

**THE FINANCE Committee held a meeting on Monday, December 11<sup>th</sup>, 2023 beginning at 6:30 P.M**

**Finance Members Present:** Co-Chair Tollett, Davis, Schneider, Cerra

**CD Members Present:** Chair Callahan, Mitchell, Oswald, Schneider

**Excused Absence:** Lipian and Stewart

**Others Present:** Law Director Deery, Safety Service Dir Lundy, Mayor Whitfield, Finance Dir Pileski, Asst Finance Dir Farrell, Asst Dir Calvert, Asst Dir Williams, Engineer McKillips, Building Official Farkas, Police Chief Pelko, Fire Chief Pronesti, Wastewater Supt Korzan, Asst Wastewater Supt Stewart, Communications Dir Showalter, Water Dist. Supt Rothgery

**1. Approval of Finance Meeting Minutes from November 13<sup>th</sup>, 2023.**

Mr. Cerra moved and Mr. Schneider second to approve the said meeting minutes.

**2. The matter of property liens for boarding up and securing properties, as per the attached list.**

Referred By: Building Official Farkas

Mr. Farkas said this list is a number of board ups that were initiated by the Police in response to a break-in or vandalism. Letters were sent out to all ownerships of the properties. No response was received and the next step is requesting that these charges be assessed onto the properties.

Mr. Schneider asked about the property at 1825 Lorain Blvd., which is the old Holiday Inn?

Mr. Farkas said this is an ongoing problem, they secure a window, it gets ripped off and people get in. The location gets looked at periodically including Building, Police and Fire Dept's, they try to keep tabs on it a few times a week.

**Motion made by Mr. Cerra, second by Mrs. Davis to authorize a resolution for the 'said' list of properties be certified as liens to the Lorain County Auditor's Office.**

**MOTION CARRIED COMMITTEE REPORT WRITTEN**

**3. The matter of the 2024 Municipal Court elected official salaries.**

Referred By: Municipal Clerk of Court Rothgery

Chair Tollett said the Court's elected salaries are set by the Ohio Supreme Court.

Law Dir Deery said the salaries are set by the Ohio Revised Code and most recently Senate Bill 296. The City only provides a fractional share and this is a house keeping measure.

Fin Dir Farrell said this will be an update of the salary ordinance based on Ohio Supreme Court. They have set the 2024 rates which is a 1.75 percent increase. The increase will be paid by the state and we still amend our Salary Ordinance to reflect that.

**Motion made by Mr. Cerra and second by Mr. Schneider to authorize an ordinance to authorize the 'said' salary changes for the elected Muni Court officials. Emergency clause.**

**MOTION CARRIED**

**COMMITTEE REPORT WRITTEN**

**4. The matter of the purchase of 90 Harris radios for the Police Department.**

Referred By: Police Chief Pelko **Tabled from Nov. 27<sup>th</sup> Meeting**

*(Chief Pelko called 12/5 and asked to bring this back to the Table)*

Chief Pelko said as everyone is aware, departments are going to these Harris Radio Systems. Cleveland Communications is offering a promotion giving the City a discount if we go with them. The promotional deadline will go through December 22<sup>nd</sup>, 2023.

The Police and other law enforcement agencies would be able to communicate with the Fire Dept using this Harris System. If we would buy at State price the cost would be 1.5 million dollars. With this promotion, the cost is \$976,778 which would be a savings of \$543,997. Chief said he's on the fence with this because the radios are functioning fine now with the exception of one or two areas. Chief Pelko said Communications Director Showalter said in order to get those properly working, a repeater would be needed at a cost of \$160,000 to \$200,000. The Harris System is like an investment in the future. He's leaning on the committee to help make this decision.

Communications Dir Showalter said there are fees attached to this radio system that are locked in for 5 years. We couldn't replace the current radio system 10 years from now for that amount of money. It's a big investment in the future and will save a ton of money at that promotional rate. The cost of \$976,778 is to replace all of the portables and mobiles.

Chair Tollett said the benefit of buying today would simply be savings and not an emergency need. What we have now is working and the officers are safe.

Dir Showalter said the only coverage problems they are having now is in the hospital, which we would have to add a repeater as an investment to be able to have coverage there and the cost of the repeater is roughly around \$160,000 to \$180,000.

Chief said the other advantage of going to the Harris System is that they will be able to communicate with other agencies; Lorain, Sheffield, Fire Dept.

Dir Showalter said the water tower on Furnace is going to be painted in 2025 and they will have to remove antennas, wiring and equipment which will affect the communication during that time.

Mr. Cerra asked if this could be paid out of ARPA Funds?

