

THE FINANCE COMMITTEE held a meeting on **Monday, February 13th, 2023** which began following the Joint Meeting.

FINANCE MEMBERS PRESENT: Committee Chair Stewart, Tollett, Cerra, Davis and Schneider

CD MEMBERS PRESENT: Committee Chair Callahan, Mitchell, Oswald, Schneider and Lipian

OTHERS PRESENT: Law Director Deery, Mayor Whitfield, Safety Service Dir Lundy, Finance Dirs. Pileski and Farrell, Asst Dirs. Williams and Calvert, Engineer McKillips, Water Team Leader Jacob, WWPC Supt. Korzan, Public Works Sup. Conner, Parks Dir Reardon, Building Official Farkas, Fire Chief Pronesti, Asst Law Dir Breunig, Council Member Corbin

1. Approval of the FINANCE Committee Meeting Minutes ~ January 9th, 2022

Motion made by Mr. Cerra and seconded by Mr. Schneider to approve the 'said' meeting minutes.

2. The matter of a moral claim.

Referred By: Robert Martin of 860 Oak Street.

Law Dir Deery said this claim was a total amount of \$2500. Due to rules, her office approved to pay the maximum amount allowed, which is \$500. Her office provided Mr. Martin with the option to pursue the moral claim for the full amount. Based upon the information that was supplied to her office, they have no objection to approve to pay the full amount.

Robert Martin of 860 Oak St. came to the microphone to explain what happened. He said the garbage truck was picking up his trash and the arm came down and crushed the light pole and light at the end of his driveway, it was demolished. He would like to get it fixed. He is hoping the committee will allow this. Mr. Williams saw a video of the damage.

Mr. Williams said as Mr. Martin stated, the damage did happen and it was the fault of the City and wasn't intentional. Mr. Martin provided all the documents needed for this claim. It took a little time and he has been patient. The Police Dept did have a report. The administration's recommendation is that Mr. Martin is due this justice and they are in support of this claim.

Mrs. Davis asked if the light pole was Mr. Martin's personal property?

Mr. Martin said yes, it's his own light pole that he had installed it in brick at the end of the driveway.

Mr. Lipian asked if we know how this happened? Was it a new driver? What helped contribute to this?

Mr. Williams had no specifics on this, just that it was an accident. Dir Brubaker had a conversation with Mr. Eye and they addressed it to the best they could.

Mr. Oswald confirmed that Mr. Martin had gotten more than one estimate.

Motion was made by Mr. Cerra and second by Mr. Schneider to authorize payment of the Moral Claim submitted by Robert Martin in the amount of \$2,500.00.

MOTION CARRIED COMMITTEE REPORT WRITTEN

3. The matter of Inactive/Delinquent EPU Accounts to be certified to The Lorain County Auditor's Office. (Standing Referral)

Referred By: Public Works Supervisor Conner

Public Works Sup Conner said this is a list of accounts of customers that had bills finalized and past due where the account had been finalized. They need permission to turn these over to the county for lien to the property taxes.

Motion was made by Mrs. Davis and second by Mr. Tollett to authorize a resolution authorizing the 'said' delinquent utility accounts to be certified to the Lorain County Auditor's Office.

MOTION CARRIED COMMITTEE REPORT WRITTEN

4. The matter of amending Ord No. 2022-154, Agreement with Rural Lorain County Water Authority.

Referred By: Public Works Supervisor Conner

Public Works Sup Conner said Ordinance 2022-154 was approved. Section 2 of the ordinance needs to be changed. The funds that it was going to be coming out of was Wastewater Pollution and it needs to be changed to 'Rural Lorain County Water Authority Fund'. It has its own fund.

Motion was made by Mr. Cerra and second by Mr. Schneider to authorize the 'said' amendment to Ordinance No. 2022-154.

MOTION CARRIED COMMITTEE REPORT WRITTEN

5. The matter of applying for a \$10,000 Grant through The H2Ohio Initiative.

Referred By: Water Team Leader Jacob

This matter was passed by Utilities on 2/8/23

Water Team Leader Jacob said he received a phone call in January to see if we wanted to apply for this grant. It's for \$10,000 through H2O Ohio for asset management equipment. They already submitted the application because the due date was January. The grant is for \$10,000 to purchase hydrant monitoring equipment for The Water Distribution Dept. They are hoping they will get this grant. They would ask for this to pass as an emergency.

