

City of Olmsted Falls
Minutes of a Finance Committee Meeting
Tuesday, November 15, 2016, at Olmsted Falls City Hall
26100 Bagley Road – Council Chambers, 6:15 p.m.

Chairman Bob Sculac called the meeting to order at 6:15 p.m. Roll call was conducted. Councilmen Jay Linn, Linda Garrity, Paul Stibich, Terry Duncan, and Kyle Miller. Jim Haviland was excused.

Also Present: Gregory Sponseller, Law Director, Ann Marie Donegan, Mayor, Steve Presley, Finance Director, Mike DeSan, Asst. Finance Director, Fire Chief Arida.

Budget Discussion:

Service Department - Mayor Donegan stated that the budget does include bringing Mr. Kopchak to a full time status. She stated that Mr. Miller had mentioned placing more money in the city streets and she met with Ms. Mancini and asked her to pull together previous minutes that dealt with a meeting regarding roads and the fact that there is never enough money. Essentially the city needs approximately \$1 million a year and only raises \$250,000. She stated that we will bring in as much money as possible for road repairs. She then turned over the budget discussion to Mr. Presley.

Mr. Sculac stated that he would prefer going with the budget as laid out in the documents provided by the finance department.

Council - Mr. Presley stated that there is not a significant change except for the increase for the Clerk of Council and in the ordinance pertaining to Council member salaries there is a 2% increase. There was also an increase in education, training and dues to allow for some additional conferences. Mr. Sculac asked what was completed for the benefits. Mr. Presley stated that since we are receiving quotes for health care he used the budgeted amount for 2016 and increased it 15% for 2017.

Mayor's Court - Mr. Presley stated that there are no changes to this budget and no benefit costs as Ms. Mancini's full time benefits are under the Clerk of Council. Mr. Sculac stated that the full time salary was increased from \$5,000 to \$10,000. Mr. Presley indicated that he will have to review that and determine why it is not \$7,500. Mayor Donegan stated that the education, training and dues there is Mayor's Court software that Mr. Incorvaia does not believe we are utilizing correctly and we are looking into that.

Mayor - Mr. Presley stated that under the actual for October the full salary has to be divided and the portion that is the safety director's reclassified out of the Mayor's budget and into the Police budget, so the salary will be reflective of the actual salary that has been approved for the Mayor during the term in office. Mr. Sculac stated that the amount being budgeted for 2017 is not the new ordinance approved for the Mayor. Mr. Presley replied no as this will be the last year under the current salary for the Mayor. The one adopted previously will not be in effect until January 1, 2018.

Mr. Sculac stated that the amount listed is not the current salary as it is \$54,000. Mr. Presley stated that Mr. Sculac is correct and he will correct and revise.

Finance Department - Mr. Presley stated that there are two full time assistants, himself and Ms. Radigan who is part time. The benefits are for one individual as the other full time assistant waives those benefits. The collection of the RITA costs have increased due to the fact that RITA collections were up over 10% year to date and he is forecasting a 3% increase for 2017. Mayor Donegan stated that the non-collective bargaining employees have a built in increase of 2%. Again, these increases are evaluation based and individuals receive 0% to 2% depending on evaluations. Mr. Sculac stated that what is listed under the actual is only year to date. Mr. Presley replied that was correct.

Law Department - Mr. Presley stated that there are two salaried individuals within the law department. He built a 2% increase for 2017 and a 15% increase for health benefits. He does not foresee the same number of issues relative to the bargaining units and grievances so the legal expenses have been decreased. Mr. Sculac asked where the part time salary of \$5,000. Mr. Presley stated that Ms. Mancini is also charged to the law department for secretarial work. Mr. Miller stated that he is upset over the legal expenses for outside legal services.

Mayor Donegan stated that through 11/8/16 on police department grievances ULP's and arbitration sis \$123,979. Of course there was a special prosecutor for the Donegan matter, nuisance matter for Mr. Bowman, the Police Chief issue. Mr. Miller stated that he understands where it is all coming from.

Civil Service - Mr. Presley indicated that there was testing performed relative to promotion. He does not see any examinations in 2017 other than police chief.

Administration - Mr. Presley stated that there are no changes. He stated that the city's worker's compensation rates have dropped because we have been fortunate with lack of claims. He believes that overall the city will have a \$4,000 increase.

