

**FINANCE COMMITTEE MINUTES
NOVEMBER 15, 2010**

The Finance Committee meeting was held on November 15, 2010, at North Royalton City Hall, 13834 Ridge Road. Meeting called to order at 7:00 p.m.

PRESENT: Committee: Chairman Gary Petrusky, Vice Chair Dan Kasaris, Don Willey; Council: Vince Gentile, Larry Antoskiewicz, Paul Marnecheck; Administration: Mayor Robert Stefanik, Finance Director Karen Fegan, Assistant Prosecutor Donna Vozar; Other: Jim Presot, North Royalton Schools and 24 others (names on file in Council Office).

APPROVAL OF MINUTES

Moved by Mr. Willey, seconded by Mr. Petrusky **to approve the October 18, 2010 Minutes.** Yeas: 2. Nays: 0. **Motion carried.**

UNFINISHED BUSINESS

1. Update on using new Finance software

Mrs. Fegan said Council should have the GPN Network icon on their computers. She said there are steps that need to be followed which she will email to Council members. Mrs. Fegan said she will also get Council members their passwords. Mrs. Fegan told Council members that they have the ability to look around once they are in the program but they cannot do anything once they are in.

2. Monthly Finance report including tax collection status

Mrs. Fegan said she did distribute the finance reports along with the tax collection information that came in last week.

Mrs. Fegan said we are currently down for the month \$125,000 compared to November of last year which brings us to \$560,000 under year to date 2009. She said we budgeted to be down 4 percent so part of the two percent we are currently down was anticipated.

Mr. Petrusky asked Mrs. Fegan if she feels it is still okay to proceed with rescinding the furlough days. Mrs. Fegan said if everything remains the way it currently stands she feels we will be able to absorb this cost which is approximately \$40,000.

Mr. Kasaris asked how bad December would have to be for the city to actually need to reinstate furlough days. Mrs. Fegan said we would have to take a big hit either in collections or expenses or something would have to come through that we were not anticipating. Mrs. Fegan said December is a big expense month due to employee payouts.

Mrs. Fegan said she will be presenting Council with an ordinance amending the distribution of the income tax funds. She said most of the savings were found in the SCMR Fund and the Stormwater Fund. She said she cannot just transfer monies from there to the General Fund due to the type of funds that they are.

Mr. Gentile said as far as the furlough legislation is concerned he feels there should be an amendment to exclude the elected officials. He said he feels elected officials should follow through and honor the 10 percent reduction in pay that they committed to until the end of the year.

Mr. Gentile said as far as the income tax collections are concerned he was surprised at the expense report. He said in October we were \$500,000 over on expenses compared to collections. He asked Mrs. Fegan if we extrapolated out the extra expenses that were paid out including the extra pay period, where we would be in comparison. Mrs. Fegan said it would be very close to being flat.

Mr. Willey asked if we are on target with where we need to be with wages. Mrs. Fegan said there are a couple of departments where the budget was tight so we may have to do an appropriation amendment just to make sure we are covered at the end of the year, but for the most part we are on track.

Mr. Willey asked if the \$560,000 is one extra pay in October and overhead associated with that. He asked if there are any extraordinary items that were budgeted for the year but hit this month. Mrs. Fegan said she did a lot of inter fund transfers in October to cover other funds that were negative.

Mr. Kasaris said he feels we should repeal the furlough program except for elected officials. He agrees with Mr. Gentile that this is the right thing to do. Mr. Petrusky agreed.

Moved by Mr. Petrusky, seconded by Mr. Kasaris **to rescind the furlough days for city employees but elected officials will continue with their 10 percent pay cut.** Yeas: 3. Nays: 0. **Motion carried.**

3. Oil Well Revenue

Mrs. Fegan said she spoke to a representative from RITA but he does not have any updates at this time. She said she will keep the committee posted when she hears back from RITA.

4. Overtime

Mrs. Fegan said she will send this information to Council tomorrow.

NEW BUSINESS

1. Tax Code

Mrs. Fegan said this is in relation to the internet cafés and taxing gambling winnings.

Mrs. Fegan asked the committee if a resident won \$1,000,000 and is paid over a 20 year period would that bring them under the threshold. She asked them to keep questions like this in mind when discussing this topic.

Mr. Petrusky said this will remain on the agenda for discussion in January.

2. Temporary Appropriation Ordinance

Mr. Gentile said he has talked to the Mayor as well as Council about whether or not we are going to continue to pay medical coverage for part time employees. He said we are paying over \$14,000 a year for medical coverage for selected part time employees, predominately in our Law Department. He said with increases in our medical costs, the medical could soon surpass salaries.

