

FINANCE COMMITTEE MEETING  
NOVEMBER 1, 2011

Finance Committee Chair Mr. Knuchel opened the Finance Committee Meeting at 6:08 p.m. In attendance from the Committee were Mr. Knuchel, Ms. DePledge and Mr. D'Ambrosio. Also in attendance from Council were Mr. Hoefle, Ms. Vaughn and Council President Mr. Morley.

In attendance from the Administration were Finance Director Slocum, Service Director Semik, CBO Stigalt and City Engineer Gwydir. Mayor Andrzejewski was late in arriving.

CHANGE ORDERS: ODOT: LAKESHORE BLVD. SLIDE REPAIR PROJECT: DLZ OHIO INC.: \$104,956.53/ NEW CONTRACT TOTAL: \$360,854.57  
CHANGE ORDERS: EAST 347<sup>TH</sup> AND EAST 348<sup>TH</sup> STREET PAVEMENT REPLACEMENT PROJECT: TRI MOR CORP.: \$163,864.83/NEW CONTRACT TOTAL: (\$813,642.67)

*Discussion of the change orders was not recorded. Per the notes the Committee agreed to move the items forward to the next regular Council meeting.*

MISCELLANEOUS

SERVICE GARAGE LIGHTING INSTALLATION: GRANT

Mr. Knuchel: Ms. Vaughn, you had a question?

Ms. Vaughn: I spoke with Mr. Slocum. We received a memo from the Service Director indicating they are replacing lights in the Service garage and my question was to Mr. Slocum that I could not find it in the budget. Mr. Slocum was kind enough to explain it was a grant from CEI but I understand it is a reimbursable grant. My question is where are we taking the money out of now and when do we anticipate getting it back and do you have the amount?

Mr. Slocum: We do have it in the budget. I probably need Mr. Vuckovich here to tell you. I would like to cover with everyone what I have been working on the last week. As part of going for the refinancing of the bonds I have had to update where we anticipate to be at the end of the year. Mr. Vuckovich and I have actually reviewed all accounts within the City so far and we still have some open issues we are trying to resolve – that we need to resolve before we have them included in our official statement. What we have done with a lot of these – I will be able to tell you where we project any individual accounts to end up at the end of the year. Additionally we have identified several accounts within the funds that we need re-appropriations. I will be putting in a request that we look at that.

Mr. Semik: We are upgrading the lights in the Service garage. The money has been allocated and has been set aside for the project - \$5,600. That job will be completed in-house and I have 90 days to complete the project and send CEI a confirmation of the lights being installed, how many employees – what we did on our side. CEI has indicated that our incentive to replace the lights is \$6,723. The lights are \$5,600 so basically it is a wash.

Mr. Slocum: We had the money already budgeted. It is coming off current appropriations and we have issued a purchase order.

Ms. Vaughn: That's fine.

Mr. Morley: Is the \$5,600 for materials?

*Mayor Andrzejewski joined the meeting at this time.*

Mr. Semik: \$5,600 is for the material. They have already dropped off the fixtures and the bulbs and brackets to hang them. The only thing I am waiting for is –I have 16 of these on sensors that will go on the far side of the garage where we generally turn on lights that would be on all day. These will have sensors where they will not go on until someone walks on that side of the building and once there is no motion they will turn off. Our first year annual saving is projected at \$2,100 per CEI based on the current rate.

Ms. Vaughn: Thank you, Mr. Semik. That answers my question for you and Mr. Slocum.

*Mr. Semik, CBO Stigalt and Mr. Gwydir were excused from the meeting at this time.*

## BUDGET REVIEW

### INCOME TAX

Mr. Knuchel: Let's start looking at the income tax page. Mr. Slocum would you like to make some comments on our withholding – where we are?

Mr. Slocum: We had a super month in October. We had budgeted \$559,000 and ended up collecting about \$590,000 which compares to last year's \$501,000. The one thing I am looking at from year to year is how are we standing against last year. Right now we are ahead of last year by about \$70,000. This is despite the fact that last year the State gave us \$181,000 in income tax collections and this year they only gave us \$8,000. If we would have collected the same amount from the State that they collect I would be coming in here and telling you we have a \$250,000 positive variance right now compared to last year. The questions becomes where will we be at the end of the year. If I could tell you how much the State is going to give us in December I would be able to answer that question. If they come anywhere near I think there is an excellent chance we will actually meet the budget. If they come in woefully short I think we will come in short of that. That was a couple of hundred thousand last year – it is not a minor amount. There is talk about how the State wants to collect our income tax. They do a horrible job.

Mr. Knuchel: So, from what I am understanding a lot hinges on what we will get from the State Net Utility Tax.