Ms. Duncan asked why the part time salary was budgeted at \$15,000 but the actual shows \$30,000. Mr. Presley indicated that the difference covers the special projects manager within the Mayor's office who has been working on grant submittals.

Mayor Donegan stated that she has been working with the Chief's to bring in drug testing. If we have employees do random drug testing it will bare favorable to the city's workers compensation costs. This is an initiative that we will pursue in 2017 but will not see the results until 2018. The fire bargaining unit contract has the language and we are working on an operational procedure, this is a renegotiating item in the police bargaining agreement however it is contained within the agreement that moving to this system will not be unreasonably withheld. As far as the part time salary we are allocating most of what she does to specific projects. Mr. Presley indicated that the part time salary is allocated to the senior's, community paramedicine, railroad issues, and administrative.

Mr. Sculac stated that under the miscellaneous professional services intergovernmental there is a \$20,000 increase and asked if he is expecting significant increases. Mr. Presley stated that he will

review the miscellaneous professional services but the intergovernmental is the auditor's fees and he is not sure if the county expenses have been closed for the year and is utilizing past numbers.

Police Department - Mr. Presley stated that the budget includes the entire staff salaries but some of the salary costs are moved to the police levy fund throughout the year. Included in the salaries is the 2% increase, which is part of the bargaining agreements, as well as the 15% increase for benefits. Mr. Sculac asked if the budget included any additional hires. Mayor Donegan stated that there are no plans for any additional full time hires. Mr. Presley indicated that there could be part time hires. Mayor Donegan indicated that there is discussions regarding the purchase of vehicles with Mr. Presley. There are also discussions regarding firearms, Tasers and Leads Online, this includes software programs which will enhance the detective bureau.

Mr. Sculac stated that under miscellaneous professional services we have already spent \$5,400 and asked if the department would be able to get by with \$3,700. Mr. Presley indicated he would review but does believe the department can. This year includes some unique items.

Mayor Donegan stated that she believes Asst. Safety Director Trainee increased DARE by \$1,000.00. He is currently submitting grants as well. The city did not receive the COPS grant but still under consideration for a police officer to be serviced by a grant. Mr. Presley indicated that if the city receives the grants the budget can be amended accordingly.

Mr. Presley indicated that annually the department budgets \$20,000 for prisoner housing. Mr. Sculac stated that the city is low on those costs this year. Mayor Donegan stated that she is also planning on speaking with Director Goss regarding detention costs.

Dispatch – Mr. Presley stated that he met with Strongsville and the city received a modest 1% increase but we are still unhappy with that due to how Strongsville is handling the other two member municipalities. Effectively, they are subsidizing two of the other member municipalities, which means Strongsville is paying more than they should based on a percentage allocation than they should be and the other two cities are paying less but Olmsted Falls is paying what we should be and this decision does not sit well so we are continuing those discussions. Mr. Sculac asked if Olmsted Falls was paying to subsidize. Mayor Donegan stated that we are not paying to subsidize but what she cannot understand is that Olmsted Falls is paying what we should and the 1% is the cost of doing business. Unfortunately she was unaware that these dispatch meetings took place monthly as neither one of her chief's informed her. One of the issues is that Strongsville is doing things for Olmsted Falls that they do not do for North Royalton or Berea, for instance, they handle all of our calls and North Royalton has a 24 hour clerk but we only have a part time police clerk. She asked what they did for Berea and was informed that they do the same for Berea. She then asked what other issues Strongsville handled for Olmsted Falls and was informed that they take all our calls, but do not track them, she then informed Director Goss that she read the CAD's daily and Strongsville does keep track. There is another meeting that will take place tomorrow for more discussions. Mr. Sculac asked if the city would be discontinuing the use of its police clerk. Mr. Presley replied no. Mayor Donegan indicated that she is aware that the department would like to make the police clerk full time for a whole host of reasons. Mr. Presley indicated that the department will need to justify the hours because in addition to the salary there is health care as well which could be \$20,000 and he will need to understand why this position could not be covered with two part time individuals.

