

THE FINANCE Committee held a meeting on Monday, February 26th, 2024 beginning at 6:15 P.M

Committee Members Present:

CD: Chair Callahan, Mitchell, Schneider, Oswald
Finance: Tollett, Davis, Schneider, Siwierka, Cerra,
Others: Armstrong, Stewart
Absent: Lipian

Administration and Department Heads Present: Mayor Brubaker, Safety Service Dir Pyanowski, Finance Dir Pileski, Asst Finance Dir Farrell, Law Dir Deery, Engineer Schneider, Asst Dir Calvert, Asst Dir Strohsack, Community Development Dir Scott, Parks Dir Reardon

1. Approval of the Finance Meeting Minutes from January 29th, 2024.

Motion made by Mrs. Davis, second by Mr. Schneider to approve these minutes.

MOTION CARRIES

2. The matter of 2023 delinquent grass cutting charges to be certified to The Lorain County Auditor's Office.

[Standing Referral]

Referred By: Safety Service Dir Pyanowski

Dir Pyanowski said this list was presented to him by IT who had created a data base. These properties were never referred in 2023. This is a current list reflecting those charges which were never paid. And there is no issue with this delay, per Law Dir's Office. These charges will be certified to the Lorain County Auditor's Office to be assed to property taxes.

Law Dir Deery said this is the entire outstanding list for the entire 2023 mowing season. Mrs. Siwierka asked if a property has transferred during that time will it be put on the property regardless?

Dir Deery said these were billed, they were just not collected.

Motion made by Mr. Cerra, second by Mrs. Siwierka authorizing a resolution for 'said' list of charges to be certified as liens to the Lorain County Auditor's Office.

MOTION CARRIES COMMITTEE REPORT WRITTEN

3. The matter of entering into an agreement with Environmental Systems Research Institute, Inc.

Referred By: Engineer McKillips *(this matter was passed by Utilities Committee on Feb. 22nd)*

Engineer Schneider said this is for their GIS Software that they are looking to enter into another 3-year contract for. This software is used in their office for a lot of things; asset

management, maintains EPA, water, sewer, storm, sanitary sewer and various items and it's also used to power the maps that they use on a daily basis. It also keeps track of water, sewer and sanitary enterprise funds.

There are also maps on the City Website that residents can utilize to look up lead service lines and to see the current projects out there.

The total contract price is \$72,600; \$23,400 for '24, \$24,200 for '25 and \$25,000 for '26.

Mrs. Siwierka asked if this system incorporates tap cards that are at water distribution? Eng. Schneider said yes, this system incorporates those and other things. They survey all valves, etc. and they can link drawings and records and tap cards into it. It brings a lot of information so when someone is in the field they can pull up that data.

Motion made by Mr. Schneider and second by Mr. Cerra to authorize the Mayor to enter into the 'said' three-year agreement with ESRI. Emergency clause.

MOTION CARRIES COMMITTEE REPORT WRITTEN

4. The matter of vehicles and equipment that are no longer suitable for municipal use and to be disposed of by best means possible.

Referred By: Asst Service Dir Strohsack

Asst Dir Strohsack explained that the City has outdated equipment and would like to list on Gov Deals, which has been used in the past and has generated money. The list of items to be sold; 5 old leaf vacs that are over 30 years old, 2 single axle dump trucks, new trucks which will replace them are on order, and a John Deere gator that was found in storage that was not being used, and a utility vehicle that has outlived its useful life.

Motion made by Mrs. Siwierka, second by Mr. Cerra authorizing a resolution to declare the 'said' list of out of service City equipment unfit for municipal use.

MOTION CARRIES COMMITTEE REPORT WRITTEN

Motion made by Mrs. Siwierka, second by Mr. Schneider authorizing an ordinance to declare the 'said' list of out of service equipment to be sold or disposed of.

MOTION CARRIES COMMITTEE REPORT WRITTEN

5. The matter of replacing the City Hall Parking Lot.

Referred By: Asst Service Dir Strohsack

Asst Dir Strohsack said the back-parking lot of City Hall needs to be replaced, they would excavate existing asphalt and replace with new after fixing the subbase. There are several sections that are cracked and spidered.

