

**SPECIAL FINANCE COMMITTEE MINUTES**  
**JUNE 3, 2009**

The Special Finance Committee meeting was held on June 3, 2009, at North Royalton City Hall, 13834 Ridge Road. Meeting called to order at 6:07 p.m.

**PRESENT:** Committee: Chairman Mike Farrell, Vice Chair Gary Petrusky, Vince Gentile; Council: Dan Kasaris, John Nickell, Don Willey, Larry Antoskiewicz; Administration: Mayor Robert Stefanik, Finance Director Karen Fegan, Fire Chief Mike Fabish; Other Attendees: Pat Jones, Paul Marnecheck, Joanne DuMound.

**NEW BUSINESS**

**1. Discuss and review 2009 Budget**

Mrs. Fegan said the income tax receipts took a major hit for the April collection which was received in May. She said we are down \$520,000 compared to this time last year.

Mrs. Fegan said she and Mayor Stefanik approached each department head and asked what they might be able to cut or scale back on within their departments. The list that she emailed to Council contains suggestions from each department head. She said at this point these are proposals, and we will continue to watch our income tax collections and other revenue resources to see where we are with those. She said she is hopeful that we might make up a small portion of the decline, but she is not sure. Mrs. Fegan said she also sent Council unemployment numbers for the city and said they are higher than expected. Mrs. Fegan then asked Council if they have any questions on the proposed amendments.

Mr. Farrell asked about the proposed amendment to the budget from the department heads. He asked what the total loss in revenue was in the interest rate. Mrs. Fegan said she did not have that information available, but said it was down significantly. Mrs. Fegan will get this information to Council.

Mr. Gentile asked about the itemized tally on the tax receipt summary that Council received in May. He asked Mrs. Fegan where the majority of the loss in revenue came from. Mrs. Fegan said a majority of it came from our income tax collections.

Mr. Antoskiewicz asked if we are expecting to recover any income tax collections through late collections. Mrs. Fegan said history dictates that May is our biggest collection month by far. She said that the advance the city received for June was \$40,000 more than last year. She is unclear whether or not this means that everything was processed faster by RITA and possibly our reconciliation will not be high. She said we will have a better idea by the middle of June. Mr. Farrell said if the reconciliation number is the same for June, we have five months to run a trend to see exactly what we are off. He asked Mrs. Fegan what the provision is if we continue to see this downward trend for the rest of the year. Mrs. Fegan said we are amending the \$632,000 now and said if we need to make further adjustments we can do that.

Mr. Gentile said after June 15<sup>th</sup> he would like to re-project the rest of the year based on the trend we are currently seeing in order to make a projected amendment to the budget.

Mr. Petrusky asked why we would want to make a motion to change something if on June 15<sup>th</sup>, Mrs. Fegan can give us a better picture of where our revenue is and have our projections available. Mrs. Fegan said she has already talked to the department heads about the projections and adjustments. She said if we wait until the middle of June to amend the budget that is fine. Mr. Gentile said he still feels we need to make an adjustment for the numbers we saw in April. Mrs. Fegan asked Council if they want to see some kind of mock up so they have a draft to look at. Mr. Gentile said if we make this correction to address the downward spike from April collections this month, and gather the new data then develop a trend and feel we still need to react further, we can make the final appropriation for the rest of the year at the July Council meeting. He said there would then be two pieces of legislation; one would be to react to the April collections this month, and the second would be to come back to it in July with proposed readjustments and the funding for the rest of the year.

Mr. Farrell suggested looking back at October through March to review the trend we are going into. He said June's numbers should show us if we have bottomed out. He asked Mrs. Fegan if she would prefer to see the budget amended month in and month out or amend it once during the year and review it in September. Mr. Farrell does not feel we should review the budget on a monthly basis.

Mr. Willey suggested waiting until July so we have a couple months under our belt. Mr. Gentile said he is concerned if we start reviewing the trend in January, it may be too steep. He suggested going back to October when the trend started going downward.

Mr. Kasaris asked what is going on with the overtime mentioned in Phase 2 and specifically overtime in the Fire Department. Mayor Stefanik said these cuts will be discussed in the next round of cuts. Mr. Petrusky asked Mrs. Fegan if she can give Council some trending predictions by the June 15<sup>th</sup> meeting. Mr. Gentile asked if Council wants to wait until July 7<sup>th</sup>. Mr. Farrell said if we decide to wait until July 7<sup>th</sup>, possibly Chief Fabish can explain to us the breakdown of the overtime so Council has a better understanding of what the Fire Department is facing. Mr. Kasaris asked if there is any way to quantify the amount of savings we will have due to the freeze on overtime. Mr. Farrell said that is an unfair question to ask any department because there is no way to quantify the amount of savings we will have in overtime due to the freeze.