Mr. Slocum: Compared to last year we are \$70,000 ahead and actually compared to last year on the in-house collections we are a quarter of a million dollars ahead. It is just frustrating. We have put a lot of effort into the income tax area – on collections – and I think we are seeing some real payouts from what we had last year. Hopefully, we will be able to continue that.

## EXPENSES

Mr. Knuchel: #101.110.5363 “Insurance Personal Bond” - it shows we appropriated \$100.

Mr. Slocum: We are not going to spend it. His bond was a multi year bond. We are projecting zero at the end of the year.

Ms. Vaughn: In the budget there are quite a few unencumbered 2011 budget balances – in all accounts.

Mr. Slocum: Unencumbered means we have - if you take a look at the current budget how much is still available.

Ms. Vaughn: Right. My question is when are you going to re-appropriate and take all the ones you aren't going to spend and put them someplace else? For instance, #5112 - the Mayor had \$1,300 for incidental expenses budgeted and spent nothing. So, there is \$1,300 sitting in there. Will there come a point in time where you look at that and use it somewhere else and re-appropriate?

Mr. Slocum: The big part of the problem we have is when we take a look at our revenue projections – comparing what we actually are expecting to receive – we are going to be short to our budget approximately \$400,000. The idea is if we free up money to see where else we can spend it.

Ms. Vaughn: That is not what I am saying.

Mr. Slocum: This is what we have done already. This is what we have done this week.

Ms. Vaughn: I am asking when are you going to take the money we are not going to spend and make the budget look more balanced? What is the timing for that?

Mr. Slocum: We are doing some re-appropriations but I am not going to change all the – I can come up with about 1,000 changes to the budget but that will not really accomplish a whole heck of a lot because Mr. Vuckovich and I play the warden on the stuff. We know what we are expecting and we are not going to let it go unchecked. We have had some significant reductions in certain areas – spending less than last year. You just mentioned the incidental expense – we are projecting that we will use \$850 of that \$1,300 this year. But, I am not going to look to change the appropriations.

Ms. Vaughn: So, you are going to do it in December.

Mr. Slocum: I don't even need to do it. It will expire at the end of December.

Mr. Knuchel: Ms. Vaughn, are you trying to get at the point where – it almost does not matter what is down here. What matters is what is up in that amount we will be down. That will not change if he changes the numbers here - unless you zero out everything. Ms. Vaughn wants to get that number of \$130,000 down to zero. That is the negative balance in the General Fund.

Mayor Andrzejewski: The ideal goal is to have revenues exceed expenses. The more expenses that can be controlled between now and the end of the year the smaller that \$130,000 will be. So, it does not matter if it is in the Mayor's office or – it does not matter. You do not have to shift the money around. If, for example, in the Service Department they wanted to purchase a new pickup truck because one completely died and we need \$5,000 and he has something allocated for which he would not use the \$5,000 and asks that it be re-appropriated within the Department. That would be a good use of re-appropriations. But, if the idea is just to end the year with the lowest negative balance we can it will happen regardless of whether we move things around.

Ms. Vaughn: I see what you are saying. I just know when you look at the report and see we are running a negative figure I wanted to see if there was a way to justify the fact that we should hopefully end the year with a balanced budget.

Mr. Slocum: I am not guaranteeing that will occur. So much of it is really dependant on revenues coming in. And I think you will find when you look at the General Fund in total we budgeted \$13,763,000 and that will come in significantly less than that. That is because we are challenging – anytime we get P.O.'s we are challenging whether we are going to authorize them. Just because you appropriate it does not mean I am going to spend it.

Ms. Vaughn: We like to hear that.

Mr. Slocum: That is the way we have been operating and I think we will see the fruits of that this year. Just how bad are we going to get killed with all the receipts I don't know.

Mr. Knuchel: Does that set your mind at ease a little bit, Ms. Vaughn?

Ms. Vaughn: As much as it can at this point in time.

Mr. Slocum: No one wants to see negative numbers. But, we are running on that edge and we can go negative.

Mayor Andrzejewski: Her question was re-appropriations. The bottom line is you don't need to re-appropriate. The dollar savings will be there whether you do or not.

Ms. Vaughn: I did not know if they took a look at all the unencumbered things and ran a tape and we would only spend "x" amount of it and have some to apply to the deficit in the budget.

Mr. Slocum: In the last week we have looked at every account.

Ms. Vaughn: Then you know what I did.

Mr. Knuchel: Council Clerk's office – there will be a little savings there because of the part-timer we no longer have.

Mr. Slocum: With the Ward 4 Councilman being gone for we are anticipating a savings of at least \$1,000 in wages there depending on how quick you appoint.

Mr. Knuchel: What about longevity – 155 gets longevity and who else?

Mr. Slocum: Everyone.

