

FINANCE COMMITTEE MEETING
NOVEMBER 15, 2011

Finance Committee Chair Mr. Knuchel opened the Finance Committee Meeting at 6:02 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 Mayor Andrzejewski, Law Director Klammer, Finance Director Slocum, Fire Chief Whittington and Police Chief Reik.

Mr. Knuchel: We have two items up for discussion this evening. And, I stress – they are up for discussion. I do not believe there will be a lot of decision making taking place. I would ask everyone to refrain from talking over each other as these issues will be a little bit charged. I would ask for some decorum and I would like to open the meeting with point #1 – our discussion on reciprocity.

Also in attendance were members of the public.

RECIPROCITY: DISCUSSION

Mr. Knuchel: Our President has asked to speak first on this issue.

Mr. Morley: I have talked with the Mayor and Finance Director on this issue. Out of respect for Mr. Slocum we are going to have this discussion on reciprocity. My opinion on reciprocity is the voters spoke on November 8th and told us – not by a small margin but by a 2-1 margin – that they did not want a tax increase. For us to then decide to put in reciprocity I think would be against our best interest. I am not worried about political fallout. I believe it is not right that we asked them to vote for an increase which they voted down and then we would decide to put in reciprocity. That is my opinion. There are six of us for now – seven after the next couple of weeks.

Mayor Andrzejewski: I also feel the voters have to decide whether they want to increase their taxes. Unfortunately they did not approve the levy. I still want to say we desperately need the money but I will not support anything that does not have the vote of the people to approve it. I would be against the reciprocity reduction.

Mr. Slocum: I think this issue has to be placed before you because you are making a decision and you both have been eloquent about one half of the decision – which is – you do not want to raise taxes without approval of the voters. But, you are also saying is that you want us to implement the cuts in the services that go with the lack of funds that we have. I can show you that we could raise the funds that would be needed to fund the operation – at just the current level we are at this year. That is with a .75% reduction in the reciprocity. However, if you choose not to – which is your decision – I have to put this out there for you – we will have to institute to abide by State law \$2 million in cuts in services. Everyone knows we have cut before and those have not been restored. We had it in our literature that we went from 157 employees down to 115 employees and my guess you are talking at least down another

20 if not 25 people on top of that. I think the decision is yours. I have to put it out there and let it go from there.

Ms. Vaughn: We would look very foolish if we advertised that if we don't have a levy this is what is going to happen and then we don't let it happen. The people will lose their belief in our credibility – that is my opinion. Granted we need the money. I hate to see any decreases – it breaks my heart – but, we have to do what we have to do.

Ms. DePledge: I don't know if we need to take this off the table in its entirety. I think it is something we are going to have to reconsider at some point when we start looking at \$2 million dollars in cuts and exactly what those will do. If we cannot come up with \$2 million to cut from our budget we may have to revisit this issue.

Mr. Knuchel: I would whole heartedly agree with that statement.

Ms. DePledge: This is not something I want to say absolutely not even though I certainly appreciate the Mayor and President's position. I think we have to keep all our options open.

Mr. Morley: Options are fine to keep open – if we plan on proceeding with a levy in March again – we have talked about and are going to discuss in miscellaneous a different way to go at the levies – I believe, unfortunately, and I have talked to every Director that is sitting at this table that unfortunately we do have to make our cuts. And, that is the problem anymore with government – that people vote on something and the cuts don't happen. This was no bluff. Everyone at this table new if this levy went down we would have to make some tough decisions. Do I want to do what is going to happen to this City – no. But, they told us they don't have the money so we have to lower our costs. That is what we are going to do. Like I said I am one of seven but I don't want to sit here and afterwards have people say you are penalizing us. It was not a bluff. We said in those pamphlets what was going to happen. And, they have to happen. Whether I agree with them or not they have to happen. We will go from there. If we do another levy in March and it goes down there are some other things we are going to discuss with the garbage – we will present that to the residents and if they don't agree with it at that time we still have to continue with more cuts until we are down and we break even. I am sorry but that is unfortunately the way it is.

Mr. Slocum: In the delay of implementing this – #1 if we delay – this should be implemented on at least a quarterly basis. We are in a position now where we are going to print very shortly for our year-end tax and we could incorporate any changes to be put into place. Absent that you are probably looking at April 1st as the next time you can do it. Then we will be creating new mailings that go out in April. The fact is when you do something at that time the collection will not be as good as if we would do it with the documents that go out first. You will eventually get the money but it won't be next year. It will be sometime down the road. These numbers change and it is not just to say we knocked three months – we will knock something down by 25% - you are probably knocking it down by half.

Mr. Knuchel: Any further questions? In a break from protocol is there anyone in the audience who has anything they would like to say concerning this issue? I will give you your

3 minutes per person and I will also do this on the next item – the discussion on the garbage collection.