Mrs. Davis asked what the money will be used for?

Mr. Jacob said there is specific equipment that can be purchased with this grant money; pressure monitoring equipment for water hydrant.

Mr. Jacob said they already applied because the deadline was in January.

Motion was made by Mr. Schneider and second by Mrs. Davis to authorize the Mayor to apply for and accept the 'said' grant.

MOTION CARRIED COMMITTEE REPORT WRITTEN

6. The matter of the purchase of a 2023 Case 580 Super N Backhoe and trading in a 2012 Super N and a 2021 Case 321 F Mini-loader.

Referred By: Water Dist. Operations Mgr. Rothgery

This matter was passed by Utilities on 2/8/23

Water Team Leader Jacob filled in with information on this matter because Mr. Rothgery was not able to attend this meeting. This new backhoe is needed. This piece of equipment is very expensive and we're in a great position to have a decent machine for a trade in which will bring down the cost.

The cost to purchase it is around \$140,000 and with the trade-in of the old backhoe and the mini loader, we will only have to pay around \$32,000 out of pocket.

They don't use the mini loader and they have also gotten a track loader which has taken on all of the work that the two machines would do. We'll be getting \$75,000 in trade for this. It's a win because the trade-in values are so high.

The funds will come out of Water Distribution 2023 permanent appropriations and it will be \$32,000. He is asking for emergency clause.

Motion was made by Mrs. Davis and second by Mr. Schneider to authorize the purchase of the 'said' equipment.

MOTION CARRIED COMMITTEE REPORT WRITTEN

7. The matter of the purchase of a 2023 Kobelco mini excavator and trading in a 2015 Case CX55B.

Referred By: Water Dist. Operations Mgr. Rothgery

This matter was passed by Utilities on 2/8/23

Mr. Jacob said this is similar to the last item. This is a 2015 Case and it is the first mini excavator that the City has owned and they put a ton of hours on it. At this point it's a great trade-in toward the new machine. Between the trade-in price and the actual price of the new Kobelco we'll be out \$58,000 out of pocket and that price will be guaranteed.

They are asking for emergency clause because of the long lead time.

Motion was made by Mrs. Davis and second by Mr. Cerra to authorize the purchase of the 'said' equipment.

MOTION CARRIED COMMITTEE REPORT WRITTEN

8. The matter of advertising for bids and entering into a contract for Sludge Disposal for the WWPC Plant.

Referred By: Superintendent Korzan

This matter was passed by Utilities on 2/8/23

Supt Korzan said this is the final year of the current contract with Lorain County Landfill, which expires on Aug. 31st of this year, so they need to go out for bids for the disposal of sludge cake from The Waste Water Plant. They are asking for a one-year contract with two additional add-on years. that has worked out very well so far. This contract is similar to the one for Water Pumping.

Mr. Tollett asked how long ago this was outsourced?

Supt Korzan said we still haul our own sludge, we do our own hauling, we have semi-cabs and sludge trailers. The only thing we pay for is the disposal at the landfill.

Motion was made by Mr. Cerra and second by Mr. Schneider to authorize the 'said' contract.

MOTION CARRIED

COMMITTEE REPORT WRITTEN

9. The matter of a Grant Application for the 'Safe Routes to School' program.

Referred By: Engineer McKillips

This matter was passed by Utilities on 2/8/23

Engineer McKillips said they would like to apply for this grant which is due March 3rd. They did apply for this grant last year, but did not get any funding. They are looking at utilizing last year's application with modifications. The basis as far as number of sidewalks and locations will remain the same. They have a team meeting scheduled for Friday, February 10th to go over the scope of work with ODOT to make sure that everything is on tract.

There are a few changes from last year's program; the state increased the funding to \$500,000 from \$400,000. It's a 100% grant. They've added high school areas for locations for the work.

Engineer McKillips said this is a City wide program as long as it's in a certain radius of a qualifying school. Last year the application involved areas around Hamilton, Eastern Heights and Northwood. They will be looking at those same areas and possibly around the high school.

Engineer McKillips said they did include tree removal as part of that funding. That will be discussed with ODOT. If it's allowed, they will include that in the grant application, unless it would deter from the scoring.