Mr. Gentile said he asked the Council Office to look into what other cities are doing as far as paying for medical coverage for part-time employees. He said other communities are not providing full-time medical coverage for part-timers. Mr. Gentile said he asked Mrs. Haller to pull the legislation to see when this was put into place. Mr. Gentile said it was back in the 90's. He said medical was not as expensive back then.

Mr. Nickell said his concern is that we hired these employees with this benefit and he does not want to pull that from them. Mr. Kasaris said when we hired the Second Assistant Prosecutor we hired her with the understanding that in November of this year we were going to discuss this. Mr. Antoskiewicz said he agrees with Mr. Nickell in that it is hard to go back and pull something away from someone after they have taken the job with these benefits. Mr. Willey said he feels this should be discussed after the Council meeting tomorrow night in Executive Session.

John Kohl, a North Royalton resident, said the private sector is able to change health care coverage, 401K rules, etc, etc. He said he does not see why the city should be any different.

Mayor Stefanik said he does not believe we should go into Executive Session to discuss this. He said this does not need to be decided by the end of the year. He said if we are serious about doing this we need to get information from every city in the county. He said some cities do give benefits to part-time employees but their pay scales are a lot lower.

Mr. Gentile said he believes if we are going to offer benefits to someone just because they have a law degree, it is only fair that we offer them to all part time employees.

Ms. Vozar said the Law Department is part-time and in some cities it may actually be part-time, but in North Royalton it is actually flexible time. She said she and the Law Director put in a lot of hours on a weekly basis in addition to receiving calls in the evening and on the weekends. She said she does not feel it is fair to compare the Law Department to part-time employees in other departments.

Mr. Kasaris said he does not feel this is an issue with the Law Director, he feels this is an issue with the Second Prosecuting Attorney, the Magistrate and the Public Defender.

Mr. Gentile asked Ms. Vozar if the Law Department charges when they attend a committee meeting. Ms. Vozar said they do not charge for the Council meetings or for the BZA or ARB meetings. Mr. Gentile said the Law Director and First Prosecuting Attorney positions have evolved over the years. He said he does not have a problem classifying these positions as full time and including them in the benefit plan. He said as far as the Second Assistant Prosecuting Attorney, Public Defender and Magistrate are concerned they only work approximately one day per week. Ms. Vozar requested the opportunity to get some information together for Council's review illustrating the job duties associated with these positions.

Mr. Nickell said he feels we need to take a look at the whole package including salaries and particularly for the part-time employees to see if there is some type of cut off that specifies whether or not we pay for their benefits. Mrs. Fegan said the only employees who are entitled to health insurance benefits are full-time employees. She said the employees in the Law Department that are contract employees receive benefits because it is spelled out in their contract. She said we do not get into this with other part-timers. Mr. Gentile said he feels in the future we need to take a look at the Law Department contracts and define full-time and part-time regardless of the contract.

Mr. Petrusky asked that this topic be placed on the January agenda.

Mr. Antoskiewicz asked if Council is planning to pass Ordinance 10-135 at the Council meeting tomorrow evening. He said the reason he is asking is because part of the appropriation includes hiring additional police officers and firemen. Mrs. Fegan said this appropriation is only for policeman. Mr. Antoskiewicz said his concern is that if Ordinance 10-138, which has to do with the Captain position in the Police Department, goes into committee and the committee approves the hiring of two police officers and Council then elects not to get rid of the Captain position, we would then have to hire that position. He said he does not want to be in a position where we have to hire two police officers and then also have to hire a Captain.

Mayor Stefanik said the Administration's plan is to hire two policemen next year, two policemen in 2012 and two policemen in 2013. He said if the city's finances take a swing back to recovery next year we would entertain bringing on the 2012 patrolmen early but that would only be after we looked at other departments' staffing needs. He said he understands where Mr. Antoskiewicz is coming from but said if we are forced to hire a Captain we really are not properly serving our residents.

Mr. Kasaris said he is not going to pull Ordinance 10-138 into committee.

Mrs. Fegan said Mrs. Haller is going to suggest an amendment to 10-138 because in the WHEREAS clause it states when the position will end, but in the actual wording of the ordinance it does not specify when the position is being abolished.