RECOGNITION OF THE PUBLIC

Kimberly Evers, 34137 Beachpark, Eastlake

Mr. Evers: The decision has been made. You guys don't have to make it. We all in this room may agree that we wanted this tax levy to pass but it didn't. The voters of this City have spoken. In my case my income this year will be \$27,000 or less. My wife works in Euclid. With reciprocity she has to pay more. There are people in this City who double that and they will not pay that. That is not right. That is not taxation with representation. Not to me. The decision has been made for you. The voters have spoken.

There was no one else who wished to speak.

Mr. Knuchel: At this time the discussion on reciprocity is done. I am sure we will bring this up again at another date. Mr. Klammer, thank you for the work you have done on this – I appreciate your time.

Mr. Slocum: We are going to go to print now and carry forward with 100% of reciprocity on our tax forms because we have to have those in the mail by the end of the year and we have to get the forms printed. I will give that a green light because I am taking from the lack of any action that this is not happening this quarter. I had to put it on the table.

Mr. Knuchel: Is everyone in agreement with that?

The consensus was that everyone was in agreement.

GARBAGE COLLECTION BILLING: DISCUSSION

Mr. Knuchel: Who would like to speak first on the garbage collection billing? Who brought it up?

Mr. Slocum: First of all I think we all read what happened in Mentor and we will probably explore what they let out and see how that will affect us – if there is something we can do to actually lower our overall bill and I will push to do that. However, absent any change occurring I am using what we can contractually take advantage of although as it relates to the recycling we will be on month-to-month starting in January until we make a firm decision as to what we are going to do for the whole period. I think we would like to put those two products together under the same thing. I am showing you what we collect for the 2012 garbage billing – what we collect and what our costs are. The first item is the amount of money I anticipate getting from the County which is down a little bit from this year because the fact is we are hoping we are not going to be certifying as much due to the fact that people want to avoid the \$25 fee. So, we are projecting between that and the recycling grant that we know we are getting from the County to collect about \$125,300 that we can use. As you can see the total cost of the expense is \$1,210,000 which means we need to generate \$1,084,700 to cover the cost of running the operation. We currently bill \$6,650 people on a quarterly basis – 90% of which paid. That leaves the number of people actually paying of 5,985. With the projected deficit of \$1,084,700 divided by that we are coming up that we need to generate

about \$181 per person that is actually paying which amounts to \$45.31 – about \$45 per quarter which is an increase of \$9. With what is paid we would expect to be within \$10,000 of the actual cost of the operation. Without an increase it will be costing us about \$222,860 to run the operation. I believe this is one area we are entitled to collect the cost of running the operation. We have a \$2 million+ hole we have to fill. We could plug over \$200,000 here with one line item. That \$200,000 is people working here. That is where the majority of our cuts will come from. That is what we are looking at. The second page is what we expect to pay on a monthly basis next year to support that \$1,200,000 number.

Mr. Morley: Again, I have talked with Mr. Slocum and the Mayor on this issue. If we are planning on trying another levy in March I think this is something we could review again in March. Ms. DePledge wrote an article last month. I wrote an article because there was a bunch on questions on the garbage fee. My article basically says – I have done the research – we are looking at from \$36 to \$45. My article basically said – I did not put in a number because we were not solid when I put in my article – I have done the research and spoke with most of you about it – if we eliminated the garbage we would save the \$222,000 and I told the residents the \$36 would go away because they still want it to go away. When we did the levy in 2006 we had millage in there to cover the garbage so the \$36 would have gone away if that levy had passed but unfortunately that one failed also. So, my article basically says the research I have done would be \$33 per month with the total being \$99 per quarter – if we eliminate garbage and eliminate the \$36 we save the \$222,000. We just don't pick up garbage anymore. The residents would then have to contract their own at \$99 per quarter instead of the \$45. I do not have a big issue with raising the garbage fee for this service but I think if we are going to ask for a levy in March then we don't raise anything until after that. I think we do need to start looking into – if the voters again vote a levy down – I am hoping I get a lot of emails and calls this time with my article and we try to find out – if they are not willing to even have the garbage fee go up then we start looking at eliminating the garbage. In my mind it would be best for the residents if we raise it to \$45. I would be in favor of that but not until probably March or April.

