

**MINUTES**  
**December 1, 2014**

Niles City Council held its regular meeting on December 1, 2014 at 7:30 p.m. in Council Chambers Safety Service Complex in Niles, Ohio.

The meeting was called to order by President Robert Marino, and the Clerk, Lori Kuszmaul, called the roll:

Lastic-P, Papalas-P, Giancola-A, McCormick-P, Stredney-P, Merlo-P, Pezzano, P, Marino-P

It was moved by Stredney, seconded by Lastic to excuse Councilman Giancola from tonight's council meeting. All in favor, say I.

Motion carried.

President Marino: Gentlemen, I need a motion to excuse the Mayor from tonight's meeting.

It was moved by Papalas, seconded by Lastic to excuse Mayor Infante from tonight's council meeting.

Motion carried.

It was moved by Stredney, seconded by Papalas to accept the Minutes from November 19, 2014 and place them on file.

Motion carried.

**REPORTS AND COMMUNICATIONS**

NONE

**MEMBERS OF THE AUDIENCE TO ADDRESS COUNCIL**

None

President Marino: I would like to welcome Commissioner Frank Fuda to our meeting. I take it you were at the tree lighting ceremony tonight?

Commissioner Fuda: Yes. The tree lighting ceremony.

**COUNCIL COMMITTEE REPORTS**

None

**ORDINANCES AND RESOLUTIONS**

**ORDINANCE NO. \_\_\_\_\_ (Draft No. 96-14)**

**AN ORDINANCE FINDING THAT CERTAIN PROPERTY OF THE FIRE DEPARTMENT IS NO LONGER NEEDED FOR MUNICIPAL PURPOSES AND THAT SAID PROPERTY HAS NO VALUE THAT CAN BE REALIZED BY THE CITY; AUTHORIZING THE SAFETY DIRECTOR TO DONATE SAID PROPERTY TO VARIOUS ENTITIES IN NEED OF SAID EQUIPMENT; AND, DECLARING AN EMERGENCY**

It was moved by Papalas, seconded by Pezzano for suspension.

**YEAS: 6    NAYS: 0**

Rules are suspended.

It was moved by Papalas, seconded by Merlo for adoption.

Mr. Papalas: I spoke with the Chief on this. The equipment is so old that we wouldn't be able to sell it.

**YEAS:        6    NAYS: 0**

Draft No. 96-14 has been adopted under suspension of rules on the 1<sup>st</sup> day of December, 2014.

**ORDINANCE NO. \_\_\_\_\_ (Draft No. 98-14)**

**AN ORDINANCE AUTHORIZING THE PURCHASE OF SOFTWARE FOR THE FIRE DEPARTMENT THROUGH THE STATE PURCHASING PROGRAM; APROPRIATING FUNDS FROM THE UNAPPROPRIATED POLICE & FIRE ½% FUND FOR SAID PURCHASE; AND, DECLARING AN EMERGENCY**

It was moved by Merlo, seconded by Pezzano for suspension.

**YEAS: 6    NAYS: 0**

Rules are suspended.

It was moved by Merlo, seconded by Stredney for adoption.

**YEAS: 6    NAYS: 0**

Draft No. 98-14 has been adopted under suspension of rules on the 1st day of December, 2014.

**ORDINANCE NO. \_\_\_\_\_ (Draft No. 95-14)**

**AN ORDINANCE ACCEPTING THE ANNEXATION OF TWO PARCELS OF LAND FROM HOWLAND TOWNSHIP OWNED BY JOSEPH MARZULLO AND NILES CORTLAND COMPANY, LLC; ESTABLISHING THE ZONING FOR SAID PARCELS; AND DECLARING AN EMERGENCY**

It was moved by Stredney, seconded by Papalas for a first reading.

**YEAS: 5    NAYS: 0    ABSTAIN: 1 (Merlo)**

Draft No. 95-14 has received its first reading.

**ORDINANCE NO. \_\_\_\_\_ (Draft No. 97-14A)**

**A RESOLUTION AUTHORIZING THE APPROPRIATION OF FUNDS FROM THE UNAPPROPRIATED WASTEWATER TREATMENT PLANT DESIGN AND IMPROVEMENT FUND TO THE WASTEWATER TREATMENT PLANT'S DESIGN AND IMPROVEMENT FUND'S CONSULTANT FEES ACCOUNT; AND, DECLARING AN EMERGENCY**

It was moved by Papalas, seconded by Lastic for suspension.

