

**MINUTES TO FINANCE AND CLAIMS COMMITTEE
SHEFFIELD LAKE, OHIO
November 22, 2011**

This regular meeting of the Finance and Claims Committee was held Tuesday, November 22, 2011. Chairman Elliott called the meeting to order at 7:04 PM.

ROLL CALL OF MEMBERS:

Present: Elliott, Kovach, Bring, Stark, Huska, Rosso, Smith, Finance Director Smith, Service Director Smith, Engineer Skellenger

Absent: President Podmanik, Mayor Piskura, Treasurer E Hoenig, Law Director Graves (excused)

Attending: Concerned Citizens, Members of the Media

PRESENTATIONS: None.

FINANCE DIRECTOR'S REPORT: Finance Director Smith reported I put together a list of decreases in the general fund for the end of the year so I can kind of get a handle on it and there will probably be more changes obviously in December. Everything is a decrease of funds we won't be using. There is an increase for the RITA contract – I am just going to point out the increases which is usually a good sign if you are increasing RITA and hopefully we will get a little more income tax. We have gotten a little more but not anything to write home about yet. Also there is an increase in grant expenses, the grant for the solar panels at the Community Center, there is \$58,000.00 that is coming from the state and we have to pay it upfront in order to get it back. So if we take it out of general fund which is really the only place we can forward it from that will definitely come back and hopefully by the end of the year, if not in January at the very latest. But we have to pay it to the vendor – Lake Erie Electric so they can sign off that it has been paid and then Ohio Edison – it is a penny or a dime that has been charged on everybody's bill for years and they are giving it away in grants and that is where part of our funding came from and NOACA paid for a big portion of it too. Other increases have to do with personal property taxes which were going to be phased out through 2018 have been cut off as of July of this year and nobody tried to make a big out of it and then all of a sudden I found this out last week. So this year and this is not even talking about next year – this year we are going to be short by \$66,000.00 and that is general fund and that is also all the levies; police and fire levies all get personal property tax or have in the past. So if those levies aren't getting that money we have to make it up in general fund. Next year that number is going to be \$89,000.00 and these are cuts over what we have received in 2009/2010. Also next year as you know the local government is getting cut by \$97,000.00 so we are going to see right off the top a decrease in general fund or

what has to be made up in general fund at least of \$186,000.00 next year. So the budget that I passed out – that is very preliminary, just to give you a kind of feel of what is going on next year. Please take a look at it, if you have any questions please call me and can explain anything. That is probably the leanest budget that I have ever put out. There is no extras anywhere, if we need something it is not going to be take it out of here and put it into here – we are going to have to the extra money to make up to do any of these projects. But again it is a moving target and we can work on that together next year. Going back to the ordinance, I had to increase – not a lot to make up for this year for Fire salaries; overtime, medicare and fire pension. These are just actually small costs with the way I figured it out, I had some carry-overs from last year which sort of made up the difference of the decreases that we got this year thank goodness. Shoreway operating increase is for the \$49,000.00 on paying off on this year's note and to go to part of the fees. I mean the money is there, that is not an issue. Shoreway operating is in good shape. Refuge dumping because of all the rains and the floods early in the spring we offered up our dumpsters to some of our residents and it called for a little increase there so we can pay for the dumpsters. Councilman Rosso asked how many dumpsters do we get in our contract Len? Service Director Smith answered I am not sure but don't forget though we negotiated this year for some extras; like the yard waste freebies that we got which is a 20-yarder which runs non-stop and we normally used to pay for that. Councilman Rosso stated there was X amount I think in the contract and I just didn't remember how many was is all. Service Director Smith answered I think the number you are looking for is 6. Chairman Elliott advised I think we increased it with our contract last time, I think it was 4 and we asked for an increase to 6. Service Director Smith advised what Tammy is referring to is every time we have had a major flooding in people's basements first started, I have opened up the dumpsters for them to bring their hardships. Councilman Rosso stated which is good, how much does it costs for a dumpster? Finance Director Smith answered it is about \$1000.00 a month when we have it open like in those situations. So we have had probably what \$4000.00 this year total. Councilman Rosso stated so we used our 6 and then 4 more. Finance Director Smith advised June was the first time we actually paid for a dumpster. Service Director Smith stated we actually used up our freebie's I believe with the exception of one. That is why we didn't have a second Pride Day because we used up the dumpsters as we had so much flood damage. Finance Director Smith continued Len has asked – we had \$1500.00 in water meters in the water capital improvement fund and he asked that that just get put in regular water capital improvement so that he can spend because we really aren't going to buy any water meters with that money right now anyway. Equipment and repair in sewer because the sewer fund has pretty much been tapped out and I am asking for an increase in sewer capital improvement because I have discovered there is a lot of things that we have