Fin Dir Pileski said yes, it qualifies for the revenue replacement category, Police Dept. Last Monday they bumped up payroll by a million dollars per year for Police. That payroll will come from the General Fund, Police Levy Fund and the 2016 half percent income tax fund. If we purchase these radios and pay for them out of those funds, it's going to put an added burden onto those funds. If we move forward with this purchase we need to look at using ARPA.

Mr. Schneider asked if that ARPA Funding is for the \$976,778 and how would the \$223 over the five years be paid?

Dir Pileski said the maintenance fees would be paid out of a different fund. Keep in mind that we have to spend or be under contract by the end of 2024 for ARPA funds. Any payroll related items funded by ARPA funds will be finished at the end of 2024. But if we have open purchase orders for equipment, we have until the end of 2026 to pay for those contractual obligations. As of now there is roughly 3.3 million dollars of unappropriated ARPA monies available. And no monies have been appropriated this evening.

Chair Tollett asked Chief Pelko if he feels safe with the existing radio system?

Chief Pelko said yes, with the exception of at the hospital. He said he will put the repeater in his budget for next year, the cost is around \$160,000.

Chief Pronesti said to keep in mind regarding that repeater in the hospital is that we're going to need that repeater for the 700 also, on the fire side. Other Fire Depts that transport to UH, are talking about maybe chopping that up, there are fire code laws that can be utilized for those repeaters. If the City puts in the repeater just for the Police Dept, they will still have to put one in for the 700 for the Fire Dept., if the Police goes to the 700, we would just need one repeater because it's doing the same thing for both departments.

Chair Tollett thanked Chief Pronesti and said it's very confusing.

Dir Pileski said that he doesn't have any plans for ARPA monies, only that they will need some of it for payroll for 2024. In 2025 everything moves out of ARPA and back to the General Fund and what other funds that we are now using ARPA for.

Chair Tollett recommended to table this matter until we get a good feel in 2024. He knows we will lose our discount, but we're talking about well over one million dollars, he'd rather the committee sit tight and do more research.

Mrs. Davis agrees that they should table this.

***Chair Tollett asked for a motion to table this matter.***

**Motion made by Mr. Cerra and seconded by Mrs. Davis to table this matter.**

**MOTION CARRIED**

## **5. The matter of a contract with N Ridgeville for sewer services for businesses on Taylor Parkway. Referred By: Water Leader Jacob [Tabled from 4/24/2023]**

Engineer McKillips spoke on this matter. She said the City has been in an agreement with N. Ridgeville since the 1980's and want to continue it. The current contract has expired and her department spent a lot of time working on coming up with a new agreement.

A draft agreement was approved by N Ridgeville City Council. Most of the agreement will remain the same and we will continue to treat the sewage coming through those sewers. N Ridgeville will bill those businesses on Taylor Parkway and the City of Elyria will bill N Ridgeville on a monthly basis, based on water usage. We will charge them in City fees plus an extra 10%. N Ridgeville will maintain the sewers on Taylor Parkway.

Waste Water will continue to perform their pre-treatment program at those businesses and those businesses are charged a monitoring fee.

This agreement has a termination clause, if anytime either City wants to stop the agreement and will be able to terminate within a 6-month time-frame after notice.

They would want to make this agreement retroactive to January 1<sup>st</sup>, 2023.

Chair Tollett asked Eng. McKillips about new businesses on Taylor Parkway and that down the road, Taylor Parkway will go all the way down to Race Road and will connect both Becket locations.

Eng. McKillips said the new trucking business is already connected to the current sewer now so that business will be included. To backtrack, Taylor Parkway from Elyria City limits to Bender is within the City of Elyria's Facility Planning Area which means as far as NOACA is concerned, that area the businesses on Taylor Parkway are part of the area that Elyria serves. Anything outside of that, east or south of Taylor Parkway, is not within the Facility Planning Area so we will not be servicing those areas.

**Motion made by Mrs. Davis and second by Mr. Schneider to authorize entering into the 'said' contract with N Ridgeville. Emergency clause requested.**  
**MOTION CARRIED COMMITTEE REPORT WRITTEN**

**6. The matter of authorizing the Mayor to submit applications for Water and Wastewater Grants and accept if offered. Referred By: Engineer McKillips**

Engineer McKillips said the Ohio Dept of Development is offering grant funding for water and wastewater infrastructure projects. The portal to submit applications opened Nov. 28<sup>th</sup> and they want to submit the application by mid-December. These funds will be used for Wastewater sewer lining projects, on deteriorating streets with cracks & leaking.

Another list of streets are lines that are leaking, but are actually pertaining to the wet weather program and the consent decree with the EPA.

They will apply for up to 5 million dollars for Wastewater. They will apply for a 100% grant fund since we can justify that we are a disadvantage community based on unemployment rate, poverty level and median household income.