**YEAS: 6    NAYS: 0**

Rules are suspended.

It was moved by McCormick, seconded by Papalas for adoption.

**YEAS: 6    NAYS: 0**

Draft No. 97-14A has been adopted under suspension of rules on the 1st day of December, 2014.

**ORDINANCE NO. \_\_\_\_\_ (Draft No. 99-14)**

**A RESOLUTION AUTHORIZING THE MAYOR TO FILE AN APPLICATION AND TO EXECUTE CONTRACTS IN CONNECTION WITH THE OHIO PUBLIC WORKS COMMISSION FOR A PROGRAM YEAR 2015 OHIO PUBLIC WORKS COMMISSION PROGRAM, FUNDING THE NILES – VIENNA ROAD / WARREN AVE. MILL AND FILL PROJECT AND DECLARING AN EMERGENCY**

It was moved by Lastic, seconded by Papalas for suspension.

**YEAS: 6    NAYS: 0**

Rules are suspended.

It was moved by Papalás, seconded by Pezzano for adoption.

**YEAS: 6    NAYS: 0**

Draft No. 99-14 has been adopted under suspension of rules on the 1st day of December, 2014.

**RESOLUTION NO. \_\_\_\_\_ (Draft No. 100-14)**

**A RESOLUTION AUTHORIZING THE APPROPRIATION OF FUNDS FROM THE UNAPPROPRIATED HOSPITAL SELF INSURANCE (HSIF) FUND TO THE HSIF SELF INSURANCE ACCOUNT AND, DECLARING AN EMERGENCY**

Mr. Papalás: Chuck, do you want to explain this before we act on it?

Mr. Nader: This is the when we have insurance with a sick insured who reaches the maximum level, a re-insurer kicks in. This is the money over and above whatever the cap is. It is given to us and we have to actually pay it out. So its money coming in and money going out.

Mr. McCormick: Same amount?

Mr. Nader: Same amount.

It was moved by Papalás, seconded by Lastic for suspension.

President Marino: The re-insurer pays us, Chuck?

Mr. Nader: The re-insurer pays us and then we turn around and pay the claim.

Presidnet Marino: Above and beyond whatever that stop loss is?

Mr. Nader: Yes.

President Marino: What is our stop loss?

Mr. Nader: I think on individuals it's like \$80,000.00.

**YEAS: 6    NAYS: 0**

Rules are suspended.

It was moved by Papalas, seconded by Lastic for adoption.

**YEAS: 6    NAYS: 0**

Draft No. 100-14 has been adopted under suspension of rules on the 1st day of December, 2014.

**RESOLUTION NO. \_\_\_\_\_ (Draft No. 101-14)**

**A RESOLUTION AUTHORIZING THE APPROPRIATION OF FUNDS FROM THE UNAPPROPRIATED STREET FUND TO VARIOUS STREET DEPARTMENT ACCOUNTS; AND, DECLARING AN EMERGENCY**

It was moved by Papalas, seconded by Lastic for suspension.

Mr. McCormick: The one for grant? What is that for? What does that mean? Account No. 235656.

Mr. Nader: What that was, was we had a tire grant with the City of Niles and I want to say around October, November, they went around the city picking up tires. We pay money to a company for that then we get reimbursed. So we are actually paying – we actually brought in \$2,800.00 for that and we are only paying out \$2,400.00. But we didn't have this in the budget. We didn't have the grant money in yet. The grant money fund came in and we are now paying out what we owe to the company for picking up the tires.

Mr. McCormick: Okay. So we didn't pay the company until the grant came in?

Mr. Nader: Yes.

Mr. McCormick: So we are paying them now?

Mr. Nader: Yes.

Mr. McCormick: So it's not coming out of our funds, it's actually coming directly from the grant?

Mr. Nader: Yes.

Mr. Papalas: These are all year-end transfers to help make ends meet. As you recall, we cut the budget in the beginning of the year and as we go forward through the year, we have to make adjustments and this is a final adjustment for the street department.

Mr. Nader: With the winter we had last year, Steve, the street department, the 5430, operations and supplies is going to be used for salt and salt mix. Gasoline, they were running the trucks 24/7 earlier in the year and vehicle maintenance, they did take a beating.