Mr. Knuchel: Will that continue because of the contracts?

Mr. Slocum: Yes. The major thing that was negotiated down was the pay off on sick leave when they retire.

Mr. Knuchel: Finance Department – Other Contracts #140.5407.

Mr. Slocum: If you look at the other contracts. We are not going to end up using this account this year. Instead where you have \$9,000 there and \$33,000 in Data Processing/Lease for a total of \$42,000 we will need a total of \$44,000 in the Data Processing/Lease. When I looked at the Other Contracts it is all Data Processing related. Where the one is running high the other is running lower. We have not even drawn on the \$9,000. We are trying to simplify that.

Mr. Knuchel: So, you combined the two accounts and they will be used for Data Processing.

City Income Tax – do we know how much more we are going to have to spend in printing and postage this year? We should start having income tax forms soon.

Mr. Slocum: The printing we do at the end of the year gets paid in February of next year. So, where we had \$12,000 budgeted for that we are projecting to spend \$10,000 this year. We will pay for postage but not as much. We had \$7,000 budgeted and are going to spend \$5,000. In Conference and Meetings we are going from \$1,000 to \$800.

Mr. Knuchel: Legal Administration.

Mr. Slocum: This is one of the things that will get re-appropriated. We are running short and this is related to a couple of items. We had a couple of bills from Atty. Sharb – one for last year that was never presented and a duplicate of it for this year for the disclosure statement – that runs about \$7,000. We are looking to increase the Special Legal Services from \$70,000 to \$92,000 and that is because of the Union negotiations, the Fact-finders...

Mr. Knuchel: We still have one more.

Mr. Slocum: We figured the \$92,000 will cover the bills we will have for the remainder of the year. The \$12,000 shown is the settlement for Superlative – year 2 of 4.

Mr. Knuchel: Municipal Court.

Mr. Slocum: Municipal Court will be up next year.

Mr. Knuchel: We will be looking at retirements and payouts because of the change in Judgeship. Because of others retiring there will be higher Court costs than this year.

Ms. Vaughn: We pay a percentage.

Mayor Andrzejewski: If the Court's numbers are under what they need they then pass that cost to all the member cities. That has been an ongoing discussion with the Judge about controlling their costs. Instead they just have the cities pay extra.

Mr. Slocum: I have it on my to-do list in January to make the new Judge keenly aware of how important this is to us - that their Court costs cover the cost of their Court.

Mayor Andrzejewski: And usually we are the only City that shows up to ask questions.

Mr. Knuchel: After the initial bump when they built the new court house it has been pretty decent since then – and with the efforts of the Mayor and Finance Director in going there and talking with the Judge.

Mr. Slocum: Judge Allen was receptive the last time. But, there will be a change in Administration.

Mr. Knuchel: Engineering Costs – we are at \$41,000 now. Do we see anything else?

Mayor Andrzejewski: Just what is left of Edwards Avenue.

Mr. Slocum: We are keeping the \$60,000 we had budgeted. We think that is a good number. It will probably come in a little bit less but I need to have that money out there. We may utilize that.

Mr. Knuchel: Civil Service Commission – are we going to have any tests in the near future?

Mr. Slocum: I have not prepared the budget for next year. I think there is a need for some tests next year but where we are in the budget on that...

Mayor Andrzejewski: We are not going to hold any more tests this year.

Mr. Slocum: There \$37,000 budgeted and we anticipate spending \$29,500. The medical tests are running a little high this year – legal advertising – tests and supplies ran less.

Mr. Knuchel: Election Expenses will be good until next year?

Mr. Slocum: Yes. I don't know if we will get hit with much of a cost next year at all. We did not put anything special on the ballot ourselves this year that we would get charged for. We are running our things on a General Election and we do not get charged for that. I am sure they will find something to charge us. We will spend \$1,004.45 – nothing has changed. We are done for this year. Next year I will probably budget around \$4,000.

Mr. Knuchel: Miscellaneous Government Expenses. Hospital and Dental – are we just about done for the year?

Mr. Slocum: Back to Salaries/Final Cash in – I am looking for a change in that one to pay \$219,500 with the retirements – we figured this would be adequate to cover that - \$200,000 would definitely not. The flip side for some of these – when we look at the Police Budget that person is no longer in the payroll too –as well as the other budgets – so, there is some real savings.

Mr. Morley: There will be a savings because you will not be hiring a new policeman.

Mayor Andrzejewski: The Police Department position will be replaced by a promotion – what we do is right away replace the sergeant.

Mr. Knuchel: Hospital/Dental – are we almost done?

Mr. Slocum: We are almost done. We are projecting we will use the whole \$1.2 million. We will use the \$195,000 that is in Fund #202 and – there is a lot going on here that I can't get a total handle on. If I spend enough time I can but I cannot do it now.

