

FINANCE COMMITTEE MINUTES

November 17, 2008

The Finance Committee meeting was held on November 17, 2008, at North Royalton City Hall, 13834 Ridge Road. Meeting called to order at 6:32 p.m.

PRESENT: Committee: Chairman Kurt McKee, Vice Chair Gary Petrusky, Vince Gentile; Council: Don Willey, Larry Antoskiewicz, Dan Kasaris, John Nickell; Administration: Mayor Robert Stefanik, Finance Director Karen Fegan, Law Director Tom Kelly; Other Attendees: Joanne DuMound, Pat Jones, Paul Marnecheck, Kim Robinson, Stan Robinson

APPROVAL OF MINUTES

Moved by Mr. Gentile, seconded by Mr. Petrusky to **approve the October 20, 2008 minutes.** Yeas: 3.
Nays: 0. **Motion carried.**

UNFINISHED BUSINESS

1. Monthly Finance report including tax collection status

Mrs. Fegan distributed the monthly reports. She said she has not had a chance to distribute the income tax report, but will do so this week or early next week.

Mr. McKee asked about fuel costs. Mrs. Fegan said when she works on the income tax report she will also work on the fuel summary and distribute that to committee members. Mr. Petrusky asked if the fuel contract is being looked at since the gas prices have come down a bit. Mrs. Fegan said we are not locked in to a dollar amount, we pay a floating amount.

The moral claim for Mr. and Mrs. Robinson was discussed as Mr. and Mrs. Robinson were at the meeting. Mr. Kelly discussed the flooding situation endured by the Robinsons on July 3, 2008. The Robinsons suffered severe flooding and made a claim to the city for the recovery of a portion of the funds paid out for damage and clean up. The city submitted the information to their insurance carrier who denied the claim. Mr. Kelly said that the city has immunity from these types of lawsuits, but due to the unusual series of events and circumstances surrounding this claim, he suggested compensating the Robinsons for only the cost of the clean up in the amount of \$2,593.48 in return for a release of all claims assigned by Mr. and Mrs. Robinson.

Mrs. Robinson said that they have lived on Edgerton Road for 15 years and they have never had any flooding issues inside the house. She said that the amount for the cleanup was a small part of what they actually spent to make repairs to their home. They spent approximately \$9,000 to repair floors in several rooms of their home.

Mr. Gentile asked Mr. Kelly what methodology he used in making his determination on this claim. Mr. Kelly said that it was largely arbitrary. The damage to the property and the cleanup costs and all other expenditures represent money out of pocket which he believes was very burdensome to the Robinsons, but because the city is not liable in these matters, he felt that making a recommendation to reimburse the Robinsons for their cleanup costs of the sanitary waste, which may have contaminated the property, was as far as he was able to go in making a recommendation for reimbursement.

Mr. Robinson said that he never expected the entire claim to be paid, but he was hoping that the city would pay half of what they spent on damage and cleanup. Mr. Gentile asked Mr. Kelly if after reviewing the circumstances of this claim, he feels that paying this amount would be morally just. Mr. Kelly said this claim carries a very unusual set of circumstances, and he feels that due to these special circumstances, he did his best to carve out an amount that would be helpful in assisting the Robinsons in some small way. Mr. Kelly explained the circumstances surrounding this claim. He said that on July 3, 2008, the rain came down so hard that the pumps at A Plant were overwhelmed. The electrical support system was also overwhelmed and the transformer let go. The backup generators then went into play but could only carry the load for a period of time. The backup generators then went down for lack of fuel. The fuel was insufficient in some measure because the gauge on the fuel tank was inoperative. This was an

extraordinary series of events that he feels may have played some part in the flooding that the Robinsons experienced.

Mr. McKee asked Mr. Kelly if there was anyone else who suffered damage on that day. Mr. Kelly said that the McMahon's suffered a similar situation, but the McMahon's are cross connected, and he does not feel it is appropriate to make the same recommendation for the McMahon's for this reason.

Mr. Antoskiewicz spoke on behalf of the Robinsons and said that they have been very cooperative through this whole process. They have produced documentation when asked by the Legal Department, and have been honest and upfront about the entire situation.