**YEAS: 6    NAYS: 0**

Rules are suspended.

It was moved by Stredney, seconded by Papalas for adoption.

**YEAS: 6    NAYS: 0**

Draft No. 101-14 has been adopted under suspension of rules on the 1st day of December, 2014.

**RESOLUTION NO. \_\_\_\_\_(Draft No. 102-14)**

**A RESOLUTION APPROPRIATING FUNDS FROM THE UNAPPROPRIATED POLICE AND FIRE ½% TAX FUND TO THE POLICE EDUCATIONAL ACCOUNT; AND, DECLARING AN EMERGENCY**

It was moved by Papalas, seconded by Lastic for suspension.

Mr. Papalas: We need this money for police training purposes.

**YEAS: 6    NAYS: 0**

Rules are suspended.

It was moved by Papalas, seconded by Pezzano for adoption.

**YEAS: 6    NAYS: 0**

Draft No. 102-14 has been adopted under suspension of rules on the 1st day of December, 2014.

**RESOLUTION NO. \_\_\_\_\_(Draft No. 103-14)**

**A RESOLUTION AUTHORIZING AN APPROPRIATION FROM THE UNAPPROPRIATED GENERAL FUND AND THE UNAPPROPRIATED SEWER FUND TO STATE EXAMINER FEES ACCOUNTS; AND, DECLARING AN EMERGENCY**

Mr. Papalas: Do we need this passed right away, Chuck?

Mr. Nader: I just received the next bill from the state today. If you guys want to wait another two weeks, I think it should be passed this year. We'll be getting more bills from the state.

It was moved by Papalas, seconded by Lastic for suspension.

Mr. Merlo: Is this for our financial audit or performance audit or what?

Mr. Nader: This is the financial audit.

Mr. Merlo: I see the next one is for the same exact thing?

Mr. Nader: Yes.

President Marino: The bill is rather large this year because of –

Mr. Merlo: That was going to be my next question. What are we looking at as a fee?

Mr. Nader: The reason the fee is being split on two different pieces of legislation is that one is being appropriated for unappropriated funds and the second piece of legislation is for the line item transfers. Where we had money already appropriated, we were just moving from one line to another.

Mr. Merlo: So what's the cost?

Mr. Nader: This amendment was for \$38,335.00 which brought the total for the 2013 audit estimate of fees was over \$100,000.00. \$106,135.00.

Mr. McCormick: What were the percentages to split it up? I see the light and the water and the sewer are all paying the same and the general, how did that figure come about?

Mr. Nader: Well, when they sent an estimated fee review, they had said that \$10,215.00 was the review of the wellness operations; \$8,610.00 was a review of utility funding; \$4,100.00 was received cash check collections; \$8,200.00 received as a result of city employee; \$5,125.00, review of utility customer delinquencies; and \$2,050.00 review of income tax department software. So anything that had to do with general fund, I added together coming up with \$24,600.00. The other three, since they were utilities, I split amongst those three.

President Marino: They are requiring us to pay our bills proportionally including general fund appropriations, so we no longer can pay our bills from utilities. The general fund has the financial obligation to cover our expenses. The state has been working with Mr. Nader on percentages. \$100,000.00.

Mr. Stredney: I have a question. Instead of taking it directly from the general fund, is there a way to take a line item?

Mr. Nader: No.

**YEAS: 6      NAYS: 0**

Rules are suspended.

It was moved by Papalas, seconded by Merlo for adoption.

**YEAS: 6    NAYS: 0**

Draft No. 103-14 has been adopted under suspension of rules on the 1st day of December, 2014.

**RESOLUTION NO. \_\_\_\_ (Draft No. 104-14)**

**A RESOLUTION AUTHORIZING THE LINE ITEM TRANSFER OF FUNDS FROM THE LIGHT DEPARTMENT'S POWER ACCOUNT AND THE WATER DEPARTMENT'S WAGES ACCOUNT TO STATE EXAMINER FEES ACCOUNTS; AND DECLARING AN EMERGENCY**

It was moved by Papalas, seconded by Merlo for suspension.

**YEAS: 6    NAYS: 0**

Rules are suspended.

It was moved by Papalas, seconded by Lastic for adoption.

**YEAS: 6    NAYS: 0**

Draft No. 104-14 has been adopted under suspension of rules on the 1st day of December, 2014.