Mr. Knuchel: As far as projections go?

Mr. Slocum: What I am going to be asking is that we put an appropriation on there out on the Sewer Fund for the Sewer employees for \$30,000. It will be the last one hit and my guess is I may only need \$5,000. Some of the problems we are having are – we hired two policemen last year – when I did the projection I projected they would come in at employee and spouse – now they are coming in as employee and family. That is a \$7,000 difference. We have had people who have gone from single to single with child – that goes from \$5,000 to \$12,000. That is a significant change. Otherwise I think we are right where we need to be.

Mr. Knuchel: Workmen's Comp – we are done for the year?

Mr. Slocum: Yes.

Mr. Knuchel: Unemployment Compensation – something we spoke about earlier in the week?

Mr. Slocum: The \$12,000? It is one of those things – with the summer workers – they are leaving here and filing for unemployment – we are responsible. We do not pay a payroll tax for unemployment like other companies. We opt out of that and pay actual costs. The actual costs we are looking at this year are \$9,000. We put \$12,000 out earlier but don't think we are going to hit that. We marked that down to \$9,000.

Mr. Morley: So, you are saying the summer help files for unemployment?

Mr. Slocum: Yes, two did.

Ms. Vaughn: You don't let them go before they work 20 weeks?

Mayor Andrzejewski: You don't know the whole circumstance. If all of them did I would be worried because they are not supposed to. But I don't know how you ask them.

Ms. Vaughn: You can't.

Mr. Knuchel: How long can they collect?

Mr. Slocum: I think after 26 weeks it is no longer our responsibility – they would come under special State and Federal programs.

Mayor Andrzejewski: There must be something more to it because the majority did not.

Ms. Vaughn: #240.5360 – what insurance is this?

Mr. Slocum: NORMA. And, we are projecting \$124,000 of the \$125,000.

Mr. Knuchel: General Pension Expenses – will these be good numbers?

Mr. Slocum: Actually we are projecting \$365,000 for the PERS and \$33,000 for the employer's pickup. There has been a little bit of sloppiness in my Department as to where these things have been charged. We narrowed it down. Instead of trying to shuffle things around right now we are just adjusting the accounts now and will correct them next year.

Mr. Knuchel: We talked about salaries and cash-ins for Law Enforcement.

Mr. Slocum: That is not final pays. This is cash-ins of vacations. That is one thing we tried to do – separate all those.

Mr. Morley: Is this for the holiday pay?

Mr. Slocum: Holidays can come in #5117. Right now the Police are using their holiday time and I expect that amount to be diminished. I have all the accounts but if it is not shown on here if it was not used this year or last year.

The Communication expense is the radios. We are knocking it from \$140,000 to \$80,000.

Mr. Knuchel: Will we be alright with Police Communications/Wages - #311.5100? Isn't it also under Fire?

Ms. Vaughn: Didn't you do combine those?

Mr. Slocum: Salaries and Wages under Fire Communications is zero. We budgeted \$234,120 and we are projected \$232,514.47. There are some Communications that we are paying out of Police and Fire but the Dispatch Operations is being paid out of #311.

Mr. Knuchel: Under Firefighting I see we are starting to get close – they are down to 18%.

Mr. Slocum: You have to combine this with the ambulance fund. I have been told – the Chief has indicated he will have his payroll come within his budget. Whatever he has to do to do that – I am taking him at his word and what he has represented to you.

Mr. Knuchel: I did look at the other fund – it will be close.

Mr. Slocum: What he has planned and how he plans to do it – that is his job. After next week we will have a new contract with the Fire Department. We are anticipating the award to come on the 7<sup>th</sup> and that contract becomes operational immediately. There may be some real significant cuts to overtime that we will now be able to do that we did not have the ability to do in the past.

Mr. Knuchel: Comptime Wages are maxed out already.

Mr. Slocum: They have a flip side in the overtime on #617. The part-time wages are running light from what we budgeted. He does have monies available within the payroll side of things.

Mr. Knuchel: So, you thought in talking with him is that we are going to be alright?

Mr. Slocum: That is what he had indicated and I am taking him at his word. My projection is based on that too.

Mr. Knuchel: I was looking at Fire Communications.

Mr. Slocum: That is their part of the backbone costs. That is the majority – they have some other things.

Ms. Vaughn: #323 - is there another place where natural gas and electricity is coming from? You had budgeted \$10,750 for Gas and \$14,790 for Electricity and you are down to 1.7% and 2%.

Mr. Slocum: We expect natural gas to be under that \$10,750 for the year. However, the electricity – when we looked at all the electric accounts this was the only one we had a problem with. That one we budgeted \$14,790 and will need \$22,500. You will see in Fire Station Building a new appropriation. I am increasing #323 by about \$7,500.