Mayor Andrzejewski: First of all – when Mr. Slocum and I went over these numbers we made sure all we want to do is break even. We wanted to cover the cost of what the collection company charges us with the fee we charge the residents. As Mr. Slocum showed you it is as close as we can come with a little bit of a shortage of \$7,400. I want to emphasize to Council that if we do this we are merely looking to cover our costs. I appreciate what Mr. Morley did and concur if people went out on their own to find a garbage company it would be more than what we are able to do through the bidding process. What Mentor put in the paper today shows the bidding process works. You get more companies competing for the business and you get a decent price. All we want to do is break even and cover the cost of what it costs us and I would also concur that I could go either way on this because I think we are going to have to cover the costs of the garbage fee if the new levy passes or fails but I believe we should wait – if Council decides to put a levy on in March – and risk those two months of income to see how the levy works out.

Mr. Knuchel: It will have to be a joint effort between the Council and Mayor's office.

Mayor Andrzejewski: You are right. We are going to put the numbers together – what we

want to propose and have a discussion with Council and ultimately both the Administration and Council will decide.

Ms. Vaughn: Mr. Morley, am I correct in understanding that if I wanted to contract my own garbage collection it would cost me \$99?

Mr. Morley: It would be about \$33 just to get a 96 gallon bin through Waste Management or Republic - \$33 per month to the contractor. The City would be totally out of it. We would set up contractors and you would call and do your own.

Ms. Vaughn: There may be some confusion with the residents because they pay \$36 now and they will see \$33 and think it is less. Make sure it says so much per month.

Mr. Morley: It says that. This current contract is done in March?

Mr. Slocum: The end of March. If we fail to act and want to wait until the election then we have to implement the \$200,000 in cuts. That has to be occurring very quickly here – before the end of the year - the sooner the better in my estimation. We can wait and if we decide to do it later that will be telling us we can then reduce some of the cuts we put in because we will have a new income source. But, by putting it off you are going to be forcing \$200,000 in cuts across the board.

Mayor Andrzejewski: Just to cover the garbage fee.

Mr. Slocum: The \$200,000 goes into the General Fund. It is contributing to the deficit that we have.

Mr. Morley: I concur with you, Mr. Slocum. I know the Mayor has told all the Directors to have their cuts in by Friday. I think we need to look at all the cuts the Departments are handing in and prioritize what we think is the most important to keep and start making the cuts. Immediately – I agree.

Mr. D'Ambrosio: I think we should start making the cuts and take a look at this again in March. And, Mr. Morley let us know the feedback you get from your Gazette article and we will do what we have to do.

Mayor Andrzejewski: That is what I want to clarify. We are facing a shortage. We cannot wait to make the cuts. We can look at how much cuts we have to make for January, February and March and take ¼ of the year with the understanding that if a new levy is approved by the Administration and Council – and the voters approve it – that we don't have to make any more cuts. I think we have to make cuts right now and start that process.

Mr. Slocum: One point of clarification – any new levy that passes going forward will have no affect on our finances for next year. We will have to make \$2 million in cuts in 2012. We may be able to restore things in 2013 but we will have to make the cuts in 2012 because anything passed next year will not be collected until 2013 – not paid until 2013.

Mr. Morley: When will you have some numbers for us on a projected 2012 budget?

Mr. Slocum: I have already given you projected numbers. We projected about \$2.3 million. I have to see how this year actually ends. There have been some cutbacks in spending already by some Departments. That is where I showed you last week – provided the income tax number comes in – we may come close to breaking even for the year. If it does not come in then that bet is off entirely. I don't have a better guess at this moment.

Ms. DePledge: I sit here and look at the Chiefs and have a pretty good idea what this will do to your Departments – and Administration and all the people who are working here. I don't know if anyone should be shocked that the levy did not pass. It was unfortunate but I don't think we did not anticipate it. If we are going to be \$2 million down next year I don't know if waiting three months is in anyone's best interest. I can appreciate that the voters have spoken but they have also put us between a rock and a hard place – there are no easy decisions. I am more of the opinion that we need to do something whether that is doing something with reciprocity for one year only to get us through the next year. If we put this on the ballot in March and it goes down we will have to do something in March anyway. I think we are buying ourselves more time hoping for the best and sending a message to everyone that we can't do anything – or we are not ready to do anything – or it is not time to do anything – and, it most certainly is time to start doing something. I appreciate that we are going to have to make cuts but I think we need to do something right now. Otherwise, we are doing a huge disservice. Like I said – it is a reciprocity thing for one year – it is eliminating garbage right now – to say in January we are not renewing this contract. Here is your new bill – this is what you wanted – that is how they have spoken to us. Fine, we won't take your \$36 – we won't take your \$13 per month you can pay \$33. That is what you have told us you want to do. That saves us \$200,000 per year and if that saves us a policeman or fireman I am okay with that. There will never be a good time to make these decisions. If not now it is going to be in December or March or April. We have a responsibility to do something and doing nothing or waiting for more time or hoping the voters will be of an entirely different mindset in March I think is a little naïve.