purchased out of the regular sewer fund that could be put into the sewer capital improvement as far as expenses go and that will relieve the sewer fund a little bit and if we make this adjustment now then in December I can increase the line for sewer at Master Meter which is what we pay in the sewer fees but I need this line to give the relief to the regular sewer fund and once I make all those changes then we will have more. We will have to have another increase in sewer at Master Meter, I think we have \$12,000.00 left in that line and I know that that bill is going to be more of like \$50,000.00. Councilman Bring advised we are going to raise the water bill and we have no choice. Finance Director Smith advised we are going to start talking about that and the sewer rate. We haven't raised the sewer base rate in forever. Councilman Bring advised we will bring the numbers. Finance Director Smith advised we have to make adjustments. We have done very well over the years but this year is the tests of what happens when you have a year like this. We have all of our carry-overs gone and we still have to run that department. Councilman Rosso asked did you ever collect the \$90,000 or \$100,000.00 from Erie Shore Landings that they owe us? Service Director Smith answered of course Rick. Finance Director Smith concurred yes he has as a matter of fact over the last 3 or 4 months and that is awesome. Service Director Smith advised they are current. Finance Director Smith quipped that is probably the first time we have said in a long time. Councilwoman Huska asked when you did the budget for next year; the preliminary budget – how much did you increase our sewer fund for next year? Finance Director Smith answered I put it at \$472,000.00 because a normal year - \$450,000.00 is a normal year. Now if we can raise the rate then we can also raise that number but until that, right now this budget balances barely. We have this much carry-over and we have this much revenue and this is all we are spending, there is no cushion really anywhere. Fortunately we run on a monthly basis so you do have revenue that comes in every month but it is why we really need to look at the sewer rates because we cannot survive another year like this with the way the rates are right now. Councilman Bring asked this budget is without looking at hiring anybody; police or anything? Finance Director Smith answered 0 – there will be 0 hiring, absolutely especially any general fund employees. There is no extras. Chairman Elliott asked any idea of how much we are going to lose next year? Finance Director Smith answered yes, \$186,000.00 that is going to impact the general fund and then we lose another \$45,000.00 on top of that next year. The personal property tax – every report that we had over the last 2 years is they are going to stretch that decrease out through 2018. So I mean we would have still had cuts but they would have been pretty gradual. They passed the state budget and cut it out totally. Chairman Elliott stated so we are looking around \$200,000.00 less next year than this year. Finance Director Smith concurred absolutely. Mr. McCullough asked how much was the water/sewer over this year? Finance Director Smith answered approximately \$200,000.00. Mr. McCullough

stated why don't we attack the problem rather than the symptom of the problem. The problem is people are running their water off their roofs into our sewers. Finance Director Smith answered you are absolutely right, the infiltration but we are going to have to bond out I can't even imagine how much money to fix that problem. Councilman Smith asked where are you going to get it? Mr. McCullough answered put it on the home owner, you get caught running your water from your roof into your sanitary you get fined and you get fined heavy. They will stop it right away, it is that simple; don't attack the symptom – attack the problem. Councilman Smith stated there is a lot more issues then just that. Finance Director Smith stated the infiltration is not just the problem. There is a longer discussion however we have to get an immediate solution, that would be great if we have a 5-year plan on how to do that and I am all for it. Chairman Elliott stated I think that is more of a discussion for Roads & Drains. *Motion by Huska/Second by Elliott to accept the appropriations. Yeas All. *Motion by Huska/Second by Stark to add to the next Council agenda. Yeas All.