Mayor Stefanik discussed necessary budget cuts. He said if things get worse, he has already had discussions with Mrs. Fegan and department heads as to what those cuts might be. He said he is not going to get into those cuts now, but said everyone is in agreement that the most important priority in the city is safety. He said we have to continue to provide the city with the service it has come to expect. He said as we make cuts, we will take into consideration what is important to the residents.

Mr. Willey said he would assume with the hiring of new officers, this would cut down on the overtime in the Police Department.

Mr. Gentile asked if Council can get a breakdown of overtime on the \$300,000 that the Fire Department budgeted and the 46% that was spent. Chief Fabish said in his 2009 budget request he has a detailed explanation of overtime costs in his department. He said his overtime expenses are broken down into training hours, shift fill and a small amount of overtime for community events.

Chief Fabish said the two firefighters he hired last year were in the fire academy early this spring and are now part of the staff. He also has a firefighter with an injury which has created shift fill overtime. He said it is less expensive to pay overtime than to hire another person when you take into consideration health insurance, pension, etc. He said when the city pays overtime, there are not any pension costs involved.

Mr. Gentile asked Chief Fabish if he can analyze the 46% in overtime that has been spent in the Fire Department. Chief Fabish said he does not track overtime that way, but he will try to categorize those figures.

Mr. Farrell asked how many men are currently in the Fire Department. Chief Fabish said currently there is one shift of 11, one shift of 10 and one shift that currently has 11 men, but will decrease to 10 in another month. Mr. Farrell asked if there is a limit as to how many men can go on vacation at one time. Chief Fabish said the Fire Department has many contractual obligations. He said they will go down to a minimum of 8 men per today (5 at Station 1 and 3 at Station 2). He said when they have 11 men on a shift, three men can be off on any given day and this way they do not incur any overtime.

Chief Fabish said when we respond to a call, we respond with three people. He feels this gives the resident the best care possible. He said the EMS calls are the bulk of their calls. Mr. Farrell asked Chief Fabish if he feels the Fire Department is currently running as lean as it can. Chief Fabish said he has made many suggestions as to how they can adjust the staff they currently have, but said none of those suggestions

worked for the safety of the residents. He said he feels we can adjust a little bit during the peak vacation periods. He said the minimum staffing for the Fire Department is 8 men a day and said they can probably function with 7 ½ men a day. Chief Fabish said it is difficult to maintain 8 men staffing because the more men there are on a shift, those men are still obligated by contract to take off a day after they work so many hours. He said the perception is that the overtime cost is high, but said it is still cheaper for the city to bring men in on overtime rather than hire someone new.

Mr. Nickell asked about the 24 hour shifts and if they are still relevant. Chief Fabish said yes. He said there are some departments that work a 10 or 14 hour shift, but for the most part, departments still have 24 hour shifts.

Mr. Willey asked about training courses and re-certifications. He asked what the trend is in interactive PC training. Chief Fabish said that the training courses for his men are instructor based and need to be monitored and signed off by an instructor.

Mr. Farrell asked about the in house training that is currently being done and asked if that was implemented to cut overtime. Chief Fabish said yes. He said Parma Hospital sends instructors to us for this training. He said the Fire Department did implement the method of bringing in 3 men to take calls and sending the entire shift in for training so they can be trained on their shift rather than accumulate overtime. He said if things get busy, they would have to pull some of the men out of class.

Mr. Farrell said he would like to wait until July to amend this budget as he feels this will give us time to see the trend and give the administration a better feel as to whether or not these numbers will change. He said in September we can re-visit this just to do a double check.

Mayor Stefanik said he will be meeting weekly with the department heads to reinforce that if the trend continues to go down, we may have to go to Plan B or Plan C.

Mr. Farrell said we may schedule another Special Finance Committee meeting in July once Mrs. Fegan has the trend numbers available. This will then be voted on during the second Council meeting in July.

#### **ADJOURNMENT**

Moved by Mr. Gentile, seconded by Mr. Petrusky to **adjourn the meeting**. Yeas: 3. Nays: 0. **Motion carried.**  
**Meeting adjourned at 7:02 p.m.**