The water projects they want to apply for will be Wesley water main up to 1 million dollars at no match, a 100% grant. If there are other projects that are ready to bid out and be awarded in the next few months, they will apply for those grants as well. The funds from the Ohio Dept. of Development are ARPA Funds that need to expend within the guidelines.

Mrs. Davis asked if the City's Grant Company helps out with these grants?

Engineer McKillips said that these 2 grant applications are very technical, the Engineer's Office is providing the information and submitting the application. She has reached out to the Company; McCaulley & Associates for justification on the fact that Elyria is a disadvantaged community and she asked for assistance on that status.

Law Dir Breunig asked for clarification if we're asking for a City match?

Engineer McKillips said she is not requesting for matching funds from the City, she is requesting 100% grant funds.

Law Dir Breunig said that the legislation does not need to include that 10% match.

**Motion made by Mr. Cerra and second by Mrs. Davis to authorize an ordinance authorizing the Mayor to apply and accept the 'said' grants with no matching funds, emergency clause requested.**

**MOTION CARRIED COMMITTEE REPORT WRITTEN**

## **7. The matter of the 2024 Wastewater Department Budget.**

Referred By: Supt. Korzan

**[Discussion Only]**

Supt. Korzan introduced Shane Stewart and Mr. Korzan had passed out the details of his 2024 budget and went over some of the main points. He said the first two pages of the excel sheets shows items in operations and maintenance line items. Out of 31 items in that category, only 6 of them are going up to some degree and the rest are staying the same. Plant chemicals came in higher last year and that's the reason why the 2024 costs are higher. They have to go out and bid for the electricity for percentages for different years. They are doing this with the consulting firm of Sustainable Energy Solutions. They watch the market every day and they are getting the best bids and letting them know when they can hedge the next amounts. Though as everyone is aware of, the cost of electricity is going up. Phone costs have increased with new technology; tablets and smart phones. The waste removal line item has increased, they take sludge cake to Lorain County Landfill and the contract went up slightly. Repair & maintenance has increased. The Professional services line item is dictated by what EPA asks them to do, as far as testing, 95% is done in house and 5% to be sent out and very expensive. Other operations and maintenance line items are the same as 2023, at or lower. There is an explanation of the Capital Outlay needs, they have a robust preventative maintenance program, they know on a cycle of what needs to be replaced and when, in order to keep things working properly. Based on age of the process and parts and how much it's costing to keep them up and running, along with other factors. There will be things budgeted and ordered in 2024, but they know they won't get them in time, which is based on preventive maintenance plan and schedule. They try to stay ahead of the game to get things replaced before they critically fail. The second to the last page is a list of encumbered Capital purchase orders going into 2024. The last page is the five-year projection for Capital requests. Supt Korzan finished his presentation.

Finance Dir Pileski thanked Supt Korzan for presenting this budget. He said because of all the EPA mandated sewer projects, it has mushroomed into about a 60-million-dollar budget. The Wastewater Dept is about 12 and a half million of the 64 million. He will need to see the entire ask of the Wastewater Pollution Control fund which includes the sewer projects that come from engineering which determines how much they have to borrow, issue long term bonds, Ohio Water Development Authority loans. That is why they are passing a temporary budget for Wastewater along with all other departments so he can get started on ordering some Capital Items. Wastewater is just too big to piece mail it, they have to look at the whole picture.

Dir Farrell said the Operating & Maintenance and Capital amounts that Supt Korzan requested for the permanent are in the Temporary Exhibit.

Chair Tollett asked if they are okay with taking no action on this budget tonight?

Dir Farrell said that is correct.

Chair Tollett thanked Mr. Korzan for his presentation and they appreciate all the detailed information.

## **8. The matter of the 2024 Water Distribution Department Budget.**

Referred By: Water Dist. Manger Rothgery

**[Discussion Only]**

Manager Rothgery said his budget is based on a lot of worse case scenarios as far as budgeting for OT, equipment costs. The mild winters have helped with their expenses. He said they have a good fleet, they've been building and working through it for some time. They have contingencies with equipment spares, if a lot of issues are going on all at the same time, they can break off in groups and they have enough equipment to do that if needed. So, this budget is fairly lean with a little bit of padding in case there is a polar vortex. Mr. Rothgery completed his short presentation.

Mr. Oswald asked about the water pressure issue off of Hilliard and Abbe Road and if that is something they will address when they have down time?

Mr. Rothgery said that is laid out in Capital through the Engineering Dept in conversations they've had about what lines need to be upsized to move into an area to bring those up to speed. That Spring Valley area is a tough area.

Chair Tollett said hopefully we can use the Grants that Engineering is applying for right now for the Spring Valley area. He asked Dir Pileski if Mr. Rothgery's Capital requests are in the Temp Appropriation report?