**RESOLUTION NO. \_\_\_\_ (Draft No. 105-14)**

**A RESOLUTION AUTHORIZING TRANSFERS FROM AND TO VARIOUS ACCOUNTS; AND DECLARING AN EMERGENCY**

It was moved by Papalas, seconded by Lastic for suspension.

Mr. Papalas: Again, these are routine end of the year transfers for the last year and we'll do it next year.

**YEAS: 6    NAYS: 0**

Rules are suspended.

It was moved by Papalas, seconded by Lastic for adoption.

Mr. Strendey: One quick question. Steve, we are transferring everything that was already appropriated just to different accounts, right?

Mr. Nader: Yes. These are line item transfers so council has to authorize them.

Mr. Papalas: So this was no new appropriations. On some accounts when we did the budget in January, we figured they might need a certain amount of money based on the yearend report. On other accounts, we stripped them and so we've added some of those a little bit at a time over the year or not at all. Now we're taking it from the accounts that still have money and putting it into those ones that we stripped because now we know what they need.

Mr. Stredney: That's what we said way back when.

Mr. McCormick: Another question. The one for \$14,000.00 city tax consultant fee, it's the only one that looks a little bit out of the ordinary. What did we need a consultant for? How did we use that?

Mr. Nader: That was for Packard Thomas. Their last bill.

President Marino: It's the reconciliation we were required to do because our books haven't been reconciled in years. That's part of the audit.

Mr. Merlo: Are they done?

President Marino: No.

Mr. McCormick: Is this a final payment?

President Marino: No.

Mr. Merlo: Do we have an end in sight?

President Marino: Yes. I don't know when that is, but yes.

Mr. Papalas: It should be soon.

President Marino: Right.

Mr. Papalas: But we don't know exactly.

Mr. McCormick: Will council get a report on this?

President Marino: I believe it goes to the state auditors and the state auditors will use it to begin the '14 year audit with good numbers. When we talked to Anita last week from the state auditor's office, they were being patient. That's why we're ok with this. If the state auditor's had said, we need this now, I can assure you that you all would have been informed and we would be leaning heavily on someone. But when Anita said it's ok, she conveyed to us that it was very important that they start the year with good numbers, so Packard Thomas is finishing this up.

Mr. McCormick: Chuck, do you know the total on this? What we paid already, what we still have to pay? How much are we looking at for this?

Mr. Nader: This is for \$14,000.00 to Packard Thomas that will bring us to almost \$30,000.00. There may be another bill.

Mr. Papalas: When this was started, I thought we made it very clear -- I know Bob and I did with the Mayor's endorsement -- we don't care what it takes, we need these books matched up. Whatever it takes. That's where we're at with this and we really can't tell what the next bill is going to be, but we can tell you that it's coming real close.

President Marino: The state auditor has informed us that for the '14 audit, because we are in fiscal emergency, we will have to contract with a private provider to complete our audit. A list will be provided to whomever and those services will have to be secured to do that because the auditors cannot audit the auditors. Is that right, Steve? Is that how I understand that to be?

Mr. Papalas: Yes.

President Marino: Neil, you read that, right?

Mr. Buccino: Yes.

President Marino: So we still have expenses ahead of us to get through this fiscal emergency process.

**YEAS: 6    NAYS: 0**

Draft No. 105-14 has been adopted under suspension of rules on the 1st day of December, 2014.

**RESOLUTION NO. \_\_\_\_\_ (Draft No. 106-14)**

**AN ORDINANCE AUTHORIZING THE SERVICE DIRECTOR TO ENTER INTO CONTRACT FOR TWO YEARS OF SLUDGE DISPOSAL AND FOR ONE YEAR OF CHEMICALS FOR THE WASTEWATER TREATMENT PLANT; AND, DECLARING AN EMERGENCY**

It was moved by Papalas, seconded by Lastic for suspension.

**YEAS: 6    NAYS: 0**

Rules are suspended.

It was moved by Papalas, seconded by Lastic for adoption.

YEAS: 6    NAYS: 0

Draft No. 106-14 has been adopted under suspension of rules on the 1st day of December, 2014.

**MISCELLANEOUS REMARKS**

President Marino: Terry, did you finish up that independent contractor for the Wellness Center?

Mr. Dull: I e-mailed you a copy of that this morning.