Moved by Mr. Willey, seconded by Mr. Kasaris to **recommend to Council approval of the Temporary Appropriation for the first quarter of 2011**. Yeas: 3. Nays: 0. **Motion carried.**

3. Amending Appropriations Ordinance(s)

Mr. Petrusky read the ordinances regarding the YMCA. These ordinances were voted on by the committee as follows:

Ordinance 10-139

Moved by Mr. Willey, seconded by Mr. Kasaris **to make a recommendation to Council for approval of Ordinance 10-139.** Yeas: 3. Nays: 0. **Motion carried.**

Ordinance 10-140

Moved by Mr. Willey, seconded by Mr. Kasaris **to make a recommendation to Council for approval of Ordinance 10-140.** Yeas: 3. Nays: 0. **Motion carried.**

Ordinance 10-141

Moved by Mr. Willey, seconded by Mr. Kasaris **to make a recommendation to Council for approval of Ordinance 10-141.** Yeas: 3. Nays: 0. **Motion carried.**

Ordinance 10-142

Moved by Mr. Willey, seconded by Mr. Kasaris **to make a recommendation to Council for approval of Ordinance 10-142.** Yeas: 3. Nays: 0. **Motion carried.**

Ordinance 10-143

Moved by Mr. Willey, seconded by Mr. Kasaris **to make a recommendation to Council for approval of Ordinance 10-143.** Yeas: 3. Nays: 0. **Motion carried.**

Mr. Jordan said there are two items that are alternates that he would also like to discuss. He said the overall design presented to Council calls for a 45,000 square foot facility with a budget estimated at \$5.8 million. He said he realizes there has been a desire for a track facility as well as an extra two lanes for the pool. He said the original design of the pool was for only four lanes and the current design which fits into the budget is for six lanes. Mr. Jordan said the extra two lanes did not fit into the current budget. He said the YMCA was concerned that there would not be enough money to cover the cost of the alternate design for both the pool and the track. Mr. Jordan said Council expressed its desire to have a study done to see what the cost would be for an eight lane pool. He said the architects will design the extra two lanes of the pool as well as a six lane pool and both will be bid on. If funds are found in time to cover the cost for an eight lane pool and Council finds the bid reasonable they could award both the alternate and the base bid. Mr. Jordan said this is also the case with the elevated walking track.

Mr. Jordan said the YMCA has offered to fund part of the design for the alternate. He said there is still a lot of money that needs to be raised to fund these alternates. Mr. Jordan said he appreciates the efforts of all parties continued participation in the project.

Mr. Petrusky said he has asked representatives from the school to attend this evening's meeting to address the committee as far as the school's participation with the YMCA facility. Mr. Vittardi was unable to attend, however Mr. Presot was in attendance to address these issues. Mr. Presot said the school has been in constant contact with the Mayor's office as well as the YMCA. He said the school is very supportive of the swim program and hoped to utilize the pool space at the YMCA by renting or leasing that space. He said the swim team is currently renting a 6 lane pool space in Parma.

Dave Wolford, a North Royalton resident, asked Mr. Presot if the school's preference is an eight lane pool. Mr. Presot said the swim team's preference is an eight lane pool. He said the school would like to see the best possible facility built in North Royalton. He said the swim coaches feel the best facility would include an eight lane pool, but he said the school is not going to dictate to the city how the funds should be spent.

Mike Farrell, a North Royalton resident, asked Mr. Presot if the school is willing to commit long term to the YMCA facility. Mr. Presot said yes.

A resident asked how the options for the YMCA facility were selected. Mr. Petrusky said the alternate items were selected based on price. He said we are currently \$300,000 over budget so they are waiting to see what happens when the bid goes out for the overall YMCA. He said if the bid comes in under budget the first thing they will do is to try to eliminate the \$300,000 then look at adding on other alternates.

Mr. Farrell asked where the \$430,000 estimate for the alternates came from. Mr. Gentile said this is just an estimate from Panzica.

Rich Farley, a North Royalton resident, said there will be additional traffic and revenue once the YMCA facility is open. He asked if the city has considered asking businesses in North Royalton to advertise to help raise money for this facility. He said the surrounding businesses will be benefiting from this facility. Mr. Petrusky agreed that this facility will bring in revenue and said he speculates that the architect has taken this into consideration.

Mayor Stefanik said this facility will be bringing 80 or 90 jobs into the city at the YMCA and Parma Hospital. He feels this will be the biggest draw to the city.

ADJOURNMENT

Moved by Mr. Willey, seconded by Mr. Kasaris to **adjourn the meeting**. Yeas: 3. Nays: 0. **Motion carried.**
Meeting adjourned at 7:56 p.m.