. Mr. Obenauer asked about police and fire funding for 2007 and the programs cut last year. Mrs. Fegan answered that more money has been budgeted for both departments.

Mr. Willey moved to recommend the approval of the budget with the amendments discussed. Seconded by Mr. McKee. 3 yeas/0 nays. Motion carried.

Mr. Willey moved to adjourn the meeting, seconded by Mr. Stefanik. 3 yeas/0 nays. Motion carried. Meeting adjourned at 6:58 p.m.