They looked into just resurfacing it but it was decided to remove and replace instead of putting a band aid on the problem. They won't change anything with the islands, just old asphalt taken out and replaced with new.

Mrs. Davis asked if this can be done in house?
Dir Strohsack said no.

Dir Strohsack said this will be paid for out of the 2016 ½ percent income tax fund, Capital Outlay which is being used for City Hall renovations. It wouldn't affect any of the street resurfacing money.

Mr. Schneider asked what the time frame is to keep the parking lot being used?
Dir Strohsack said they hope that by getting this out early, they hope they can get a contractor that will work with them to determine how they would go about the project. There is a chance we would have to do the project in sections.

Mrs. Mitchell asked if the broken curb near the door of the building will be repaired?
Dir Strohsack said yes.

Mrs. Siwierka asked what's the lifespan on a new parking lot?
Dir Strohsack said asphalt is going to crack, no matter what. But, if we keep a good maintenance program, it could last another 20 to 25 years.

Motion made by Mrs. Siwierka and second by Mr. Cerra to authorize an ordinance for bids for the replacement of the City Hall Parking Lot. Emergency clause.
MOTION CARRIES COMMITTEE REPORT WRITTEN

6. The matter of a 2024 funding contribution to the Elyria Community Partnership in the amount of \$100,000.

Referred By: Asst Service Dir Calvert

Asst Dir Calvert said ECP is seeking \$100,000 for program year 2024. We have funded them \$100,00 in 2022 and 2023. Monet Roberts is here today to present her request to City Council.

Monet Roberts, Executive Dir of The Elyria Community Partnership thanked everyone and said the success they had last year would not have been possible without their support. They are looking forward to 2024. They are looking for sustainability and looking at bringing on some interns. They are looking at working on the water tower cleanup and other volunteer opportunities. They've had conversations with Nord and the continued support from the City is recommended. They're looking at the cycle for the next couple of years with them. Continued support from all of their supporters has been appreciated and they are continually building their repertoire with their funders.

Monet introduced Heather Campbell who has been an excellent addition to the team and they are continuing to grow. They have some exciting changes happening downtown with the historical looking glass and murals.

Chair Tollett asked if the \$100,000 is a matching grant or are we now independent of Nord Center?

Ms. Robert said the first year was the matching and it's been recommended from Nord that continued support would happen. It's not a matching requirement at this time, but it's something they are looking for to continue their funding.

Chair Tollett asked for a monthly update on things that are happening each month. Law Dir Deery asked where the contribution be sourced from?

Finance Dir Pileski said those funds come from the 2016 ½ percent income tax fund, economic development department.

Mrs. Siwierka said the water tower on Mussy was built before the Civil War. There's a plate on it that has the date on it.

Mr. Stewart asked if Ms. Roberts has an idea of when the looking glass will be out?

Ms. Roberts said the design was approved last year. They're working on a maintenance agreement with their attorney and Law Dir Deery and Dir Calvert to get that approved. The goal would be to get this out soon.

Mr. Oswald asked if there is a list of sponsors that have made donations?

Ms. Roberts said they do have a list and it will be included with the annual report that will be sent out to all of council.

Ms. Roberts said they will be working with JVS and Leadership Lorain County to implement a gardening area in between the murals.

Mrs. Mitchell asked about the Farmer's Market and asked what their plans are for it? This year they want to tie everything back to their mission which is increase vibrancy and the quality of life and revitalize the community as a whole. They realized farmers are able to do just as good at their farms and they've got local farms that don't need to be downtown. They didn't have the capacity to see forth that event the way they wanted it to go. They've decided not to continue that.

Ms. Roberts said they want to have events every month starting in February. They want to do what they can for the businesses downtown to keep them thriving.

Mrs. Siwierka asked if we could break up the donation \$50,000 now and another \$50,000 later in the year? If the match is no longer applicable, maybe this could be an option?

Dir Calvert said they can budget for that, but, she would weigh in with Dir Pileski.

Ms. Robert said this is not an emergency option, but, it does help their operating dollars.

They are approaching this to get ahead of the game and they would be more than grateful if it was to get approved in full at this time so they can be sustainable in their infancy phase.