Mayor Andrzejewski: I just want to clarify that you understand what I am saying – that is we need to make cuts now. I do not want to wait until next year. With that said if we can bring in another \$220,000 in income by raising the garbage fee to break even and that is the main point we have to make to our residents. All we are trying to do is to cover the garbage costs and if they do go out and get quotes on their own they will find out a City-wide contract is much cheaper than trying to go on their own. You can save \$220,000 worth of cuts if we do something with the garbage fee starting the first of the year knowing if we do go out for bids and get a new garbage contract it will be very close to Mr. Slocum's projections. But, as far as the other cuts are concerned I want to make it clear that we do have to make the cuts now. There have been many employees who have retired that we have not replaced – that started in the summer in anticipation of this happening. So, Departments have made cuts and those cuts have been made by not replacing people who retired. I think we have to do something with the garbage fee.

Ms. DePledge: The garbage collection is until the end of March so we cannot stop the garbage pickup January 1st.

Mr. Slocum: We can stop the recycle.

Ms. DePledge: That will only bother the people who recycle.

Mr. Slocum: That is \$60,000 a year.

Ms. DePledge: I agree with that. The impact on the residents will be someone is not coming to pick up my garbage and it is costing me more money. That is where you make a statement. People will say we told them the truth – we were serious. And, we are serious. And, with all due respect Mr. Morley there will be other cuts but that is one of many cuts we have to make.

Mr. Morley: I agree. I am all for everything that was on that little piece of paper we handed out – that said this is what is going to happen and everything on there is going to happen.

Ms. Vaughn: I don't think we said we were going to raise the garbage but I am in favor of equalizing our costs and spreading it out over the residents. I have no problem with raising the garbage bill. I am on a fixed income too but will not kill me to pay \$45 instead of \$36 every three months. My other question veers off the subject but has any consideration been given to putting on the ballot a request for increasing the City income tax?

Mayor Andrzejewski: That is not something we have discussed.

Ms. Vaughn: Just for discussion – we are looking at ways to reduce the expenses. I am trying to look at ways to generate more income.

Mayor Andrzejewski: The danger you have in doing that is that you become one of the highest cities above 2%. Watch what happened in Brooklyn. That is an example that we all have to watch. It is not just that the people who work in Eastlake would pay 2.5% or 2.25% - the businesses would look at it and not move to Eastlake or move out of Eastlake because not only the employees are paying more but the business owners are paying more and on the profit they make they are paying more. So, be very careful with any discussion on an increase in City income tax. You can spread a real estate tax over more people so everyone pays a little bit. Not just the people who are working.

Ms. Vaughn: I am not against the levy – I just had to ask it.

Mayor Andrzejewski: Just one further clarification – the recycling is covered mostly by the grant from the County. So, you don't want to get rid of the recycling bins as long as they are covered by the County.

Mr. Slocum: The Mayor is correct.

Mr. Knuchel: What is the time frame on that?

Mr. Slocum: It is an annual grant. This year we are getting \$60,000 – next year \$50,000 and \$30,000 something the next year. The grant is decreasing and the County is phasing it out. They have already awarded how much we will get the next couple of years.

Mr. Knuchel: And, that includes the cost of the recycling bins?

Mr. Slocum: Yes, we are being reimbursed for that and for any cleanup time we spend around the bins.

Mr. D'Ambrosio: As far as the garbage fee – and I agree with Ms. Vaughn – I have no problem increasing it to balance out. But, if we are going to look at putting some type of levy on the ballot in March I think raising this prior to that – in my opinion – will be the kiss of death to it – it will not have a chance. As far as Ms. DePledge's comments about the reciprocity for one year – we knew reciprocity was always an option and I think we could have put it in the first place and not asked for a levy. That is one reason I am against it. I understand your option and I respect it. But, are we going to discuss putting a levy on in March tonight?

Mr. Slocum: I think there has to be a discussion.

Mr. Knuchel: It will be under miscellaneous.

Mr. D'Ambrosio: It is not on the agenda.

Mr. Knuchel: No, it was brought up to me yesterday.

Mr. D'Ambrosio: I think if we try to raise this garbage fee prior to any type of levy it would not have a chance. It may not have a chance in March but I think you have to give it every fighting chance you can.

Mr. Klammer: Whatever it is work – it is my observation that as a benefit of sitting in the Directors' meeting with the Chief's, Mr. Slocum and Mr. Morley as well – taking some action is also serving the purpose of lighting a fire and lessening the blow and showing a bit of shared sacrifice to the Directors who are going to their employees to bring back some type of proposed cuts. You know these guys are sitting back saying where is the other revenue coming in before we have to start making cuts. I sense that would be something that would come out of a Directors' meeting and I want you to know some of the dynamics that are out there. That some type of action is necessary for so many other reasons – unfortunately it is a very dynamic situation.