Mr. Gentile said that as far as this claim is concerned, he understands that the Law Department is trying to convey the fact that we can only go so far otherwise we would be liable every time a home floods.

Moved by Mr. Petrusky, seconded by Mr. Gentile **to recommend to Council a payment in the amount of \$2,593.48 to Mr. and Mrs. Robinson on this moral claim.** Yeas: 3. Nays: 0. **Motion carried.**

Mr. Kelly said the legislation will be prepared for Council's consideration to confirm the award based on the recommendation of the Finance Committee. Once this has been approved, the Law Department will ask the Robinsons to sign a release and make an exchange. This will be on the December 2, 2008 Council agenda.

2. Email

Mr. Gentile asked if Council members received the email regarding bringing their laptops to the Council meeting so that DIS can work on them the following day. Mr. Petrusky asked if DIS would be able to work on the laptops while Council is meeting Tuesday evening. Mr. Petrusky is concerned with the liability issue of having the laptops left unattended overnight while they wait to be worked on the following day.

Mrs. Fegan said that the laptops will be locked in the Council office overnight and DIS will be in the following day to work on the laptops on site. Mrs. Fegan feels that by asking a representative from DIS to work overtime, is going above and beyond their contract with the city, in addition, any overtime that is incurred will be passed on to the Council budget. Mr. Kasaris feels DIS should be responsible to sign some kind of documentation indicating that they worked on the computer on a certain date and time.

Mr. Antoskiewicz said that our protection lies in the fact that times and dates are recorded in the computer.

Mr. Gentile said that Mike from DIS is going to send out a monthly email reminder to all members of Council to drop off laptops the third Tuesday of every month so that they can work on them within City Hall.

Mr. Kasaris said that he prefers that a representative from DIS sign a log sheet indicating that they are working on his computer during a certain period of time on a certain date.

Mr. Nickell questioned what DIS is checking for on the laptops. Mr. Gentile said that we can drop off our laptops as scheduled then when DIS is finished, we can ask them what they checked.

3. Gas/Oil Well Revenues

Mr. Petrusky feels we should use some of this money to hire additional police officers the first quarter of next year. We are currently down five police officers. Mr. Gentile said we have appropriated funds to hire two officers, but only one has been hired.

Mr. Gentile said until we have a budget, we will not know if we have the funds available to hire new officers. Mr. Petrusky is concerned that by the time we get the budget, we may discover we have missed our opportunity to hire. Mr. Antoskiewicz does not feel comfortable hiring police officers on a temporary budget as we will not know if we will have the money due to rising costs in other areas.

Mr. McKee feels that the Safety Director needs to make the decision on how many police officers we might need to hire.

Mayor Stefanik said that between now and February, a lot is going to happen with the economy. He feels we need to take a step back for a couple of months and see where we are going to be in February, and give the new Safety Director a chance to formulate a plan, not just for next year, but 5-10 years out. He realizes we are down police officers which is why they had two police officers in the budget this year. He said that we are being cautious in all departments, not just with the Police Department.

Mrs. Fegan said that we do not usually frontload the temporary budget with new hires, we wait until all needs of all departments can be weighed and prioritize from there. Budgets from all departments are due back this week. Mrs. Fegan said that the economy next year is going to affect the city in many ways.

Mr. Willey asked about the safety levies. Mrs. Fegan said that all of the safety levies are continuing except for one EMS levy, which was just renewed. The problem is that the effective millage rate on the older levies is well below half of the stated millage.

Mr. Fegan said that all departments have been asked to submit a 5 year capital plan and personnel plan along with their budgets. The Finance Department needs this information in order to do long range planning.

4. Moral Claims

The moral claim for Mr. and Mrs. Robinson was discussed at the beginning of the meeting. See Item #1.

NEW BUSINESS

1. No new business

ADJOURNMENT

Moved by Mr. Gentile, seconded by Mr. Petrusky to **adjourn the meeting**. Yeas: 3. Nays: 0 **Motion carried.**
Meeting adjourned at 7:31 p.m.