Ms. Vaughn: Is that because it is a 24-hour operation?

Mr. Slocum: No, it is because we screwed up. Some of the things we had last year early on – things did not get posted right away – things got prepaid. We have that cleaned up now.

Mr. D'Ambrosio: The natural gas – in City Hall Building #190.5311 – that one is considerably down.

Mr. Slocum: That is \$15,000 we had budgeted – we are there – we think we are going to have \$15,000 and are comfortable with it.

Mr. Knuchel: What you are looking at is the unencumbered percentage – you have to add in the encumbrances – he has almost \$5,000 which is a third of what he needs.

Mr. Slocum: With City Hall – we budgeted \$25,500 and we expect only to pay \$20,000. We cut some lights down and did some things outside. There are positives in this.

Mayor Andrzejewski: The Service garage has two heaters that take the used oil. I said that I wanted those run constantly. We have a lot of used oil stored up – it helps.

Mr. Knuchel: Smoke Detectors.

Mr. Slocum: I am doing away with that entire appropriation and putting it in the #615 account because the smoke detectors are from donations. I am taking the donations out of the General Fund and putting them in there and also this related expense out of the General Fund. We have about \$5,080.

Mr. Knuchel: Public Safety Expense.

Mr. Slocum: This actually turned out to be an issue. This is the money for the retirements. We had budgeted money coming out of #209 and #210 – the Police and Fire Pension. For example, in the Police Pension we had budgeted to pay \$188,000 for this – we have now downgraded that to \$176,000. The reason we had to downgrade it in this fund is because we had to pay attention to the cash balance – with the reduction in both the electric dereg and the personal property tax reimbursement we are getting less money in these funds which we did not anticipate at the beginning of the year. There is about \$12,000 there and in #210 it is about another \$10,000 less. We are looking for is to increase the overall appropriation from \$528,000 to \$556,370 - \$263,000 for the Police and \$293,000 for Fire.

Mr. Hoefle: Street lighting – the lights at the Captains – where would those fall?

Mr. Slocum: We do not pay those. I think we have to replace the lights but we are not paying for them. The electricity for the facility is their responsibility.

Mr. Knuchel: Public Health Expense.

Mr. Slocum: That is what it is.

Mr. Knuchel: I see some of our Fuel, Oil & Lubricants on several different fronts were getting close.

Mr. Slocum: We are anticipating we will be somewhere about 90% of the budget this year in actual expense. We are coming in a little under budget. We will be comfortable. That goes across the whole spectrum.

Mr. Knuchel: Taft Senior Center.

Mr. Slocum: I am taking almost the entire \$19,000 and moving that to #211. We have the \$30,000 available from the seniors so I am using that first.

Mr. Knuchel: So you are going to use the \$19,000 out of that fund instead of the General Fund?

Mr. Slocum: I am anticipating we will spend \$7,000 in this fund for the wages instead of the \$19,000. The flip side is the previous coordinator was getting \$300 per month because he did not have health care coverage. The new coordinator comes in with coverage. If you look in the #211 account we will fully utilize that \$30,000.

Mr. Knuchel: That was the \$30,000 the seniors agreed to pay toward the expenses of their facility?

Mr. Slocum: Yes, that is their bequeathal balance.

Mr. Knuchel: Some of the wage line items – a lot are below the 25%.

Mr. Slocum: You have to remember – through the end of September we had 20 pay periods. We only have 26 in a year. There are only 6 pay periods left. Through the end of September you should be close to 77% based on the number of pays.

Mr. Knuchel: Watershed Committee.

Mr. Slocum: The \$8,568 is what we are spending.

Mr. Knuchel: Solid Waste Collection – how are we doing?

Mr. Slocum: We are projecting – you have the collections and the costs – that we will collect about \$975,000. We will go a little bit higher.

Ms. Vaughn: But we still are not covering all of our costs.

Mr. Slocum: No. We had \$960,000 for the year and are projecting \$975,000.

Ms. Vaughn: What percentage is delinquent?

Mr. Slocum: We just sent out about 1,000 delinquency notices. That is 1,000 out of 7,000 – 14%. This year I am hoping to have a little bit better collection because we are now telling them there is a \$25 fee. They have incentive to pay it. The garbage costs are in line with the projections.

Mr. Knuchel: How long do we have left on this contract?

Mr. Slocum: This is something we need to talk about. I don't know if we can get out of it next year if we want to. But, we have that and the recycle. The recycle only goes until the end of the year so we will have to be doing something relatively quick. Go on a month to month – we are looking at some different things. I don't have any recommendations at this time.

Mr. Knuchel: When is the contract up?