Mr. Stewart said they had given updates on the status of the programing and funding sources last year. They were trying to maintain those dollars and to say they will be here at \$50,000 and come back at \$50,000 might not work for their sustainability throughout the year. The Nord Family kept it at the \$100,000 for the need to keep things moving along. It's difficult to start this program and to keep it going. They're working hard and they have a good group.

Chair Tollett agrees with Mr. Stewart, at least for this year and it gives them the power of budgeting for the year.

Mr. Schneider thanked Ms. Roberts and the organization for keeping everyone updated on things the organization is doing.

Mrs. Mitchell said Third Thursdays are doing hugely well and are very popular in spite of the rain.

Ms. Roberts said their ex official officers are Mayor Brubaker, Mrs. Mitchell and Dir Calvert, they are part of the board meetings as well.

Motion made by Mr. Schneider and second by Mrs. Siwierka to authorize an ordinance authorizing the 'said' funding contribution.

MOTION CARRIES COMMITTEE REPORT WRITTEN

7. The matter of Discussion of the 2024 Permanent Appropriations.

Referred By: Finance Directors Pileski and Farrell

Dir Pileski began with a high-level overview of the budget.

We're starting the year off with a healthy cash balance of \$3,976,000 in the General Fund. That is two-fold, income tax revenues have remained strong and ARPA has eased the burden. We've been paying police and fire and certain P&R expenses with ARPA fund that normally would come out of the general fund. It's been his style to start with conservative revenue estimates.

Sometimes it ends up being more than what's estimated. Which means we're bringing in money that's not spent if you don't re-appropriate it.

In this current GF budget, we hadn't put money for the Life Care support, so, \$400,000 will have to be added to miscellaneous general government operating and maintenance.

2024 is the last year the ARPA money can be spent on payroll items. If a contract or open purchase order is put in by the end of 2024, we have until the end of 2026 to pay those bills. Currently, we're paying 29 police officers and 16 firefighters out of ARPA funds. So, those employees will have to be shifted to the general fund starting in 2025.

We'll pay for the 10 lowest police employees out of the 2016 ½ percent income tax fund and the next 25 out of the permanent police levy fund and remainder to the general fund. Firefighters will all have to go to the general fund.

We're a bi-weekly payroll system, and with the progression of the calendar, every 11th year we get hit with a 27-week pay roll schedule, and that will be in 2026.

Next year, big changes will have to be made to the general fund and in 2026 we're going to have to budget for that extra payroll.

Projects that are included in this budget are;

Waste Water:

1. WASTEWATER MISC. - CONSTRUCTION PROJECTS:			
	2024 Street Sweeping Program 1/2 Storm & Sanitary	\$ 110,000	X
T	Emergency Sanitary and Storm Repairs	\$ 350,000	X
E	ESRS 1D & 2N		X
	SE Interceptor Sewer Phase 3.	\$ 4,000,000	
T	Lateral Loan Program	\$ 300,000	X
T	WWPCP In-house Upgrades	\$ 600,000	
T	Pole Barn	\$ 900,000	
T	East Junction Structures	\$ 2,590,000	X
	Windward Siphon Improvement	\$ 4,500,000	
	WWPCP Concrete Repairs	\$ 50,000	
	Pipe Lining	\$ 2,000,000	
T	Emergency sewer repair	\$ 50,000	
WASTEWATER MISC CONSTRUCTION PROJECTS GRAND TOTAL =		\$ 15,450,000	
		Temporary Total \$ 4,790,000	

21 2. WASTEWATER MISC. - PROFESSIONAL SERVICES:			
22	T PH3 - 1/3 of GIS project for Storm, Sanitary and Water	\$ 20,000	
23	Rate Study	\$ 30,000	
24	T Consent Decree Program Management	\$ 1,000,000	
25	SCADA Improvement	\$ 100,000	
26	CCTV/Cleaning Sewer Collection System	\$ 500,000	
27	Misc Construction Management/Inspection Projects	\$ 250,000	
28	Windward Design		
29	Professional Services for Misc. Projects	\$ 500,000	
30	ESRS Phase 2 South	\$ 500,000	
31	WASTEWATER PROFESSIONAL SERVICES GRAND TOTAL =	\$ 2,900,000	
32		Temporary Total \$ 1,020,000	
33			
34	WASTEWATER MISC GRAND TOTAL =	\$ 18,350,000	
35			