President Marino: Perfect. Do we need to get a report from OPERS making sure that there is no obligation or future obligation to get the year to year work at the Wellness Center an employee? Do we need some kind of determination from them?

Mr. Dull: Let me verify that.

President Marino: We need to make sure from OPERS that we have something before we do that, Terry. Before we advertise.

Mr. Dull: All I did was a draft anyway for you to look at.

President Marino: Perfect. We're going through some things in my other life and I want to make sure that history doesn't repeat itself with another retirement. Thank you, Terry.

Mr. Papalas: Two things. One is I would like to put a motion on the floor to transfer \$1,500.00 in the vehicle maintenance for the police department. That would be category 17-10-55. We have three cruisers that are in need of repair so, Chuck, can you find the category we get that from and Terry will draw it up for us.

Mr. Nader: I'll get you that.

Mr. Papalas: I'd like to make that motion and council sponsor as a whole.

It was moved by Papalas, seconded by Stredney.  
Motion carried.

Mr. Nader: Steve, you said \$1,500.00?

Mr. Papalas: Yes. \$1,500.00. On Tuesday of next week at 9:00 a.m., we are going to have another round of our budget reviews so if anybody wants to come over, you're welcome to watch the process and take part. We will spend a good part of the day on Tuesday going through budgets and hopefully, we'll finish them this next Tuesday.

President Marino: Lori, can you send a notice to the newspaper that Tuesday at 9:00 a.m. council will hold a roundtable at City Hall for next year's budget?

Mr. Papalas: And last week we either reduced or absolutely cut several categories and left money in others that were absolutely necessary which means that periodically through the year and especially at the end of the year we are going to be making transfers like we did tonight. So that's all.

Mr. McCormick: You said there was a meeting last week?

Mr. Papalas: Yes. Bob and I and the Mayor.

President Marino: It wasn't a meeting. It was a budget hearing.

Mr. Papalas: We sat with a couple department heads and reviewed some things. If you have any questions on that, feel free to see the Mayor or take a look at the paperwork, but you won't see much because it's been cut.

Mr. McCormick: Just one question. Chuck or whoever for us to be in the financial emergency situation we're in, we were – one out of the six categories, correct? How do we stand right now? Have we been improving? Have we eliminated the facts that put us in that category? Are we seeing the light at the end of the tunnel yet? The things that put us in financial emergency, are we on the road to recovery? Have we recovered? What's the status of that getting us out of that category of financial emergency? Are we close? I mean we weren't too far off.

President Marino: We were way off the mark. Two point five million.

Mr. Nader: Water is still way off.

Mr. McCormick: We're not there yet?

President Marino: The fiscal commission hasn't even been appointed yet, so the light at the end of the tunnel can't be answered until the Governor provides the Mayor with the appointees for the fiscal commission and our chairperson sets the meeting and begins the process with the Mayor. The Mayor has to develop a recovery plan. You will have to approve the recovery plan and then the recovery plan goes to the fiscal commission. Once that's the case, according to Ms. Hendricks from the auditor's office, we have to live by that plan and Neil what was the dollar amount? Do you remember the dollar amount?

Mr. Buccino: \$5,000.00.

President Marino: \$5,000.00 or more has to go to the fiscal commission for approval. It's not even started yet.

Mr. McCormick: But I'm hoping that our rate increases are starting to get us on the road to recovery. Can we say that, Chuck? Are we moving positively or are we going deeper?

Mr. Nader: No. The sewer department – of course we know what is going to be facing us in the next 25 years – the sewer department will end this year in the black. So that is one problem that has been taken care of for now. It is the water department that's still running, you know, it's still two and a half million dollars in the red. So until we can get that straightened out, that's going to be the biggest burden we have.

President Marino: Chuck, do you feel confident that the sewer department rate increases would generate enough revenue to support the notes that we're going to be facing for the next 25 years?

Mr. Nader: In the long run, yes. What will happen is you're going to come – when the plant actually gets finished, the first couple years we may have trouble. Hopefully by keeping our rates going up now we'll build up enough surplus to get us through the hump. Once we get past the hump if we build up enough reserves, we'll be fine.

