

FINANCE COMMITTEE MEETING MINUTES

MONDAY, JANUARY 11TH, 2021

beginning at 6:48 P.M.

FINANCE PRESENT: Chair Stewart, Tollett, Baird, Jessie, Davis

OTHERS PRESENT: Law Dir Deery, Asst Law Dir Breunig, Mayor Whitfield, Safety Service Dir Brubaker, Finance Dir Pileski, Asst Dir Feuerstein, WWPC Superintendent Korzan, Councilperson Keys and Oswald

1. Approval of the Regular Finance Meeting Minutes ~ December 14th, 2020

Mr. Baird moved to approve and seconded by Mr. Tollett to approve the said Meeting Minutes.

2. The matter of the purchasing a New Labrie 37 cu yd Garbage Truck thru State Purchasing.

REFERRED BY: Safety Service Dir Brubaker

[This matter was approved by Utilities on January 6th]

Mr. Brubaker said this is a side-wind loader garbage truck like we already have in the fleet. We did order one back in November and using Sanitation funds on that one. Now we're asking that this purchase be done by way of Issue 6 Capital dollars, which is an appropriate use of these dollars.

Mr. Brubaker spoke to the Law Director and it is an appropriate use. The reason they're doing this now is because we've already appropriated thru temporary appropriations in Issue 6 funds. They would like to get this ordered because it takes one year. This will help alleviate dollars coming out of the Sanitation Fund. The not to exceed amount is \$354,000. So we have one garbage truck that is on order now and it will arrive in November 2021 and once this one is order it will arrive February 2022.

This will help alleviate the cash flow in the Sanitation Dept. This does include a trade in of one of our other trucks. We need to keep in a rotation so we don't have to spend millions of dollars to replace them all at once.

Mr. Tollett asked if this is a direct purchase or a lease?

Mr. Brubaker said this would be a direct purchase, we would pay cash. It will take 12 - 14 months to receive it after it's ordered. We will go into an agreement now, but we won't be paying for it until the truck is in our procession.

Finance Dir Pileski said the truck we purchased last year will be paid from borrowed money and then the note will be paid over an extended period of time. The sanitation fund is strapped for cash. This is actually the 1st that Mr. Pileski has heard of this purchase. It's okay to take funds out of Issue 6, however it will cause an accounting problem because it will be used by an enterprise fund/the sanitation fund. This is a new area where we're purchasing from an enterprise fund asset and used as an enterprise fund operation and using tax dollars to pay for it. It's something new. It will be like a donation of the sanitation fund. He would've liked to have had a heads up on stuff like this before it goes to committee so he's prepared.

Mr. Pileski said if we're going to purchase from Issue 6, we would pay cash for it when the truck comes in.

Mr. Oswald asked if it saves money to do it this way?

Mr. Pileski said yes, if we pay by cash it saves the City money. Interest rates are very

low with one year notes but this would probably be paid over a 5-10 year period with interest.

Law Dir Deery added that as far as whether it's appropriate to use Issue 6 funds for this, that's a matter for council to decide. And the other thing that council will have to decide is what they will do with the Sanitation Fund.

Mr. Baird asked if there has been anything kind of inventory of the Sanitation trucks and what kind of condition some are in, he's never seen anything like that.

Mrs. Mitchell said that the need is definitely there.

Mr. Brubaker said they have the original trucks that were purchased in 2010. Those are well out of warranty and we're paying out of pocket to repair those. They have not been able to do the rotation to switch the trucks up. Currently there are some trucks with transmission issues and one had a packer issue. It's less expensive to rent those trucks by the month, so on occasion we have to rent one for a month. It's costly.

Mrs. Davis asked if these trucks can be leased, where we have to trade them in every 6 or 7 years?

Mr. Brubaker said that has been discussed several years ago. These aren't the typical vehicles that can be traded in every few years. It's not feasible to do that.

Mr. Brubaker said he will be coming back to the committee, once the budget is passed, to purchase a rear loader. We are currently renting a rear loader because we have a few of them down and being worked on in the shop. This should pass as emergency.

