

MINUTES
March 4, 2015

Niles City Council held its regular meeting on March 4, 2015 at 6:00 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-P, McCormick-P, Stredney-P, Merlo-P, Pezzano, P, Marino-P

It was moved by Stredney, seconded by Merlo to accept the Minutes from February 18, 2015 and place them on file.

Motion carried.

REPORTS AND COMMUNICATIONS

FROM the Auditor's Office

The Estimated Versus Actual Revenue thru End of Year 2014

It was moved by Papalas, seconded by Giancola to accept the report and place it on file.

President Marino: Chuck, these are the numbers that have been reconciled to the auditor's budget numbers moving forward?

Mr. Nader: This was last years.

President Marino: Right. Coming forward so this is the number they are using coming into this fiscal year?

Mr. Nader: Yes.

Motion carried.

FROM The Niles Income Tax Department

The Monthly Receipts Totals thru February 2015.

It was moved by Giancola, seconded by Lastic to accept the report and place it on file.

President Marino: Mr. Swauger, why is there a negative difference in February?

Mr. Swauger: The negative \$4,800.00?

President Marino: Yes.

Mr. Swauger: That's just compared to last year. We were \$23,000.00 ahead, so people probably paid their quarterly's that were due January 31st, so we probably got them processed in January and then February fell a little short. For the year we're up \$18,000.00

Motion carried.

FROM Solitaire AEFO,LLC/Adam & Eve

Letter from Solitaire Bedelyon addressing council as to a proposed business and plan to move into a Niles, Ohio location.

It was moved by Giancola, seconded by Lastic to accept the letter and place it on file.

Mr. Giancola: Terry, will we have to set up a Safety Committee meeting? Have to said anything to these people?

Mr. Dull: I haven't responded because I wanted to see what council's thoughts were.

Mr. Giancola: Well, we have the moratorium until September, but we have to get our zoning package put together and then we should meet.

Mr. Dull: Yes. I think the question on whether you want to have a presentation before you set the zoning or if you want to go through the zoning process first and at that meeting we could –

Mr. Giancola: Yes. I would like to figure out what we are going to do, Tony, with the zoning on this and then we can set up a safety meeting and meet with them and go that route.

Mr. Dull: All right. I'll get back to them and say we will meet with them further down the road.

Mr. Giancola: Yes. Thank you.

President Marino: Thank you.

Mr. Giancola: Tony, if you can, let me know or Terry know what we are going to do with the zoning. You guys have to let me know how you want to do the zoning on this.

Mr. Vigorito: Ok.

Mr. Giancola: So when you guys get instruction, give me a call and we'll get together.
Motion carried.

MEMBERS OF THE AUDIENCE TO ADDRESS COUNCIL

None

COUNCIL COMMITTEE REPORTS

Mr. Merlo: Earlier today prior to our meeting, we had our IT roundtable. We updated city council and everyone in attendance of our software with accounting and payroll and then we also got an update on our billings software.

Mr. President: Any other reports? Thank you Chairman Merlo.

ORDINANCES AND RESOLUTIONS

ORDINANCE NO. ____ (Draft No. 02-15)

AN ORDINANCE TO CHANGE THE ZONING OF TWO PARCELS OF PROPERTY LOCATED ALONG YOUNGSTOWN WARREN ROAD AND NILES CORTLAND RD., CURRENTLY OWNED BY NILES CORTLAND COMPANY, LLC.; AND, DELCARING AN EMERGENCY

It was moved by Giancola, seconded by Lastic to adopt Draft No. 02-15.

YEAS: 6 ABSTAIN: 1 (Merlo) NAYS: 0

Draft No. 02-15 has been adopted on the 4th day of March 2015.

RESOLUTION NO. ____ (Draft No. 05-15)

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 McCormick to suspend the rule requiring three readings.

YEAS: 7 NAYS: 0

It was moved by Stredney, seconded by Papalas to adopt Draft No. 05-15.

YEAS: 7 NAYS: 0

Draft No. 05-15 has been adopted on the 4th day of March 2015.

RESOLUTION NO. ____ (Draft No. 06-15)

A RESOLUTION APPROVING THE CONTINUATION OF THE INVESTMENT POLICY FOR PUBLIC FUNDS, ORGINALLY ADOPTED BY RESOLUTION NO. 22-11; AND, DECLARING AN EMERGENCY

It was moved by Papalas, seconded by Lastic to give this resolution its second reading.

YEAS: 7 NAYS: 0

Draft No. 06-15 has received its second reading.

RESOLUTION NO. ____ (Draft No. 08-15)

AN ORDINANCE CREATING THE POLICE CPT FUND; AND DECLARING AN EMERGENCY

It was moved by Papalas, seconded by Lastic to give this resolution its second reading.

YEAS: 7 NAYS: 0

Draft No. 08-15 has received its second reading.