Fire Department – Mr. Presley indicated that again the entire department is budgeted with the general fund and periodically part of the salary costs will be moved to the fire levy account. Mayor Donegan stated that part time hires are being discussed in order to increase that base. She stated in terms of full time hires the only one under consideration is the Fire Chief. Chief Arida stated that depending on how the fire chief and assistant chief positions are filled the department is still down one full time firefighter. The department is also down in the part time base as well. Mr. Presley indicated that it makes sense to hire additional part time as it helps with the overtime. It does make sense to hire a fire chief so that he may interview firefighters. Mayor Donegan asked if there were any equipment needs. Chief Arida stated that he does not foresee any other than general equipment needed. He also stated that the department is submitting a grant and if the city receives that grant the match would be \$6,500. Mayor Donegan stated that there are also a couple of programs that Chief Arida is re-engaging that were eliminated for some reason and asked if they were included in the budget. Chief Arida replied yes. Mr. Presley indicated that he did not include those and will revise. Chief Arida indicated that the HVAC needs to be updated and positive pressure which helps eliminate diesel fumes from getting into the station from the garage and was eliminated over the last couple of years which needs to be re-engaged.

Engineering – Mr. Presley indicated that a portion of Mr. Sheehy’s retainer is included. He records all activities to this particular fund and then he allocates to the general fund, sewer, and streets.

Trash Collection – Mr. Presley stated that he did certify the costs to the county for collection. He received an updated rate for homestead exemption for 2017. He also updated that rates that will be in effect on 01/01/2017.

Service Department – Mr. Presley stated that there were no changes relative to the number of individuals. The salaries were increased by the 2%, per the collective bargaining agreement, there was an increase for part time salaries, and the benefits were increased by the 15% that is being used in all departments. Mr. Sculac stated that as he understands Mr. Kopchak’s hours were to be increased. Mr. Presley indicated that salary would be in the building department budget. There was a reduction in fuel costs.

Economic Development – Mayor Donegan stated that if the JEDD Board contracts with Bricker and Eckler there could be a contribution to the JEDD as well. This budget includes the Juniper contract, branding and wayfinding, Mr. Russo’s contract, Xcelligent, signage, City Architect, grants. Ms. Jones indicated that the city received the NOACA grant which is an implementation grant and someone from the city will need to work on that implementation. Mayor Donegan stated that when you look at the strategic plan and the aesthetic improvements that we want to accomplish the money needs to come from somewhere.

Business and Community Services – Ms. Jones indicated that her budget was increased from \$15,000 to \$25,000 which covers James Riddle who works with per on a part time basis. He is not considered an employee but rather professional services. She stated that Mr. Riddle helps on certain projects and the big issue he will handle this year is the Evening in the Falls events and the Vintage Marketplace that the city will take over. One of the downtown merchant’s handled the Vintage Market Place last year and did a wonderful job soliciting the vendors but was overwhelmed handling the entire project. Mr. Riddle met with the merchant today and will be expanding the event. The Evening in the Falls event will turn more into a music and food event. She stated that Mr. Riddle did a good job last year soliciting donations to offset costs. We also purchased some

Olmsted Falls items that we were able to sell and make a profit. She also spoke with Mr. Borczuch who indicated that the service department set up tents that were borrowed from Park and Rec as well as some items borrowed from the Garden Club, he has suggested that if we continue with these events the city should purchase a tent and some tables and chairs. We will also have costs for signage and promotion that will incur regularly along with the addition of any memberships that she has for example, Chamber of Commerce and the Downtown Olmsted Falls Business group. She also attends the Chamber Golf Outing. Mayor Donegan stated that the expenses for ContinuentON she previously spoke about will also fall under the under the business and community services budget. She stated that we are attempting to enhance and build the City and not just provide police, fire and service. We will also be adding a third banner for the change of the season. Ms. Jones stated that that Mr. Riddle is also working on the Dan Waugh books that we received that are quite old. He is looking at grants and obtaining bids to restore and preserve the books. Ms. Jones stated that the oldest book is dated 1926 where Dan blogged about the weather and nature. She stated that Mr. Riddle has gone through each book and logged them on paper in order to keep some sort of record. Mayor Donegan stated that we are attempting to add benefit to what we leave behind.

Office on Aging – Mr. Presley stated that unless the city receives grants this will be setting this up as a special revenue fund to keep track of the expenses as a lot of these funds are being received as grants per person and needs to be tracked separately. Mayor Donegan stated that the city is covered for 2017 and 2018 with \$20,000 each year.