Dir Pileski said yes, his Capital requests was \$350,000 and it's in the Temporary. Again, the Water Fund is made up of EPU, Water Pumping, Distribution and Water Misc. And the entire budget for the water fund this year is 30.4 million. Mr. Rothgery's budget is around 4 and a half million. He will need to see all the proposed projects; water mains, water towers, etc and then they can pass the permanent as a whole.

**Chair Tollett thanked Mr. Rothgery.**

## **9. The matter of the 2024 2016 .50% Income Tax Budget.**

Referred By: Mayor Whitfield

**This matter has been removed.**

## **10. The matter of amending the part-time seasonal wage ordinance, per State of Ohio.**

Referred By: Asst Finance Dir Farrell

Mr. Farrell said this is annual with the increase of the Ohio minimum wage. Many of these are pay grades for seasonal employees for Parks & Rec.

**Motion made by Mr. Cerra and second by Mr. Schneider to authorize an ordinance for the 'said' salary changes. Emergency clause.**

**MOTION CARRIED COMMITTEE REPORT WRITTEN**

## **11. The matter of creating \*two new Capital Project Funds**

Referred By: Finance Directors Pileski and Farrell

Finance Dir Pileski said the one fund is the Chestnut Ridge Rd. repair and resurfacing project, from Rt 57 to Stillwater and the other is the repair and resurfacing of Foster Ave., from Lorain Blvd. to W. River. Both are Ohio Public Works Commission projects and the money is paid directly to the contractor by OPWC, however accounting principles force them to report this on our books as a revenue and expense. These funds will account for the OPW share.

**Motion made by Mr. Cerra and second by Mr. Schneider to authorize an ordinance for the 'said' new capital funds.**

**MOTION CARRIED            COMMITTEE REPORT WRITTEN**

**12. The matter of the \*Transfer of Funds. [Standing Referral] \*ADVANCING MONIES**

Referred By: Finance Directors Pileski and Farrell

Finance Dir Pileski said we have the Block Grant Fund and the CHIP Fund which are reimbursement grant funds. We incur the expense and we apply for reimbursement. If we end of the year with a negative cash figure the draw won't come in on time. This is an as needed basis and is a maximum of \$160,000 for block grant fund and a maximum of \$60,000 for the CHIP Fund.

**Motion made by Mrs. Davis and second by Mr. Cerra to authorize the Finance Dir to advance \$160,000 from the General Fund to Block Grant Fund and a maximum of \$60,000 to the CHIP Grant Fund.**

**MOTION CARRIED            COMMITTEE REPORT WRITTEN**

**13. The matter Final Amendments to the 2023 Permanent Appropriations. [Standing Referral]**

Referred By: Finance Directors Pileski and Farrell

Finance Dir Pileski said there is one more pay period and need to keep paying bills so This is going through and estimating what we have yet to spend. There are no big surprises. There is a reduction of \$8,334,000, in Wastewater misc. dept and represents projects that we weren't able to get to. That Capital budget was over 41 million dollars and he reduced that by 8 million. The total budget going into tonight's meeting was \$214,466,076 and are finalizing the 2024 budget at \$208,334,861. An increase of \$3,298,885 for all funds, a decrease of \$9,341,100 for all funds.

Chair Tollett thanked Dir's Pileski & Farrell and the community is fortunate to have them.

**Motion made by Mr. Cerra and second by Mr. Schneider to authorize approval of the 'said' 2023 permanent appropriations.**

**MOTION CARRIED            COMMITTEE REPORT WRITTEN**

**14. The matter of the 2024 Temporary Appropriations. [Standing Referral]**

Referred By: Finance Directors Pileski and Farrell

Dir Pileski said the City's permanent appropriations, by law, has to be passed by March 31<sup>st</sup>. We pass a temporary budget which will get them through, to give more time to go over all the requests compared to what's available. They take 35% of the current year appropriation after tonight's amendments and appropriate that for wages & salaries & benefits & pension and then they take 33% of operating & maintenance and appropriate that for all major accounts and all funds. Then they take requests for Capital expenses. They also add in the open encumbrances as of today and some will be paid off by the end year. They will be good to go starting on January 1<sup>st</sup> and they will continue to work on the permanent and hopefully have it for the committee in February. There could be a chance that they will have to amend the temporary in case there is something that will need to get ordered. They have not seen the list of requests for the Half percent Income Tax as far as Capital needs.

**Motion made by Mr. Cerra and second by Mr. Schneider to authorize approval of the list of the 2024 temporary appropriations.**

**MOTION CARRIED                      COMMITTEE REPORT WRITTEN**

**Mr. Schneider moved and second by Mr. Cerra to adjourn this evening's Finance Meeting at 7:45 P.M.**

**MOTION CARRIED**

Respectfully Submitted by,

Colleen Rosado, Secretary/Administrative Assistant