Storm Water:

5. STORM WATER - CONSTRUCTION PROJECTS:			
T	Ditch/Culvert Cleaning, Various Locations	\$	200,000
	2024 Street Sweeping Program 1/2 Storm & Sanitary	\$	110,000
	Foundry site storm repair/Huron St	\$	500,000
	Springvalley Area Storm Sewer phase 1	\$	700,000
T	Lateral Rehabilitation	\$	50,000
T	Emergency Repair	\$	30,000
T	Penfield Storm Sewer Improvement	\$	400,000
	Sub-Total Storm Water Construction Projects	\$	1,990,000
	Temporary Total	\$	680,000

6. STORM WATER - PROFESSIONAL SERVICES:			
T	Storm Water Billing	\$	55,000
	Springvalley Design	\$	500,000
	Stormwater MS4 Update	\$	10,000
	Dry Weather Outfall Inspection - Storm water	\$	150,000
	PH3 - 1/3 of GIS project for Storm, Sanitary and Water	\$	30,000
T	MS4 Compliance	\$	50,000
	Sub-Total Storm Water Professional Services	\$	795,000
	Temporary Total	\$	105,000

Water Fund:

WASTEWATER MISC GRAND TOTAL =		\$	18,350,000
3. WATER MISC. - CONSTRUCTION PROJECTS:			
	WTP - Upgrades to WTP Pumping	\$	5,000,000
T	Water Tower Improvements (SW Tank)	\$	1,250,000
	Water Main Patch Repairs	\$	100,000
T	WM Replacement Project Wesley Ave	\$	1,000,000
	WM Replacement Project Gulf Rd (Vista to Hilliard)	\$	1,300,000
	Misc. WM Replacement	\$	1,500,000
T	Water Lateral Replacement	\$	150,000
	Professional Services for Waterline Replacement Design	\$	150,000
	Professional Services for Misc. Projects	\$	250,000
	WATER MISC CONSTRUCTION PROJECTS GRAND TOTAL =	\$	10,700,000
	Temporary Total	\$	10,700,000

Dir Pileski said we're still receiving ARPA money from the State which goes toward Police Dept for new hires. Estimated revenue for ARPA is \$1,300,413. They have budgeted the entire amount of money that's available to appropriate. There is 1.4 million in the 2016 ½ percent income tax fund that is unappropriated at this time.

Chair Tollett wanted to remind the committee what they used some ARPA funds for. We bought 2 Sanitation Trucks, 1 Ladder truck for Fire Dept., to save on interest verses bonding them. In 2023 we bonded comparatively to past years. He asked how was our debt ratio in 2023 compared to 2022 and has our bond rating changed?

Dir Pileski said our bond rating went up, we were bumped up by Moody's Investor Svcs. He did not issue any bonds last year. The only new debt that is outstanding is still the 4.2 million for Chestnut Commons Connector Road, in a one year GO note. The thought is to issue long term bonds to pay the notes off when the property develops and TIFs start to come in. That comes due this year (the GO note) and the thought is to roll it over again for one year, though, interest rates are going up because the market is changing. We have \$300,000 outstanding in one-year notes, \$50,000 has been paid down on it and he'll use another existing \$50,000 out of sanitation fund and continue to get that down. Those are the only outstanding notes we currently have.

We may have to increase our Note issuance for some of these water projects. He used cash to pay for the Clark Street water tower improvements because we have built up some cash reserves in the water fund so he didn't borrow for water projects last year. Sewer projects are being funded by 0% loans/DEFA loans and will be paid over a long period of time. The only other thing on the horizon as far as long-term borrowing, general obligation would be the new Central Maintenance Complex. So, some bonds will be coming off the books and we should be in a good position to issue debt for the CMG Complex.

Mrs. Siwierka asked who is getting the pole barn?
Dir Pileski said it is for the WWPC Dept., he didn't know why it's so expensive and what it's for.

Engineer Schneider said it's for their large vehicles, trucks and semis to keep them protected.

Mrs. Siwierka asked if these numbers reflect the additional full-time muni court employee that was approved last week?
Dir Pileski said yes.

Mrs. Siwierka asked if the Police & Fire pension changed?