Planning and Zoning – Mr. Presley indicated those funds are being combined due to the election results. Mr. Sculac stated that the city should anticipate incurring a lot of professional services. Mr. Presley replied similar to what was utilized in previous years. Mayor Donegan stated that after the zoning change is completed she would like to go out to developers and inform them of the zoning changes as there could be interest with the current available for example, behind her home. She stated that Mr. Smerigan is instrumental in navigating, if in fact the MUTND is brought to fruition we will need his expertise. Mr. Miller asked if Mr. Smerigan was considered full time. Mr. Sculac asked what was considered the full time salary. Mr. Presley indicated that would be for the secretary of the board and will be part time salary not full time. Mayor Donegan stated that she is unsure why the salary is so high. The city will merge three boards that will meet twice a month.

ABR – Mr. Sculac stated that he believed the city would be reducing the time Mr. VanPatton spent on ABR cases. Mayor Donegan stated that she believes the city will change services. She stated that there was a parking and mileage issue, the City has been paying for his parking in Cleveland as well as his mileage and Mr. Van Patton does not want to budge on that issue. She has received a proposal from City Architect to take on the ABR advisory role, who would charge us an hourly rate for their attention. She stated that Mr. Smerigan also wants to speak with the ABR Board regarding not having an architect at every meeting.

Building Department – Mr. Presley stated that the change to the budget is taking Mr. Kopchak from a part time status to a full time status and the benefits. Mr. Sculac asked if Mr. Kopchak would remain on an hourly rate as opposed to salary. Mr. Presley indicated that his full time salary would be \$20.00 times 2080 hours. Mayor Donegan stated that the personnel ordinance will need to be amended in order to determine salary and Mr. Kopchak will also be a non-bargaining employee. Mr. Sculac stated that the budget goes from \$37,000 to \$82,000. Mr. Presley indicated that \$20.00 an hour at 2080 hours will be \$41,600 for this individual plus the secretary. Mr. Sculac stated that the full time salary is listed at \$82,400. Mr. Presley indicated that includes two people,

the property and maintenance inspector as well as the building department secretary. Mr. Sculac asked if the department anticipates miscellaneous professional services at \$110,000. Mr. Presley indicated that this amount includes the costs for Safe Built. Mr. Sculac asked if the city still has the volume of inspections or are we down. Mr. Presley indicated that the city has been at \$7,000 a month. Mr. Sculac stated that the city is not building additional homes. Mr. Presley indicated that Safe Built is paid by permits and if this is reduced then the revenue on the other side will also be reduced, he will review this portion of the budget.

Park and Recreation – Mr. Presley indicated that we are looking to take this board over to a special revenue fund because recreation is back in control of the City. For example, the flag football fees and summer arts will be kept in a separate fund. Mr. Sculac would like to know when Olmsted Recreation was disbanded the city was owed some money and would like to know if the city has received that money. Mayor Donegan indicated that the city received \$11,000 in September. Mayor Donegan stated that she is happy that the voters passed the fire and next year there will be no levy renewals, but, in 2018 park and recreation will come up. She would appreciate Council starting the discussions now as opposed to waiting until the last meeting. She would like the city to again consider changing the levy language which would enable this levy to be used for recreation. Mr. Sculac agreed. Mayor Donegan asked Mr. Sculac to begin discussions during the finance committee meetings. Mr. Sculac stated that he also believes that the city should offer more programming and recreation. Mayor Donegan stated that she did meet with the YMCA and there is a new gentleman in charge who has a lot of experience and comes from Michigan. She stated that the city will maintain the football and summer arts programs and begin discussing other types of programs and sponsorships. Mr. Presley stated that on replacement levy's the city will lost the roll backs for example, in order to get \$100 the residents will need to pay the full amount. He would like to point out that the earliest the city can place the renewal on the ballot is November of 2018 but will not be collected until 2019. Mayor Donegan stated that she believes there is a window of opportunity the city should look at. Mr. Sculac indicated that he is in agreement and will help work on this issue.

Mr. Presley indicated that there is an error on the special revenue funds, the expected revenue is listed as \$402,000 on the state highway and should read \$40,000 and the fund balance at the end of the year would be \$46,411.00.

State Highway fund – Mr. Presley indicated that this is funded by motor vehicle fuel and license plates which is used to maintain roadways. He stated that miscellaneous supplies covers street resurfacing. If the city has a large fund balance for 103 he will begin looking at putting additional money into street repairs in 2017. Mayor Donegan stated that the city has submitted grants to the county for Lindberg and depending on the proposals received for changing from Berea Water to Cleveland Water we may be able to combine and collaborate to perform other repairs which will free up money.

Mr. Presley briefly discussed the special revenue funds.