Decrease	101.111.5322	Office expenses	-2500.00
Decrease	101.121.5242	Education Expenses	-1000.00
Decrease	101.121.5322	Office expenses	-750.00
Decrease	101.131.5115	Overtime	-600.00
Decrease	101.131.5118	Finance Clerk	-1800.00
Decrease	101.131.5121	Health & Welfare	-500.00
Decrease	101.131.5123	Longevity	-350.00
Decrease	101.131.5124	Medicare	-500.00
Decrease	101.131.5126	PERS	-3500.00
Decrease	101.131.5242	Education Expenses	-1500.00
Decrease	101.141.5111	Grant Administrator	-8700.00
Decrease	101.151.5245	Testing Expenses	-11000.00
Decrease	101.151.5322	Office expenses	-500.00
Decrease	101.199.5114	Custodian	-2000.00
Decrease	101.199.5129	Workers Compensation	-18500.00
Decrease	101.199.5130	Unemployment	-1000.00
Decrease	101.199.5133	Medical misc	-2500.00
Increase	101.199.5200	RITA Contract	6400.00
Decrease	101.199.5213	Utilities	-15000.00
Decrease	101.199.5215	Street Lighting & Repairs	-500.00
Decrease	101.199.5222	On-line services	-7400.00
Decrease	101.199.5231	Gaap Conversion	-1000.00
Decrease	101.199.5232	General Purpose Audit	-4500.00
Decrease	101.199.5239	Grant Expenses	-2170.00
Decrease	101.199.5256	Advertising	-3000.00

Decrease	101.199.5270	Refunds	-500.00
Decrease	101.199.5271	Building & repairs	-2500.00
Decrease	101.199.5272	Equipment & repairs	-7000.00
Decrease	101.199.5274	Property Tax	-1400.00
Decrease	101.199.5281	Insurance	-14000.00
Decrease	101.199.5282	Damage & Claims	-2000.00
Decrease	101.199.5321	Copier & Supplies	-1000.00
Increase	101.199.5324	Grant Expenses	25000.00
Decrease	101.199.5510	Election Costs	-4500.00
Decrease	101.199.5520	Delinquent Taxes	-1000.00
Decrease	101.199.5540	Treasurer Fees	-1000.00
Decrease	101.199.5550	Dretac Fees	-1000.00
Decrease	101.199.5560	Foreclosure Fees	-2300.00
Decrease	101.199.5570	County Health Dept.	-2000.00
Decrease	101.199.5590	Other	-10000.00
Decrease	101.199.5643	Note Principal	-17000.00
Decrease	101.199.5915	Community Center Transfer	-5000.00
Decrease	101.199.5917	Capitol Project Transfer	-4800.00
Decrease	101.199.5920	Capital Improvement	-20000.00
Decrease	101.201.5117	Safety Director Salary	-3300.00
Decrease	101.201.5124	Medicare	-48.00
Decrease	101.201.5126	P.E.R.S.	-465.00
Increase	101.220.5111	Fire Salaries	5000.00
Increase	101.220.5115	Overtime	5000.00
Increase	101.220.5124	Medicare	750.00
Increase	101.220.5125	Fire Pension	2750.00
Increase	105.710.5310	Shoreway Operating	65000.00
Increase	209.350.5494	Refuse Dumping	2500.00
Increase	607.360.5643	Water Capital Improvement	1500.00
Decrease	607.360.5646	Water Meters	-1500.00
Increase	611.370.5272	Equipment & repairs	2500.00
Increase	617.370.5643	Sewer Capital Improvement	30000.00

MAYOR'S REPORT AND/OR COMMENTARY: None.

LAW DIRECTOR'S REPORT: None.

CITY TREASURER'S REPORT: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

PRESIDENT OF COUNCIL COMMENTARY: None.

MEETING ADJOURNED: With no further business before this committee,
*Motion by Kovach/Second by Stark to adjourn at 7:19 PM. Yeas All.

CLERK OF COMMITTEE AFFIRMATION:

This Meeting of the City Committee of the City of Sheffield Lake, Ohio, was held and conducted under all Rules and Regulations Governing the Sunshine Laws of the State of Ohio as they may apply. All meetings are recorded and available in Council's Office.

CLERK OF COUNCIL/COMMITTEES

Kay Fantauzzi

CHAIRMAN

Eric S Elliott

CO-CHAIRMAN

Steve Kovach

I, Kay Fantauzzi, duly appointed Clerk of Committee
Of Sheffield Lake DO HEREBY CERTIFY that this
Is a true and exact copy of the Minutes of the
Finance of November 22, 2011.

COUNCILPRESIDENT

Edward R Podmanik

and/or

COUNCIL PRO TEM

Richard Rosso