Mr. Hoefle: I have tried to digest all that has been said tonight. I am a firm believer that we have to at least do something to cover our cost. If it costing us "x" amount of dollars we need to do something to cover our cost with the garbage fee.

Mr. Slocum: When the garbage fee was put into place it covered the cost. There has been inflation since 2004. This is just catching up – instead of doing it annually – when I was in Maple Heights I set up a procedure that we annually costed out the garbage and set the rate. Here it has been set once.

Mr. Klammer: Didn't we get hit with the cost of gas?

Mayor Andrzejewski: It was a surcharge two years ago when gas prices spiked.

Mr. Knuchel: We were not involved in that.

Mr. Slocum: In the last five years there have been two increases that the State of Ohio has put on landfills for every ton dumped that we pay now that we did not pay in 2004. It is more of a way of getting money out of the City and putting it into the State. This last one was from Governor Strickland and the one before was from Governor Taft. They are all guilty in some manner.

Mayor Andrzejewski: We also kept the garbage bill steady because in the beginning we had a little leftover so we used every little bit of leftover we had to pay the garbage fees for the next few years. So, we left the garbage fee alone even though you can see we are going to face another \$200,000 deficit. I would have to look to see if the over the last two years if the garbage fee we charged the residents covered what the garbage fee was.

Mr. Knuchel: No, it didn't.

Mr. Slocum: It absolutely didn't.

Mayor Andrzejewski: Even though it didn't we kept the garbage fee as it was – we did not raise it. Now there comes a point where we can't keep covering garbage fees that are costing the City more money than we are taking in.

Ms. DePledge: I appreciate Mr. D'Ambrosio's comment about if we raise the garbage fee before March that we risk alienating people. That is accurate but if do something we will alienate the voters and if we do nothing they will not believe us. Either way we lose. I do not know what the answer is.

Chief Whittington: I am not sure what Mr. Morley's comment was – I would like it clarified because it is the public record. You just said what was in the pamphlet we passed out – if that is the case then why should there be so many cuts from Fire? If you are going to cut five firemen - which you will per the pamphlet - then I don't think I need to submit any cuts. I want to make sure that is what you meant.

Mr. Morley: I believe everyone should hand in their cuts and that we should all look at them and prioritize the first round of cuts. That is my opinion only. I am only one of seven as usual.

Chief Whittington: And I am good with that – I understand the process.

Mr. Morley: The pamphlet read that we would make certain cuts. The numbers were in there but they did not come from us. Like the pool we have already discussed closing. For those that write articles in papers I did my homework on that and have talked with Representative Fende's office and we can for three years close the pool without taking the \$150,000 penalty. Unlike some things that are out there in the public I do my homework – as everyone on this

Council does his/her homework. So, the pool is an actuality – we will probably not open it and we will not get penalized per my last conversation with Representative Fende.

Ms. DePledge: At one of our prior meetings we talked about the cuts and you asked for a figure so you could determine how you are going to run your Departments and your budgets. Do you have that figure?

Chief Whittington: No - just 1/3 of the budget.

Ms. DePledge: I just wanted to make sure you knew where you were and stood.

Mr. Knuchel: Are there anymore comments on this issue?

There were no further comments.

RECOGNITION OF THE PUBLIC

Kimberly Evers, 34137 Beachpark, Eastlake

Mr. Evers: Mr. Slocum, you have public yard waste at \$190,000 – why not cut that out? Your \$220,000 drops down to \$22,000. It is a small impact to the resident. Not everyone uses it. It has an immediate effect. And, knock off the Service containers at \$1,000. Between the two you are talking \$102,000.

Mr. Slocum: The Service Department containers that they use...

Mr. Evers: You can still stop the yard waste pickup. It does not affect the leaves – it is yard waste. That would save \$190,000 a year. It is a minimal impact to the residents but it is an impact. It is starting to put the word out.

Mayor Andrzejewski: I appreciate your comments. If you ask the residents – they use that yard waste especially this time of year with the leaves. If we had to pick up all the leaves with our labor and our machines that people now put in bags and containers – it is a tremendous savings to us in labor costs. If you drive around the City when the leaves are in session...

Mr. Evers: You don't have to tell me. I have one of the biggest yards in the City.

Mayor Andrzejewski: If people do not help us by putting leaves in bags...

Mr. Evers: With no levy there will be no leaf pickup. Chances are that will be cut.

Mayor Andrzejewski: If that happens it happens. Right now it is included in the contract.

Mr. Evers: This is yard waste – it is not leaf pickup. The City is still picking up leaves. It is a minimal cut that could be made.

Mayor Andrzejewski: Part of the yard waste is leaf pickup.