Mr. Presley stated that the fire equipment fund helps provide for the major equipment purchases and larger non-vehicle purchases. Mr. Sculac stated that in talking with residents they do not like numerous. He would like to know if it is feasible to combine the two fire levies into one and combine the two police levies into one so the city does not have to ask for seven or eight renewals. He stated that people do not understand when they see a fire levy that one is for equipment and the

other for salaries. Mr. Presley indicated that he did look at that idea in 2014 and brought the information forward and do we want to make them general operating levy's. The concern is anything we now do with levies will be subject to elimination of the state providing the homestead exemption and the roll back. For example, in order to collect \$1,000 the residents currently pay \$870.00 but if a new levy is put forward they will pay the full \$1,000 without bringing any additional money into the city which means the residents will pay more taxes. Mayor Donegan asked if Mr. Presley could look at this strategically at everything this brings in and determine a millage. He stated that if he was a resident he would vote every two or three years in order to save the 13.5 cents in his pocket. Mayor Donegan suggested that maybe the city needs to educate more. Mr. Sculac indicated that he would like to see what combining would it looks like. Mr. Presley indicated that he would review the information again. Again, his concerns relative to this is the money good or bad, is available to be used for anything but when you have it earmarked as a fire levy or equipment none of us, nor any of our successors, can do things with it that wasn't originally intended. Mr. Sculac stated that history proved that we lost the general operating levy and he doesn't particularly want to say we are going after a general operating levy as opposed to fire levy because he does not believe that will be understood either. Mr. Presley suggested calling it a safety services levy which would include police and fire, but if you are looking at the same millage he is not sure we will gain anything other than the reduction of four levy's and rolling them into one. Mr. Sculac stated that he is suggesting rolling four into two; one for police and one for fire.

CDBG – Mr. Presley indicated that the city received grant money and if we receive any additional dollars the budget would need to be amended. Mr. Sculac asked if the balance was currently \$135,000. Mr. Presley indicated that he believes this money was spent in 2015 and indicated that the mathematical equations are incorrect and he will correct.

Mr. Sculac stated that under the park and recreation operation fund there is \$15,000 marked for professional services. Mr. Presley stated that he will have to review Mr. Borcuzch's notes as he does not remember what this amount would be used for.

Shade Tree – Mr. Sculac asked if the city is able to handle the budget being reduced from \$15,000 to \$8,000 for supplies. Mr. Presley stated that if the ending fund balance is \$53,900 then he can increase the miscellaneous supplies.

Mr. Presley indicated that the park and recreation fund shows revenue for 2016 was \$22,000 and \$11,000 of that was the disbandment of Olmsted Recreation.

Mr. Presley stated that the Jenkins Fund or the aging operations this fund is for grant dollars and for 2017 there was a deposit of \$20,000. This is a reimbursable grant based on \$15.49 per person.

Mayor's Court Computer Fund – Mr. Presley this allows for the purchase of a computer system for the clerk annually and the old computer is recycled getting rid of the most elderly computer throughout city hall.

Community Diversion – Mr. Presley indicated that this is a program operated through the police department and juvenile court.

Law Enforcement Trust Fund – Mr. Presley indicated that this is used for any money that comes in through court orders or forfeitures and can be used for education or training.

Long Term Compensated Absences – Mr. Presley indicated that this fund it used for individuals that retire and their accrued time is charged to this fund rather than the operating department. The ending balance is \$112,000 and we may take some of the compensated absences paid in 2016 and move to this fund.

Community Paramedicine – Mr. Presley stated that the city received a grant for \$50,000 which is \$25,000 for 2016 and 2017. Mayor Donegan stated that the city has submitted another grant for \$396,000. There is also some unique opportunities with the heroin epidemic. This city is also now a part of a safe program which allows individuals to turn in drugs and obtain treatment. Since we are part of this program we are looking into maybe employing a licensed social worker that would help get individuals into treatment and possibly a small charge for the services. This is an opportunity to do at least two things; improve the quality of life and the services we offer as well as a slight revenue stream.

Bond Retirement Fund – Mr. Presley indicated that he will need to revise this portion of the budget due to the fact that the 2014 note that was issued in 2013 needs to be shown as an actual expense in 2014, and there is not \$470,000 sitting in the fund the actual amount is \$68,000. He will ask Council for a motion to move the money to be able to pay off some of the city's outstanding debt or consider using the funds to purchase one or two vehicles for the police department. He stated that he will attempt to sell two or three of the police vehicles and turn one over to the service department. He will then replace two vehicles with Ford Explorers. The police version of the Explore have proven too be solid vehicles, dependable and the overall size is convenient for all officers. Mayor Donegan asked if he would sell the trucks. Mr. Presley indicated that one would be turned over to service and does not understand why the city even purchased trucks to use as police vehicles.