Mr. Lipian thanked Engineer McKillips. He brought up the sidewalk program which passed at this committee a few months ago. He thought this will show the panel that we have skin in the game, which will assist what we are already asking for. State Rep Manning had submitted a letter in support of the City's application and maybe we could include another letter in our application as part of our application packet.

Mr. Cerra asked how far out from the schools does this project go and can it be used around the Catholic schools and constellation schools?

Engineer McKillips said it can be used around Catholic schools. She's not sure about the Charter schools. It's up to one mile out, however, for scoring purposes they want to keep the work within a quarter mile of the schools.

Motion was made by Mr. Schneider and second by Mr. Cerra to authorize the 'said' contract.

MOTION CARRIED

COMMITTEE REPORT WRITTEN

10. The matter of amending Ordinance No's 2023-02 and 2023-03.

Referred By: Engineer McKillips

Chair Stewart recused himself from the conversation on this matter due to a conflict of interest and he will also recuse himself from the vote on this matter. Co-chair Tollett took over as chair.

Engineer McKillips said these ordinances were passed in January. They are adding a few more dollars to the loan amount which is for the application and origination fees.

The original amount for the Cleveland St project was 2 million and now they need it to not to exceed \$2,008,000.

The original amount for the East Broad Street project was \$944,735 and now the not to exceed amount will need to be \$1,006,000.

Mr. Oswald asked what the cost increase is for?

Engineer McKillips said the original legislation had amounts which stated 'not to exceed' and the paperwork for the loan had an amount of \$2,008,000 which included the application fee so, our legislation needs to match the paperwork that was reviewed with ODOT.

Motion was made by Mr. Cerra and second by Mr. Schneider to authorize the 'said' amendment to Ordinance No. 2023-2. (Emergency Clause)

MOTION CARRIED COMMITTEE REPORT WRITTEN

1 Recuse - Stewart

Motion was made by Mrs. Davis and second by Mr. Schneider to authorize the 'said' amendment to Ordinance No. 2023-3. (Emergency Clause)

MOTION CARRIED COMMITTEE REPORT WRITTEN

11. The matter of amendments to the 2023 Temporary Appropriations. [Standing Referral]

Referred By: Finance Directors Pileski and Farrell

There were none this evening.

12. The matter of the 2023 Permanent Appropriations. [Discussion Only] [Standing Referral]

Referred By: Finance Directors Pileski and Farrell

The discussion began with Mayor Whitfield thanking the Finance Department and all of the Department Heads for the time that has been spent on getting this budget to us today. They've had a chance to sit down with all of the departments. They've spent hours working on this. They believe this is a very conservative and fiscally responsible budget. Many of the requests were related to police and fire and parks which weren't included in this budget. It's more important to ensure the passage of this levy before starting to pursue larger projects. We're in a strong financial state now and we've done a great job managing the budgets. The department heads have done a great job doing more with less while still taking care of the residents but we need to ensure the passage of this levy to maintain the health of the budget, a safe budget. There are some major projects that are still on hold until we have more assurance about the future.

Finance Dir Pileski said he is meeting with the Judges tomorrow (2/14/23). If you look on the document on the screen, there are 4 funds that are controlled by Muni Court and their requests are over the amount available to appropriate so he has to address those issues with the judges. Typically, they transfer money from one of their other Muni Court Funds. Then he can raise the revenue estimates which will eliminate the over appropriation amounts.

Dir Pileski wanted to thank the Mayor and his staff for working so diligently. The budget is not an easy document to prepare, there's many funds and the department heads have one department to take care of and watch over and his department along with the Mayor's Dept have to make sure there are funds available in all of these funds to take care of all of the operations of the City.

There were some P.O.'s from 2021 that had to be added back in. They've been approved for additional ARPA Funding for the Police Dept., so they are going to create

a separate department in the ARPA Fund to account for that grant. It's a 2-year grant, it goes by the same guidelines as the ARPA money which is money that is coming from the State.

The discussion will have to turn to how everyone wants to spend their remaining ARPA Funds that aren't appropriated which right now is almost 7 million dollars.

Chair Stewart asked what's available with Issue 6 dollars?

Dir Pileski said that amount is a little under 1 million dollars.

Chair asked in reference to the 2.7-million-dollar Grant, what are the guidelines?

Mayor Whitfield said this Grant is for Community Violence Prevention and it's a retention and recruitment Grant where part is to provide incentives to recruit police officers to the force and to provide the salary for up to 12 officers. And the other part is for retention of officers, which included a retention bonus for those officers. The main focus was for Community Violence Prevention.