President Marino: As I recall the meeting with Ms. Henricks and Mr. Armeni in the Mayor's office, if I recall correctly, they shared with us they are going to do a five-year forecast so in that five year window, we are going to have to make sure that that hump isn't in there because if it is, they are not going to allow us to come out and she said they are going to look at our enterprise accounts and the general fund, so in addition to the sewer, we know we have the water, but we also have to make sure that we're not continually deficit spending in the general fund, which is one of the things the finance committee has been trying to do by stripping the budget. To stop the bleeding in the general fund, but as our costs go up, employee healthcare, employee costs, cost of doing business, we still have humps.

Mr. McCormick: When we approved those sewer increases, we knew at the time that there may be additional required when these are done in order to support that project and everything. We didn't approve these increase saying that's going to be it, we know that's it, we didn't do that. We said we're going to approve this, we're going to re-examine everything and see what we might need in the future and if necessary, we may have to go back again.

President Marino: I'm on the same page with you, but your original question was, is there a light at the end of the tunnel? Where's the budget? We have to remember there's going to be a five-year forecast and if that hump is in that five years and we show negative fund balances, they will not allow us to come out of fiscal emergency.

Mr. McCormick: From what I hear, the water sounds like it's the worst thing. Are we looking at a water increase again for next year, Neil?

President Marino: Actually we're just on auto pilot until the Governor appoints and the commission gets – its 120 days after the commission is picked, right Neil? Does anybody remember? 120 days after the commission is appointed the Mayor has to develop and you have to approve a fiscal recovery plan.

Mr. Papalas: Here's the way it's going to be and I've said this before. Anything over \$5,000.00, we have to get their permission.

President Marino: They meet once a month.

Mr. Papalas: You'll be able to ask them all you want when the light at the end of the tunnel is coming.

Mr. McCormick: Ok.

Mr. Papalas: I don't mean to make a joke about it.

Mr. McCormick: Well, people have asked me and I'd like to be able to give them a decent answer.

Mr. Papalas: We're waiting for their response. The Mayor did what he was supposed to and we are waiting for their response. We haven't had it yet.

President Marino: It's also difficult, to be honest with you, that not knowing what our true fund balances are because the books haven't been reconciled, we're waiting for that to come through. I'll feel much more confident in our finances after Packard Thomas finishes and their numbers are certified and then we have a point going forward what they really are.

Mr. Papalas: I'm concerned about this. The first time the state took us over in the early '80's, they said you have to divide up the salaries with the sources – the money for the salaries among these various departments. They even showed us and we did that and we've been doing that all these years. Now they're say, why are you doing that. That's not the way to do it. So it's a game change. Now we have to take more money out of the general fund. The first time they were trying to protect the general fund, but now we have to take money out of the general fund in far more cases to pay for salaries. So the point is it's going to be more stress on the general fund.

President Marino: I'm glad you asked. It's important that you ask.

Mr. Papalas: Yes, it is important.

President Marino: You need to ask.

Mr. Merlo: I just have one comment, but I don't see Mike Burke here. I don't know if anyone else has had issues with garbage pickup this last week. Clark, Carney and Rhodes, the garbage pickup was supposed to be Tuesday and it's still sitting out there on Sunday. I don't know if there was an issue with our contract with them or whatever.

Mr. Buccino: Clark, Rhodes and where else?

Mr. Merlo: Clark, Carney, that area, North Rhodes.

Mr. McCormick: Pickup was altered at the end of the week because of Thanksgiving and they called and said it would be.

Mr. Merlo: As of Sunday it was still there. Yesterday. I knew we had an issue with the leaf pickup a few weeks ago, so I didn't know if there was another issue.

Mr. Lastic: It's on the regular schedule now.

Mr. Pezzano: Mr. Dull, are we still having a public hearing Wednesday?

Mr. Dull: Yes. 5:45 p.m. The vacation of Charter Alley.

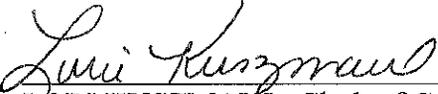
President Marino: One of you guys have to run that meeting. Terry, you're going to do that.

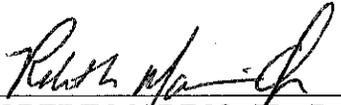
Mr. Dull: That's right.

Mr. Lastic: I'll be here.

**ADJOURN**

It was moved by Merlo, seconded by McCormick to adjourn the meeting.

  
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LORI KUSZMAUL, Clerk of Council

  
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ROBERT MARINO, JR., President of Council