Dir Pileski said no, not yet, but they are still discussing that. Currently we pay 19.5 percent for police and 24 percent for fire. The discussion is to raise police to 24%. And then down the road, raising both, police & fire to 26%. We're paying millions of dollars for police and fire pension and if that does go up it's going to increase our pension cost by roughly \$600,000.

Mrs. Siwierka asked if there is an average cost of the 45 employees who would no longer be getting paid by ARPA funds, do we have a cost per person?

Dir Pileski said it would be roughly \$110,000, for salary and benefits which adds up to around 5 million dollars and if/when the pension changes, it would be 5.6 million.

It will equal \$600,000 additional for the police pension contribution. Also, we currently pay 14% in OPERS and the discussion is to raise that to 18% and that would be over a million dollar increase. That's set by the State, each city pays those rates.

Mr. Oswald asked about the storm water project in Spring Valley area, is that what that is?

Engineer Schneider said yes, that is the intention, but until it's passed through Council, it's a place holder.

Mrs. Siwierka asked if the debt ratio with the storm water rates will cover these requests?
Engineer Schneider said yes.

Dir Pileski said they have a Capital Outlay list for the 2016 ½ percent income tax fund. The ones highlighted in yellow have been earmarked as a priority and are in the budget.

This list [below] is the Capital needs.

Parks and Rec			
Scaq Stand on Blower		\$10,654	
Yanmar YT Tractor with Loader		\$25,999	
Harlery Rake		\$10,604	
Aerial Lift		\$22,000	Misc
North Ice Rink Roof		\$125,000	Construction Repair
Rec Center Hoop up grades		\$37,000	Misc
		184,000	
EFD			
Station #3 Paving		\$46,000	Misc
Station#1 Paving		\$52,000	Misc
Pumper		\$950,000	
F 150		\$49,585	
Kitchen Cabinets		\$13,070	
		98,000	
Streets			
F 350 W/Plow		\$75,000	
F 150		\$50,000	Vehicles
Track Loaced		\$80,000	
Backhoe		121,000	
Brine Maker		\$61,000	Misc
		111,000	
Cemetery			
Remodel in		\$60,000	Construction
Remodel i Out		Unknown	
F 350 /plow		\$75,000	Vehicle
		\$135,000	
City Hall			
Windows		\$150,000.00	Construction
Parking Lot		\$300,000	Misc
Ground Lighting		7,500	Misc

Gound Lighting	2,500	Misc	
Misc Office work	\$300,000	Misc	
	\$752,500		\$150,00 to be reimbursed, NOPEC
Communications			
F 550 Bucket Truck	\$171,846	Veh	
Service Van	\$75,000	Veh	
	246,846		
Indicates immediate need			
Total	\$1,527,346		
	\$820,500	Misc	
	\$335,000.00	Construction / Repair	
	\$371,846	Vehicle	
	\$1,527,346		

Mrs. Siwierka asked if the Police had any requests?

Dir Pileski said they did request 15 new police vehicles, but we bought 13 last year so he cut that in half and it comes out of the 2016 ½ percent Police Department fund.

Mrs. Siwierka asked about the roof leak at the Police department?

Dir Pileski said it was determined that they didn't actually need a new roof.

Engineer Schneider said they scanned the roof and they found some wet areas and they were able to patch those. They removed drywall from the metal tin roof, pulled insulation down, found holes and sealed those and since that was done, it's been dry.

Dir Pileski said there will be 2 additions to the budget; one is from Sam Jacob of Water Pumping, they need \$150,000 for lead replacement program, phase 4. And there is an open PO in the utilities dept for \$30,000 for remodel design, which was carried over from last year.

Mrs. Davis asked if we have a plan B after ARPA money is gone to move forward with all this going on with the police and fire coming back into the general fund?

Dir Pileski said cash balance will take us through a year or two after ARPA. The hope is that something positive happens at the mall and income tax continues to grow.

Also, construction of sewer and water projects brings in income tax revenue.

Next year will be a challenge, especially with the 27-pay year in 2026. We'll do our best.

We may have to think about not replacing employees as they retire.

Chair Tollett asked about the senior housing project.

Mayor Brubaker said the 6-million-dollar project for the senior center will break ground in next 35 – 40 days. The second phase will break ground this time next year.