Mr. Tollett said the 2.7 million for preventing Community Violence, could in theory be used to hire 12 officers and pay for them for 2 years, is that accurate?

Dir Pileski said that is correct. 2.2 million would go toward wages and bonus and the \$410,000 for equipment. If the guidelines are the same, all payroll related expenses have to be use up by the end of 2024. Anything under contract for purchases for Capital goods and supplies have to be encumbered by the end of 2024 and spent by the end of 2026.

Mr. Tollett said going back to 3rd quarter of 2020, there was 8.8 million unencumbered, is 2 million is appropriated in the new budget?

Finance Dir Farrell said yes, in the temporary, there were carry over P.O.'s for some items in the latest review.

Mayor Whitfield said for this year, they requested new allocation of 1.5 million for revenue replacement for fire, 1.5 million for revenue replacement for police which will be 3 million of ARPA dollars. And they had carry-over balances which were some encumbrances from last year. They also carried over \$250,000 in the home beautification program from last year, that program will begin shortly. Misc. General Government is a catch-all that helps strengthen the General Fund. And there were funds from Parks & Rec carried over as well, which was \$250,000.

Mr. Tollett asked to confirm; after the 1.5 million to police and fire there's 6 million left?

Dir Pileski said in the document before them, they put in 1 million, as they did last year for revenue replacement, for Sanitation. That will be a discussion as to weather to keep that in there or not and Council has to weigh in on it, as well. If it comes out, the amount to appropriate would be bumped up to 7.9 million.

The Mayor said the Sanitation discussion they are having is really weather to put resources into the Sanitation Fund, and can that be used to lower the sewer rate for senior residents? He sat down with Councilperson Davis and they ran some numbers on what it would cost to reduce those costs for seniors who are on fixed incomes.

Mr. Tollett asked if the 1.5 million was included in Sanitation for the 3 new trucks that they need?

Dir Pileski said, no, not to his knowledge. There is just 1 million in there right now. Again, this is up for discussion. Council and the Administration has to weigh in and determine where to go from here with ARPA.

The Mayor said they told the departments to hold off on those major purchases. We need to make sure this levy gets passed and then we can put things back on the table in terms of major purchases. Because that money may be needed to keep the city running.

Mrs. Davis said she sees that the Sanitation is at 1.5 million which is showing on the screen. Will this come from the ARPA Fund so they can do this reduced amount for the seniors?

Mayor Whitfield said, yes, that was the plan to help the seniors, to allocate the 1 million dollars, they would double check on the exact amount, it may be \$800,000. If there were 5,000 seniors who sign up for the program, maybe an opt in program, and there's not a lot of room on water cost, there's a fixed cost that is paid, which is the number they want to reduce for senior residents. He said he wants to get through this initial part of the budget because it's somewhat of an add-on. He would hope to get information on this program within the next 30 – 45 days. They will have to create a whole new program.

Mr. Tollett said there is another issue that needs to be discussed, which is if we were to order a new aerial today, it wouldn't be here for close to 3 years, making our existing aerial 19 years old, 4 years past its longevity. It's something we have to think about based on public safety. This will have to be discussed in detail, especially with upcoming growth in the City. That cost is roughly 1.8 million to 1.9 million dollars.

Dir Pileski said there will be another Finance Meeting on Feb 27th and the budget has to be passed by the end of March, we can shoot for the 1st or 2nd Council Meeting in March. He said he's available if anyone has questions.

Mayor Whitfield said in terms of major projects, one is the fire apparatus and we need to be exploring the need for a fire station on the south east side of town, a central maintenance garage and a pool for parks, a police evidence building. There is still discussion to be had around Oakwood. There are a number of major things that decisions need to be made upon. This is a safe budget and we need to keep going forward while we start to deliberate how we will pay for these things. We also have some creative ways outside of just using the ARPA Funds. We've talked about the bonding capacity, we've talked about Issue 6 and there are other creative ways to get these things done so we can start those broader discussions.

**Mr. Cerra moved to adjourn the Community Development portion of this evening's Finance Meeting and that motion was seconded by Mr. Schneider. The meeting adjourned at 7:45 P.M.
MOTION CARRIED**

*Respectfully Submitted by,
Colleen Rosado, Secretary/Administrative Assistant
/CMR*