Mr. Brubaker said they have the original trucks that were purchased in 2010. Those are well out of warranty and we're paying out of pocket to repair those. They have not been able to do the rotation to switch the trucks up. Currently there are some trucks with transmission issues and one had a packer issue. The department has had to rent a truck for a month every so often, It's less expensive to rent those trucks by the month, so on occasion we have to rent one for a month. It is costly, but it has to be done on occasion.

Mr. Baird moved, seconded by Mrs. Davis to authorize an ordinance for the Mayor to authorize the purchase of a new garbage truck thru State Purchasing and Best Equipment, not to exceed \$352,000 allocated from Temp. Issue 6 Capital Fund and to pass as emergency.

MOTION CARRIED

COMMITTEE REPORT WRITTEN

3. The matter Inactive/ Delinquent Public Utility Accounts to be Certified to the Lorain County Auditor's Office. *[Standing Referral]*

REFERRED BY: Public Works Supervisor D. Conner

This is standard clean-up procedure that the resolution board approved.

Mr. Baird moved and Mr. Tollett seconded to recommend a resolution to authorize a list of delinquent utility charges to be submitted to the Lorain County Auditor's Office for collection.

MOTION MADE

COMMITTEE REPORT WRITTEN

4. The matter of an agreement between the City of Elyria and the City of North Ridgeville to extend the waiver of minimum charges for water services sold to North Ridgeville.

REFERRED BY: Assistant Safety Service Director Feuerstein

Dir Feuerstein said this is an extension that was passed by Council in Sept 2020. The minimum charge was agreed at that time and the contract was a 3-4 year agreement to provide their water at a minimum charge. The City had a construction project that had been on-going and they agreed to and we want to charge them only for the water they used. They asked for a 3-month extension for water use for January, February and March to have the minimum waived

and then starting with service in April to go back to what the contract agrees to which ends at the end of this year. So a new agreement will be brought back at the end of 2021.

Mr. Baird asked who monitors that?

Mr. Feuerstein said the Utilities Billing Dept. monitors the usage and then they get billed each month.

The motion concurred that this needs to be passed as an emergency.

Mr. Baird moved and Mrs. Davis seconded to recommend an ordinance to authorize the Mayor to enter into the 'said' agreement with North Ridgeville.

MOTION MADE

COMMITTEE REPORT WRITTEN

5. The matter of a Contract Renewal with Medical Mutual of Ohio for Administrative Fees, Services and Costs.

REFERRED BY: Assistant Safety Service Director Feuerstein

Dir Feuerstein said this is similar to the property insurance agreement which was already approved. This is for health insurance for employees. We are self-insured and we have a representative which is through Arthur Gallagher to find the best deal in their network of brokerage services. The City pays those rates and this agreement is for us to be a member of their network.

Suspension of Rules and Emergency requested and that concurs with the motion. All in favor.

Mrs. Davis moved and Mr. Baird seconded to recommend an ordinance to authorize the Mayor to enter into the 'said' contract renewal.

MOTION MADE

COMMITTEE REPORT WRITTEN

6. The matter of a Contract Renewal with Medical Mutual of Ohio for Stop Loss Contract.

REFERRED BY: Assistant Safety Service Director Feuerstein

This is similar to the previous matter. Differences is fees and services of the costs for medical test and procedures, those costs are established. The Stop Loss is when a claim hits a certain amount of money per year and we are no longer required to pay that. The Stop Loss covers the rest. If an employee's charges go over a certain amount, we pay that as a self-insured entity. Beyond that, they cover that.

Suspension of Rules and Emergency requested and that concurs with the motion. All in favor.

Mr. Baird moved and Mr. Tollett seconded to recommend an ordinance to authorize the Mayor to enter into the 'said' contract renewal.

MOTION MADE

COMMITTEE REPORT WRITTEN

7. The matter of Amendments to the 2021 Temporary Appropriations.

REFERRED BY: Finance Directors Pileski and Farrell

(There are none this evening)

Mr. Baird moved and second by Mrs. Davis to adjourn this evening's Finance Meeting at 7:10 P.M.

MOTION CARRIED

Respectfully submitted by,

Colleen Rosado, Council Clerk Secretary

(Committee Meeting was attended by Secretary Rosado ~ Meeting Minutes were transcribed by Secretary Rosado).