Fund 214 bakers bridge – Mr. Presley indicated that there is a group of residents with a private bridge on their private property. We are working on an agreement to replace the bridge. The replacement of the bridge will become a special assessment and placed on the residents property taxes. He stated that the residents will pay all financing costs, debt issuance costs, legal fees, anything associated with the bridge. Mayor Donegan stated that Council will see the law firm Mansour, Gavin on pay ordinances, the city will utilize this firm as special counsel because this is a private bridge matter, but their fees will be reimbursement to the city through the assessments. Mr. Sponseller stated that he would prefer that Council not have further discussions as an agreement has yet to be negotiated. There will be a question as to whether or not there can be an actual "assessment" if we have agreement, or we may be able to place it onto the tax duplicate by contract which would appear as the equivalent to an assessment.

Capital Improvement – Mr. Presley indicated that this fund is used to pay down the costs of the service garage. We do however have up to \$300,000 plus \$50,000 available for capital outlay in 2017, nothing earmarked at this point and anything that the city would look at would need to be approved by Council. Mayor Donegan stated that the city's costs for the turnpike bridge is going to be approximately \$20,000. She stated that she has been discussing the branding and signage costs with Mr. Presley to determine if they could be considered capital projects. Mr. Sculac asked if the turnpike was still anticipating construction in 2017. Mayor Donegan replied yes.

Service Equipment – Mr. Presley stated that the city still has two remaining payments on the international truck. The outstanding balance of just over \$20,000 would be paid in 2017 and 2018.

He will be discussing the purchase of another new plow truck with Mr. Borczuch and beginning those lease payments in 2017. Mayor Donegan stated that the plow truck that is to be replaced is 20 years old.

Grade Separation – Mr. Presley stated that there are expenses for miscellaneous professional services. Mayor Donegan indicated that those expenses are for the last portion of the landscaping project for the underpass.

Mr. Sculac stated that the city shows a beginning fund balance as of 01/01/2016 of \$1.7 million and in 2017 we would have \$1.2 million. Mr. Presley indicated that the \$1.2 million is a calculation based off of all of the budgeted numbers in 2016 and he feels comfortable saying that he thinks believes the city will end higher. Mr. Sculac stated that the budget shows total budgeted expenses for 2017 at \$5.6, and asked what the projected income for 2017 would be. Mr. Presley stated that the projected income is \$4.7. Mr. Sculac stated that we are looking at a general fund income of \$4.7 million and general expenses of \$5.6 million. Mr. Presley indicated that the fire and police levies have to be subtracted from the \$5.6 number as those are additional revenue sources that help offset the cost salaries. Mr. Miller indicated that leaves the city with a \$75,000 shortage. Mr. Sculac asked how the city plans to cover the shortage. Mr. Presley stated that at this point it's a budgeted number and it is not uncommon to have a small figure of expenses exceeding current year's revenues. He will review Safebuilt's numbers as discussed and see if the \$110,000 can be reduced to \$84,000 based on year to date figures.

Mr. Sponseller pointed out that Mr. Presley has estimated from an expenditure standpoint with some cushion. Mr. Presley replied absolutely and typically we do not expend all that has been appropriated. Mr. Sponseller stated that if you look at \$5.6 million if there's a 1% savings that will equate to \$56,000. Mr. Presley indicated that there is also a 2% increase across the board for all employees for pay increases and 15% for health care costs. Mayor Donegan stated that the city still does not have the health insurance information. Mr. Presley stated that to come in with \$75,000 shortage is not a major concern but if it was \$750,000 then he would be concerned. Mr. Sponseller stated that historically all finance directors estimate the income conservatively and estimate the expenditures liberally. Mr. Presley indicated that he has income tax projected at 3% and for our current year to date we are almost at 10.9%. Mr. Sponseller stated that the fact of balancing that, which will occur at the end of this year with the amended budget for 2016, will also occur in 2017.

Mr. Sculac asked where Mr. Presley estimates the city will end up in 2016, will our income exceed our expenses are the other way around. Mr. Presley indicated that he will state that the city's income will exceed its expenses, even with the legal bills, because of the 10% increase in income tax.