Mr. Slocum: The one problem I see with that is when the contractor was let for the regular waste pickup that number was bid with the knowledge there would be yard waste pickup and that number includes the anticipated tonnage that would be generated. If you do away with the yard waste then a good percent of that yard waste starts ending up in our regular waste (trash) and our tonnage goes up and we are in a totally different type of contract. We will have the ability to look at that next year because we have to go out to bid if we choose not to exercise the option that we have right now. It is not as simple that we are going to do away with it and – that entire cost will not disappear. I don't think I can do that and renew the contract I have today and when I go out to bid if I did away with that - and I am not so sure there are not things coming from the landfill that are mandating us to separate yard waste from regular garbage – that they do not want that in the landfill. Then you have to build something for the residents to take that. My gut is it is not the savings you would envision.

Mr. Evers: It is a small minimum cut and impacts the residents very little. If they have to they can take their own yard waste to the dump.

Mr. Slocum: The dump does not necessarily want the yard waste and I am not sure exactly where that yard waste ends up today.

Mr. Morley: Mr. Evers, in our 2012 budget we will have discussions on either picking up leaves or the yard waste. We have to have one or the other. We are not going to be able to do away with both. So, we will have to weigh our options – obviously this is the biggest time of the season. We cannot pick up and we cannot leaf vac. We will need to pick one or the other and go from there. And we will have to look at our costs on the tonnage going up because obviously we will have a ton more bags. I know Mentor is all leaf pickup – people have 40-50 backs in front of their houses.

Mr. Evers: In Madison the residents are responsible for taking it themselves to a landfill area or one of the nurseries.

There was no one else who wished to speak.

MISCELLANEOUS BALLOT ISSUE

Mr. Slocum: We have a very short deadline if we are going to put an issue on the ballot for March. I have talked with Atty. Sharb and he is ready to create the legislation depending on what people would like to go with. Every mill will generate approximately 1/2 million dollars. The question is – if it is the desire of the Mayor and Council to do it – is do we go back to the ballot in March with the knowledge that this will not change anything for next year but will change stuff for the year after. Do we put one issue, two issues or three issues? Do we put one out there for Fire, Police or one for Safety and one for Recreation and Service? Maybe 1 ½ mill for Fire and 1 ½ mill for Police and 1 mill for Service. Still that is 4 mills. I did hear some feedback from a couple of people that they would be in favor of a Safety Forces type levy. I thought we had a chance last time so I have no idea what the voters think or want so I am not going to try to be the prognosticator of it.

Ms. Vaughn: Perhaps one of the reasons the levy failed was because it was considered for General Administration and I think if people saw it directed more to specific things like a Safety Forces levy – put the Fire with the Police – mix them together for a Safety Forces levy – it is a more positive approach. And, Recreation could stand alone but if you wish to add Service I would have no problems. But, I think there should be separate levies just for an explanation and clarification to the voting public.

Mr. Morley: I have talked with the Chiefs, Mayor and Mr. Slocum – I would not have an issue with a 3-mill Safety Force levy and a 1-mill Recreation/Service levy. Chiefs?

Chief Whittington: I don't want us to be separated.

Mr. Morley: The 3-mill and 1-mill would be good numbers.

Mayor Andrzejewski: As long as we include Service and Recreation.

Mr. Morley: I think as Ms. Vaughn said – and I have heard in the past – people believe the General Fund is a slush fund. If we do these they are only for Police and Fire and Recreation and Service and in turn would alleviate some problems in the General Fund. It is worth a try. I don't know if it will fly or not in the short time from November to March. It is something before we totally decimate this City.

Chief Whittington: I know it is more of a global look at this with this levy but what would be the expectation in three years when my capital levy comes up again? That creates a good position to be in to buy rescue and fire trucks. If we pass this levy as a Safety Forces or a Fire Department levy what will happen to the capital levy in three years?

Mayor Andrzejewski: The good thing about the equipment levy is the people have always approved it because they have seen over the years that we have bought equipment with it. That would be a renewal levy. Judging from the voters' response to renewal levies it is usually pretty favorable. This Safety Forces levy – let's be honest about it – it is for employees and employee costs. It has nothing to do with equipment. In the Police Department's case some of it would have to be used for Police cars because they do not have an equipment levy. I think we would be safe with the equipment levy being renewed in the future. I certainly would support it.

Mr. Morley: We will continue to do our renewals. The road levy is \$1.5 million and we just spent \$800,000 on two roads.

Mr. Hoefle: I am in favor of separate levies. I agree with the Chief – you should keep it as a Safety Forces levy and then put Recreation and Service together.

Chief Whittington: What would a 3-mill levy be used for?

Mr. Morley: Personnel – to run your Departments.

Mayor Andrzejewski: It covers the deficit. That is all we are asking for – we are asking to cover the deficit.