There are also projects that are happening outside the mall redevelopment itself that will also be happening soon.

Dir Pileski said we also have contract negotiations starting this year with Fire and AFSCME, those contracts will expire at the end of this year.

Mrs. Siwierka thanked Finance Directors for the personnel document and she had asked the HR Dir for those documents from the last 5 years. It would be nice to see a comparison from the last 5 years. It would be nice to look at what we have in terms of FTE moving forward because it will be a lot. Some things aren't in our control, like the pension changes and if PERS makes another change in retirement like years and service, we could have a mass exodus of employees who have large amounts of sick leave and vacation to cash in.

Dir Pileski said everyone that was under the old policy where they got 840 hours of full pay are already retired. Now, they are limited to 45 days of pay or up to 320 hours.

Mr. Stewart asked if ARPA dollars have been appropriated in this budget?

Dir Pileski said yes. The State gave us two-years of ARPA money to hire police officers (10 officers) and that will be the last of the ARPA money, which has to be spent by the end of this year. We're paying other police officers with the other ARPA money. The appropriation for the community violence is \$42,000, which is an open P.O. \$500,000 was appropriated for the Home Beautification Program last year and there is an encumbrance of \$83,796 which was carried over, \$420,000 was spent on that program. Muni Court is at \$181,707, close to what was spent last year. Fire appropriation is \$1,637,845. Purchase of vehicles is \$1,213,874 which was for the sanitation trucks that were ordered and we have received one. Dir Pileski continued to read the list of appropriations.

Mrs. Siwierka asked if the \$185,461 from Parks & Rec would go over to the general fund? Dir Pileski said yes.

Dir Pileski said they had open encumbrances for the street resurfacing program last year so that's what the \$870,220 is for, to cover bills that were not yet paid. There is a million in the State money budgeted for police, exact amount is \$1,436,598.

Parks Dir Reardon said some of the Parks money will go back into CDBG, because they were not awarded CDBG money for 2024 program year so we were to take it out of ARPA because ARPA money was still there. Not all of their money would come out of ARPA, if they are approved for CDBG funds for program year 2025.

Mrs. Davis asked if they can find \$500,000 for the home beautification for this year?

Law Dir Deery said it's up to Finance Committee and Council to continue the program and to determine what funds the monies will come out of.

Dir Pileski said they could add \$500,000 to that program and there would have to be open PO's by the end of this year. And he would have to take that \$500,000 from police or fire and get it from the general fund.

Mrs. Siwierka said she would like to sit down and meet with the finance director. She asked where we're at with health insurance and miscellaneous, street lighting, etc.?

Dir Pileski said they have shifted street lighting into the 2016 ½ percent income tax fund, misc. dept. The contribution for the City and employees went up this year because we're going through the health insurance money fast. The funding split is 85/15. He recommends the funds for the Home Beautification Program to be taken out of ARPA and they would have to shift ARPA expenses into the general fund.

Mrs. Davis asked if they cannot get \$500,000 for that Home Beautification Program, maybe they could at least get \$300,000 because it was well received and residents are asking for when it will come back. When we help residents, it will be easier for them to vote for what the City needs and tax levies.

Dir Pileski said we can take another 2 weeks and he'll see where he can pull some money together. He said, anyone can stop in anytime to speak to him and John. They will revisit this at the next Finance Meeting and pass it so it can go to the March 18th Council Meeting.

Chair Tollett said that is the way he would prefer it, so that the committee can digest and meet with the Dir's if anyone has questions.

Mrs. Mitchell said they will be getting 1.7 million for Street repaving and she asked if there is any more money they can find for that, it would be appreciated.

Chair Tollett thanked Dir Pileski and Dir Farrell for all of their hard work. Discussion on the budget has ended and it will continue at the March 11th Meeting.

Dir Pileski said most of the credit goes to John, since Ted had been working on the annual reports. They are working on two big projects at once and they complement each other well.

8. The matter of Amendments to the 2024 Temporary Appropriations.

[Standing Referral]

Referred By: Finance Directors Pileski and Farrell

There were none this evening.

Chair Tollett asked for a motion to adjourn this evening's meeting.

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

MOTION CARRIES

Respectfully Submitted by,
Colleen Rosado, Secretary/Administrative Assistant