Mr. Slocum: The end of the year for the recycle and we have an option at the end of March, 2012. We can extend it one more year.

Mr. Morley: The last time we did it for only an extra year – it was to be for 3 and we did it for 1. That is something we are going to have to look at.

Mr. Slocum: This is something we are going to have to discuss relatively quickly.

Mr. Knuchel: Service Administration – those salaries are based over several different departments.

Mr. Slocum: We have an offset that has not been used at all. It is now being used. That is to offset #402 - \$75,000. It is sitting there and has not been touched. It will be used. When we looked at the two accounts together we were right on the penny. We are comfortable with that.

Mr. Knuchel: Service Garage Building – natural gas – it looks like we have nothing encumbered. That will be hopefully alright.

Mr. Slocum: We had budgeted \$10,250 and we project \$10,000 actual cost.

Mr. Knuchel: Rivers and Harbors – the Port Authority got their grant money.

Mr. Slocum: #860.5407 - we will be taking \$1,250 out of a water meter thing that we participate in for Lake County – that is equivalent to the \$1,200 that was spent last year.

Mayor Andrzejewski: There is one in Willoughby where they watch the rise and fall of the river.

Mr. Knuchel: Is that something new or is it something we are moving from one place to another.

Mr. Slocum: It has been around.

Mr. Knuchel: Have we taken it historically out of this Other Contracts?

Mr. Slocum: Yes, it was \$1,200 last year and it is \$1,250 this year.

Mr. Knuchel: I thought under Rivers and Harbors, Other Contracts was for dredging the mouth of the river.

Mayor Andrzejewski: The \$1,250 Mr. Slocum is referring to is for the monitoring device.

Mr. Knuchel: But, the Other Contracts also included if we needed to open up the mouth of the river.

Mayor Andrzejewski: We put some in there.

Mr. Slocum: There was \$4,000 but we are only projecting the \$1,250.

Mr. Knuchel: That is right – because we did not use it this year to open up the river.

Street & Traffic Signs - #202 – why do we take money out of signal system maintenance in here and - we take it out of two different places?

Mr. Slocum: We take it out of one place. Streetlights we take out but the \$4,900 – Mr. Semik is requesting that go up to \$14,900 because he has some signals that he did not anticipate having to replace. That is included in the signal maintenance – it would go from \$4,900 to \$14,900.

Mr. Morley: Is that for them to come in – I thought we trained our guys.

Mr. Slocum: No, it is the replacement of actual signal hardware. What he has indicated is they are school lights and he has been paying a lot for people to come in because they are constantly malfunctioning and he now wants to change them so he can remove that other bill.

#203 Municipal Motor Vehicle - #7535 Repay Advance from G/F – you authorized that I can transfer up to \$50,000 and repay it. That \$50,000 will end up being \$7,500 and in the General Fund the receipts are going to be short for this but so are the expenditures. It is a wash transaction. But, when you see the number that is what that is. We feel we have enough for salt right now.

Mr. Knuchel: Are we into our salt contract for this year – and just this year?

Mr. Slocum: Yes. We went through the State. The price of salt dropped about \$11 per ton.

Mr. Knuchel: I did see a newspaper article that Painesville was getting it at a much lower cost and I wanted to see if we were the same.

Mr. Slocum: Yes.

Mr. Knuchel: Grants.

Mr. Slocum: We are going to be really at the total. The DARE is coming in a little bit higher.

Mr. Knuchel: \$14,000.

Ms. Vaughn: Right now it looks the same.

Mr. Slocum: The revenues changed on that. We got more in revenues than we thought but we expect to spend the total \$14,225.

Mr. Knuchel: Taft Senior Center.

Mr. Slocum: The only thing is the \$30,000. We have an appropriation out there but they have made no requests. I anticipate spending \$30,000 out of that this year.

Mr. Knuchel: Employee Termination – we are down to zeros.

Mr. Slocum: #421 Stadium/Vine Project – actually when we look at the revenue we are running positive. We got a little bit more this year than the previous year for other events. We will get more than what we budgeted for in the bed tax. The bed tax collection I still have to thank both Mr. Klammer and the Chief of Police. We are making this collection happen. In fact we just collected \$19,000 on this. We will make the \$75,000 and if we get what we are supposed to get we will get well over \$75,000 – probably \$85,000.

Mr. Knuchel: Did they return your phone call yesterday?

Mr. Slocum: No. But they are under Court Order. They promised last time we met to bring it current or it is going to trial. This is money they collect. But, because of this and I am looking to change the appropriation in this fund also to allow me to transfer more money into the Bond Retirement fund which has led me to transfer less money from the General Fund. If you look at what we had set up in that #240 – in the General Fund – we had budgeted initially to transfer \$681,000 to the Bond Retirement Fund. Right now I am projecting only \$665,000. Anything positive we get on the one side has a direct impact on the flip side. I am keeping the balance in those funds to a minimal amount.