Mr. Morley: We don't want the Departments to end up where they may go. You know that. You both should know that. We are in a spot. We have to do what we have to do unfortunately.

Mr. D'Ambrosio: When do we have to do this?

Mr. Morley: We will probably have to have a special meeting after Thanksgiving to get it on by December 7th. Per the Law Director and Clerk we can do it by an emergency or do three meetings. We could have three meetings in a week or every other day. It is up to Council.

Ms. DePledge: We need to give it as much time as we can so the information gets out there.

Mr. Morley: The information will be out there. People will want to come if they want to. If they don't it will be like last time.

Ms. DePledge: I would not want to do it every day and have people come back and say we placed it on the ballot in a week. I think we need to give them as much time as we can to give them time to respond.

Mr. Knuchel: My idea on this is you do it in one meeting. It will not matter if we do one or three readings. This is just to place it on the ballot. People have the choice then to decide whether they want it or not. At that time – if we wait until the end of November – it will not give us time to change what we need to change anyway. Just think of that as a possibility.

Mr. Morley: I have no problem with one but I know sometimes we have issues with having one.

Mr. Klammer: They usually don't come to the second or third readings anyway – they come to the first.

Mr. Slocum: If we reach a consensus tonight I will be in touch with Atty. Sharb to get the legislation drafted. The first piece is a Resolution of Necessity which would have to be passed at a Council meeting – we anticipate that being next Tuesday. After that is passed it has to be taken to the County Auditor and then we would have the legislation to place the issues on the ballot which can be passed by emergency measure. Or you could do it in two or three meetings. If we adopt the first on Tuesday of next week we are probably not available to do anything until Friday at the earliest.

Mr. Morley: If we can get the legislation on the 22nd I spoke with the Clerk and she can file it on the 23rd and then we could have a meeting either the 29th or 30th of the following week.

Mr. Slocum: After we get the information from the County Auditor we have to get it to Atty. Sharb so he can prepare the other legislation. So, there is some turn time there – I don't anticipate it being long. But, we will not have too much time. The other thing I need to point

out is we have to place on the ballot this year our 1.8 mill general operating levy which collects .76 mills. If that does not pass we would lose that money in 2013. There has been more of a decision being made now that we would hold that one off until a later election in 2012. It is either that or we will walk away from that also.

Mayor Andrzejewski: The point is this. When we have special council meetings and advertise unfortunately no one comes. The important thing is we are giving the people the chance to vote. We are not taking anything away from them. We are simply saying we are going to vote to put it on the ballot and give them a chance to vote yes or no again. Ms. DePledge, your point is well taken. It is just that no one comes anyway.

Ms. DePledge: I know it is just that we went through all the meetings last time and people wrote in the Gazette articles and the News Herald and we still have people showing up.....

Mayor Andrzejewski: The point is we are giving them the chance to vote.

Ms. DePledge: And I do support the Safety Forces and the Service and Recreation levies.

Mr. Knuchel: Mr. Morley, I need some guidance?

Mr. Morley: We can take a straw poll. I have no issue with giving Mr. Slocum the go ahead with get with Atty. Sharb and get the legislation for a 3-mill Safety Forces levy and a 1-mill Recreation and Service levy.

Ms. Vaughn: I agree.

Ms. DePledge: I agree.

Mr. D'Ambrosio: Yes.

Mr. Hoefle: I agree.

Mayor Andrzejewski: I am fine.

Mr. Knuchel: It seems to be that the straw poll says to go for that.

Mr. Slocum: I will have that to the Clerk this week and it will be on the agenda for next week.

Mr. Hoefle: If we do a 1-mill levy for Service and Recreation how will it be split? Will it be 50%-50% or will it be that Service takes the majority. Will that be clarified?

Mayor Andrzejewski: This is for labor – that is what we are talking about. The Service and Recreation are to maintain the parks, operate the pool, buy chemicals for the pool, buy lawnmowers – most of it is labor.

Mr. Slocum: If we get these I imagine I will have to set up a separate fund for both issues. What happens after I establish the funds? We will determine how much money we have and then I would need Council to make the appropriations. So, that money will not be spent without Council giving any appropriation.

Mr. Klammer: Did you talk to Atty. Sharb about combining the Recreation and Service levy?

Mr. Slocum: Not specifically.

Mr. Klammer: We have to decide if you can actually combine them.

Chief Whittington: If we are not going to collect this money until 2013 is a 4-mill levy going to be able to cover what we need to cover?

Mr. Slocum: From my last run through with the projections if we had a 4-mill levy we would be able to reinstate the majority of the cuts. Can't do all.

Mr. Morley: Even though we are not going to collect the money if the levy passes we will know we are going to be getting the money.