Ms. Garrity stated that Mr. Presley mentioned that the police department will be looking at the addition of new vehicles, what figure is the city looking at if some of the old cars are sold. Mr. Presley indicated that the Crown Victoria's are only worth about \$2,500 and are usually purchased by individuals who paint them and use them as taxis. The pickup truck will be transferred to the service garage in order to prevent purchasing another one. He will utilize the capital improvement fund or the bond levy fund balance. The Ford Explorer's when fully equipped typically cost \$37,000 to \$40,000 and they seem to last five to seven years, they are also all wheel drive, and dependable vehicle. Ms. Garrity asked how many would be purchased. Mr. Presley replied two.

Mr. Sculac stated the city can sell four but only replace two. Mr. Linn stated that some of the vehicles are six or seven years old and the trucks are 2010 and 2011.

Mr. Miller stated that the \$75,000 shortage is concerning and he would like, for our benefit, to go into the city's coffers rather than having negative numbers to make up for. He hopes that we can nibble around the edges to lower the shortage. He does believe that economic development and business and community services are important and does not want to see that cut. But, again if we can give some trims to a lot of different areas it would get us much closer to parody moving forward. Mayor Donegan stated that when the budget was first presented to her there was a \$28,000 surplus. She then strongly advocated for some economic development and adding Mr. Kopchak as a full time employee. Mr. Miller stated there was a discussion with the council budget regarding education, training and dues and increasing that from \$500 to \$5,500 and asked what would be covered for dues and trainings. Mr. Presley stated that Council members can go to training regarding sunshine law, public records retention, or you can get maybe take an economic development course. Mr. Miller stated that he does not mean as a benefit to him but rather what we pay. Mayor Donegan stated that Ms. Garrity wanted to put on a Christmas holiday party for the boards and commissions members from Council and this budget is where those expenses are placed. Mr. Miller asked if that would fall under Council's budget or the Mayor's budget. Mayor Donegan stated Council holds an annual Open House and the general fund would underwrite those expenses but will be placed in Council's budget now that it has been increased. We are increasing Council's budget to give Council opportunity for mileage and course expenses, if you choose to take. Ms. Garrity stated that a couple months ago some of the Council members were being summoned to Columbus and there was a possibility that an overnight stay would be required. Those members inquired as to who would cover an overnight expense. She stated that there should be some of reimbursement so at that point we began looking at increasing Council's budget. Mayor Donegan stated that the Monarch Pledge was something that Ms. Duncan wanted to do and those expenses could have been part of the council budget or maybe you want to attend the CSU Leadership Academy those expenses would be charged to Council's budget. Mr. Presley indicated that Council members can also attend the Mayor's and Managers conference. Mayor Donegan stated that networking is the thing to do in order to get anything done. Ms. Garrity indicated that anyone can apply for a scholarship through NOCCA for educational programs. Mr. Presley stated that he will review all of the budgets to see how much he can reduce the shortage. Mr. Sculac stated that Council may only spend half of its budget.

Mr. Miller stated that a holiday party for the commissions members and expenses for veterans day makes sense, but as far as education and training he feels that Council gets paid for their positions and if we determine to go through trainings they would be considered more like CLE trainings and its part of the job and does not believe that is a good use of taxpayer dollars. He stated that as far as paying membership fees for NOCCA that makes sense. He would like Council to use discretion as this is a large increase and a lot of money to spend on ourselves and he is always hesitant to do that.

Ms. Garrity asked if the city would incur additional engineering costs for the Phase V project. Mr. Presley replied yes but Phase V will be a special assessment project and all of those expenses will be reimbursed as we move forward. Mayor Donegan stated that the old grant can be used for past and present engineering costs and asked Mr. Presley to contact Mr. Sheehy. The city has also applied for a couple more grants to help with costs. Mr. Linn stated that if he is not mistaken the amount being returned from to the city from the grant was approximately \$130,000. Mr. Presley indicated that he will confirm the amount with Mr. Sheehy.

Miscellaneous: - *None*

Adjournment

Mr. Sculac moved to **adjourn**; Ms. Duncan **seconded**. Voice Vote: 6 ayes; 0 nays. **Motion carried.**

The meeting adjourned at 8:05 p.m.

Bob Sculac, Chairman

Angela Mancini, Clerk of Council