Mr. Knuchel: General Sewer Rehab Expenses - #423.000.5343 Engineering – there is a negative balance.

Mr. Slocum: This is the credit we got back from the City of Willoughby. We were going to originally pay our pieces for the SSES study – instead we went with them on a loan. So, when we did that we got reimbursed. We paid that last year that is why the credit is here. The credit is what we are anticipating for year end.

Mr. Knuchel: #617 Fire Ambulance Trust.

Mr. Slocum: We are right on track right now to collect the \$400,000 that we have budgeted which is critical. That really represented an increase from last year. Last year we collected \$385,000 and are projecting \$400,000 for this year. We were at \$300,000 and I believe we collected \$38,000 in October – that leaves \$62,000 to go for the last two months to make our number. That is looking like that should happen.

Ms. DePledge: The wages are only at 56%.

Mr. Slocum: The one account gets hit first – then the other.

Mr. Knuchel: When we spoke in the Audit Review Committee there were some issues about billing and collections of the Fire Ambulance Trust Fund.

Mr. Slocum: We got it resolved. I test checked it a couple of months and was able to verify what we got and balance it all. I am not doing that every month but I do it probably three times a year to make sure we keep it honest.

Mr. Knuchel: So, you worked out a system with them where you are better able to track it accurately?

Mr. Slocum: They did not provide us with the report we needed to make it work. Once they provided that report - it's easy when you get the correct information.

Ms. Vaughn – What happened to #620 Recreation & Land Acquisition – it disappeared.

Mr. Slocum: There is no appropriation out there.

There were no further questions on the Expenses.

#### REVENUES

Mr. Knuchel: General Property Tax – this looks pretty decent.

Mr. Slocum: The \$1,298,167 is all we are going to get. The \$199,840 in Electric Deregulation is locked. Property Tax Reimbursement – we are anticipating \$23,800. The Local Government came in better than what we were originally told by the State. I think it is the way Lake County handles it. We are only losing about \$50,000 this year. We budgeted \$1,820,000 and will collect \$1,773,000. Next year it is going down to \$1,267,000. We have already been given those numbers. I was concerned with the Inheritance Tax – we collected about \$49,000 the second half and are now within \$2,000 - \$2,500. The total was \$72,127.95 and that will not change. Franchise Tax – we budgeted \$248,000 and are projecting \$260,000. The Internet Café – we are projecting \$102,000 this year.

Mayor Andrzejewski: For the members of the public – when we say to the people that the Local Government Fund is reduced by this amount of money and that the CAT Tax is reduced and the Utility Taxes are decreased – this is the hard proof. Mr. Slocum does not go out there and pull the numbers from his hat. He gets that number from the State. So, anyone who wants to question that if they had some logic in their brain they would simply request the budget from this year – look at the numbers from this year and when we publish the budget from next year when Council approves it and compare it – it is all in black and white. So, when you are out there and here negative statement that it will not happen – here it is in black and white. You just heard it.

Mr. Slocum: As it relates to the Local Government and what I used with the Five Year Plan – what the Governor's office and the Legislature had indicated was that we were going to lose ¼ of our Local Government Funds this year. We did not. I am happy we did not. If they made a mistake, oh well.

Mayor Andrzejewski: When we said we had planned for an anticipated a 15-20% cut. As I went to meetings that was the number that was thrown around – when they hit us with a 50% cut no one could plan for that. You plan for what they tell you – what you are expecting to get. You don't plan for a number they pull out of their hat.

Mr. Knuchel: #101.000.4503 Liquor, Beer Permits – is that for liquor licenses?

Mr. Slocum: We are projecting \$36,600 – this is money we get from the State.

Mr. Knuchel: Grounds Maintenance Fees.

Mr. Slocum: I think we got money in that in October.

Mr. Knuchel: We are at \$46,000 now.

Mr. Morley: #4543 Towing Fees – are they up to date on paying their towing fee?

Mr. Slocum: I believe we collected through August. There is sometimes a delay in the Police Department giving them the bill. I was pretty happy in August because they notified me that they were a couple days late and would be bringing the money in. I am not used to someone calling me and telling me.

Mr. Knuchel: It looks like most of our charges for services as far as rentals are pretty much up to date.

Ms. Vaughn: I compliment you on the accuracy of your pool passes and pool fees.

Mr. Knuchel: Old JFK Rental Income – is that church still operating out of the old JFK?

Mr. Slocum: We are projecting we will collect \$10,315.

Mr. Knuchel: Is the lease agreement year to year.

Mayor Andrzejewski: Year to year – end of December.