Chief Whittington: Obviously we are relying strictly on these levies to generate revenue – will what is going to change in 2012 be a problem in 2013? That is my problem. If we are going for these levies – I don't want to find myself in a position of being out there and working very hard to pass a levy and get it passed and then in 2013 I am facing cuts again. That is my only concern. Are we going to be in the same position we are now?

Mr. Morley: I cannot see the economy there from here.

Mr. Slocum: If the levies pass you are going to be looking at what cuts do you restore - because you will make the cuts after this year – everyone of us Department Heads.

Chief Whittington: We submit on Friday what we are going to do as far as cuts. Are those permanent cuts? If I am taking line items out of certain things – I am taking everything I have for myself – I am removing that from the budget. Will the assumption be at the end of 2012 when we are budgeting again that we are resetting the budget again and I will be asked to make certain cuts again. Is that what the process is going to be?

Mr. Slocum: In the event the levies do not pass then they will start to look permanent. Unless we are able to substitute some other revenue source they will be permanent. The hope is we get something passed or some other income stream coming in that we can restore the services. Restore the spending to what you need to maintain an efficient operation.

Chief Whittington: That was a bad example because if I never go to another conference I do not care. The most important thing is for me to put guys into seats. But, that was just an example. If I am going to be instituting cuts what is going to happen down the road? The elephant in the room is - are we going to be discussing any other revenue resources here?

Mr. Slocum: I laid out two today earlier.

Chief Whittington: If we are going to focus on just trying to pass levies then we are going to find ourselves in the same pickle down the road and I think somehow we are going to have to find a way to generate revenues in the City. I spoke with Mr. Slocum before and I think this has been made public – in 2003 when we were all faced with cuts there was a spending problem in the City. Now, it is not a spending problem we are faced with but it is a revenue problem. We have all cut down and tried to eliminate extra costs and we have all lost personnel. Now we are faced with making cuts because we do not have enough money in the City. I am throwing that out – are we researching ways to generate revenues in the community?

Ms. Vaughn: My only suggestion would be economic development. If we could bring in more business that pays higher salaries we would generate more income. But, that is something that is not necessarily in our control. The economic climate is beating everyone up and we are one of the victims. I am sure people in the Administration have made contacts with anyone who shows an interest. I know they gave out 25 occupancy permits in October in the Building Department – tiny little shops with a couple of people in them. We need a big bang for our buck and we are not getting it and I do not know the answer.

Mr. Slocum: One thing I am working on right now is refinancing the bonds. If this happens – and we will know by the end of the year – we are projecting a savings of anywhere from \$50,000 - \$70,000 a year for the next 15 years. I distributed the official statement to the Mayor, Council President and Law Director – I need your comments by tomorrow – I have to meet with Moody's Monday or Tuesday of next week to go over our bond rating. In taking with Atty. Sharb we feel we are going to be in the position to go to market and sell these by the end of December. Hopefully, the market will not move negatively against us like it did last year. We don't think that will be the case. I have my fingers crossed and we are pushing hard on it.

Mayor Andrzejewski: I think we lost something here. The majority of the \$2 million deficit we are facing came right from Columbus. That point cannot be emphasized enough. We lost \$900,000 in the Local Government fund, \$400,000 on the Utility Tax and another amount in the CATT tax. Those funds were promised to the cities and they were taken away from us with a stroke of a pen. It is not overspending. It is not lack of business. \$1.4 million of those cuts came directly from Columbus. Everyone in this room should be annoyed at that. We all pay State income tax and send it to Columbus and they keep it. Any call I get – I don't care if it is three person shop – I jump on it. People out there know I am a good salesman. So, Walgreens, Key Bank, the new Biagio's building. Walgreens was going to leave if they did not get a new building. Every week we call WalMart to keep that moving and it will happen next year. We get what we can. We take anything we can get. I don't miss a beat when it comes to trying to get a business in this City. The difficulty for a City like ours is we don't have land, we don't have development areas, we don't have incentives like some of our wealthier neighbors have that can lure businesses in. We do what we can. Don't miss the point that most of the cuts we have to make are a direct result of the leadership in Columbus.

Mr. Knuchel: Anyone else have anything they would like to say on this issue? There has been lot of good discussion tonight. As Chief Whittington brought up I think we need to look at everything including personnel to make this City run. We have to look at things like the pool, the summer workers – we have to look at every aspect of how we spend money – not just personnel. So, I would hope that would be in the forefront of everyone’s mind.

There is one more issue I would like to bring up under miscellaneous. That is someone being here on his birthday. Brandon Baker, the News Herald Reporter, Happy Birthday.

There were no further questions or comments.

The meeting was adjourned at approximately 7:15 p.m.

dac

APPROVED: _____

DATE: _____