Mr. Knuchel: It is a nice facility. We did lose a little bit this year because of the Police group leaving.

Garbage Collection – we are at \$736,765.

Mr. Slocum: We will go to \$975,000.

Mr. Knuchel: Investment Earnings.

Mr. Slocum: We are projecting \$1,816.

Mr. Knuchel: #209 and #210 – do you feel like we are doing pretty well on those?

Mr. Slocum: I have already done the projections. On those funds – in #209 we had budgeted to receive \$190,000 – I am expecting \$184,364. Because of that I had to reduce what I am paying because I do not have the cash in the fund.

Mr. Knuchel: Stormwater Management Fee.

Mr. Slocum: That is that \$6.00.

Mr. Knuchel: We are at \$33,534 – will that be it.

Mr. Slocum: We are projecting \$42,000.

Mr. Knuchel: If we have already charged that money – does it just trickle in?

Mr. Slocum: It trickles in. We have sent out some bills last week. We will hit the \$42,000.

Mr. Knuchel: It just seems odd that we bill it once a year and we are that far behind.

Mayor Andrzejewski: You have 1,000 people at \$6.00.

Mr. Knuchel: Looks like we are good with the Sanitary Sewer Fund.

Mr. Slocum: Fund #501 – on the Eastlake sewer fees we are projecting we are going to collect \$2,050,000. We are paying off that note from last year.

Mr. Knuchel: That is included in the Eastlake sewer fee?

Mr. Slocum: Yes. We picked up Timberlake and are increasing what we had – Lakeline.

Mr. Knuchel: Don't get all excited when you hear \$2 million because we have major expenses coming from the Waste Water Plant and we have major problems in the City with stormwater.

Mr. Slocum: The \$2 million are for our expenses. We would probably do expenses at 1/6<sup>th</sup>. With everything we know that is coming at us from this SSES study it will go nice and quick. But, the good part is we are still – the Willowick Finance Director did a survey of Lake County - we are the second lowest City for billing for sewer and that is after the increase of last year. It is just amazing how much everyone else's has gone up. People don't like paying things but it costs to operate and the EPA does not make it any cheaper.

Fund #606 – the Senior Citizen allocation – right now it is looking like we are only going to get \$102,000 of the \$120,000 that we budgeted. We may get something in December. We just got \$5,000 - \$6,000 in a couple of days ago. That is coming in a little bit short.

Mr. Knuchel: Why?

Mr. Slocum: This is the money from the Senior Levy – that the County splits between the cities.

Mayor Andrzejewski: I was talking with the Senior Citizen Coordinator and need her to clarify how this levy works – our amount from our General Fund stays the same whether the rates go up or down – I don't know if the money they collected went down because the property values went down. Whether they have the type of levy that can go up and down – that is what I want her to verify. That would explain why we are getting less.

Mr. Slocum: This 4-mill levy is going to be established based on the property evaluations this year. When the levy passes it has two stops – they will not charge more than 4-mills or collect more than what was originally promised. In our case it is the \$2 million. If property values go down after next year's valuation we may not collect in 2013 what we collect in 2012 if the levy passes. If you have our levy from 1982 which has already dropped there is a lot of room to increase that rate. It will never go higher than 4-mills. And you cannot collect more than the \$2 million. If property values go up than the actual millage charge goes below 4-mill.

Mr. Knuchel: Sanitary Sewer Funds – at one time we talked about Lakeline and Timberlake paying a portion of the SSES study.

Mr. Slocum: From Lakeline we are not entitled to anything because we get an additional amount of collections from them that go for that. Timberlake – we are supposed to get \$36,000 - \$37,000 and it is still on my radar screen. We will go after that money.

Mr. Knuchel: Good, I just wanted a status update on that. This concludes my questions. Does anyone else have any questions?

Mr. Slocum: I am distributing legislation which I would like to see adopted next week. I am showing the individual accounts that are affected. We have talked through these.

Mr. Knuchel: It would be up to Mr. Morley, if he would like to put this on Council-as-a-Whole Committee.

Mr. Morley: I have no issues with it going into Council-as-a-Whole Committee.

Mr. Knuchel: Is there a time issue – do we need it now?

Mr. Slocum: Yes, we are bumping into some things – like the money for Clemons Nelson – we are starting to get to where I need the additional monies there.

Mr. Knuchel: The reason I ask as all know I hate doing things this way.

Mr. Slocum: If you look at the General Fund appropriation the net change is zero so for every dollar I am decreasing an area I am taking it out of some other area – that is all listed in here.

There were no further questions or comments.

RECOGNITION OF THE PUBLIC

There was no one who wished to speak.

The meeting was adjourned at approximately 7:51 p.m.

dac

APPROVED: \_\_\_\_\_

DATE: \_\_\_\_\_