RESOLUTION NO. ____ (Draft No. 09-15)

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 McCormick to give this resolution its first reading.

Mr. McCormick: This is the same of Item No. 2, and this is that OWDA Fund that we draw from and we turn the bill into them and we pay and the next one's the same way. If anybody has any detailed questions on any of this, Andy's available to answer them too, if you like.

YEAS: 7 NAYS: 0

Draft No. 09-15 has received its first reading.

RESOLUTION NO. ____ (Draft No. 10-15)

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

It was moved by Papalas, seconded by McCormick to give this resolution its first reading.

YEAS: 7 NAYS: 0

Draft 10-15 has received its first reading.

RESOLUTION NO. ____ (Draft No. 11-15)

A RESOLUTION AUTHORIZING THE APPROPRIATION OF FUNDS FROM THE UNAPPROPRIATED STREET FUND TO STREET DEPARTMENT'S OPERATIONAL SUPPLIES ACCOUNT; AND, DECLARING AN EMERGENCY

Mr. Papalas: Mr. Chairman, it's imperative that we have the funds available ASAP so that we can get the salt we need and cold patch, so I'm moving for suspension of the rules on this. Seconded by Giancola to suspend the rule requiring three readings.

YEAS: 7 NAYS: 0

It was moved by Papalas, seconded by Merlo to adopt Draft No. 11-15.

YEAS: 7 NAYS: 0

Draft No. 11-15 has been adopted on the 4th day of March 2015.

MISCELLANEOUS REMARKS

President Marino: I would like to remind you gentlemen that the next Fiscal Commission meeting will be on March 18th at 4:00 here in council chambers. The state auditors are pretty close to having a firm number relative to our deficit fund balances in the general fund. That will be a rather important meeting for all of us.

Mr. Papalas: Lori, will you remind us of the meeting.

Clerk: Yes, I will.

Mayor Infante: Just for clarification, I think you've seen in the papers, the Tribune that they keep putting in there stipulating that the City of Niles installed that meter for Trumbull County. We didn't install the meter. They installed their own meter. The county is responsible for that meter and the readings and they send the readings to us. So just if you want to clarify that Ray.

Mr. Smith: Ok.

Mayor Infante: We didn't install the meter. We have no responsibility in that meter. That's with Trumbull County and we will get that clarified when we go to court. They're not suing us, what they're doing is they're going to court to try to get us to go to arbitration, which Terry and I denied arbitration because we don't feel the – they send us the reads, we send them a bill. We don't feel there's a dispute in the contract. The contract calls for arbitration if there's something wrong with the pit or meter or whatever, if they have to make a change. We don't feel there is a

reason to go to arbitration over dollars. They send us the reads, we bill off the reads. It will be all ironed out when we get to court.

President Marino: Thank you, Mayor.

Mr. Vigorito: Just to add onto the zone change that we did tonight, there is a variance hearing for the piece of property that they're planning on putting that 115 senior housing for three variances they need to build the unit that they want to build. I'm sure my secretary notified all of you to let you know about it, but just to remind you. That's Wednesday morning at 10:00.

Mr. Catanzarite: Just real briefly to let council and members of the press know, we had our annual EPA inspection in January. We received letters back addressed to Mr. Buccino. We have responded back to them. We basically received a significant compliance, which I'm happy to say, with only a couple housekeeping things to be done, like there's a couple drums outside that had to be brought in. Other than that, I'm very happy to report that we did receive a compliant report from the EPA. Also, as far as the Wastewater Plant goes, we've been in continuous meetings with the EPA.

President Marino: And that is a zero percent interest loan, right?

Mr. McCormick: Part of it. If we get everything in in time. There's some time restraints. And the other portion was --

Mr. Catanzarite: Fifteen million at 1.85 – 1.86%. We are trying to figure out how much of the project we can get at zero percent and how much we can get at 1.85%. So we're doing everything we can to get as much of that to the zero percent side.

Mr. McCormick: The optimistic portion that maybe we can get about fifteen million interest free.

Mr. Catanzarite: That's what we are shooting for, yes.

President Marino: And that amortization provided to us from whomever, did it take into account interest bearing loans or was that of the assumption they were zero on our rates? Chuck, do you know?

Mr. Nader: The original one that was handed out had interest bearing.

President Marino: Ok. Good.

Mr. Nader: So if we get fifteen million at zero interest, it will save us over the length of the loan like nine to ten million dollars. Quite a bit.

President Marino: That's where I was going. I'm hoping that's the case. Long term.

Mr. McCormick: I think the other portion was projected at like 3% or 4% and if we can get that 1.85%, that's going to knock that way down too.

Mr. Merlo: Andy, one more question for you.

Mr. Catanzarite: Sure.

Mr. Merlo: I know at the hearing earlier, that the guy from Montgomery Watson that's no longer with them, he had a lot to do with designing the project.

Mr. Catanzarite: He really does not. He really didn't. Tom Unger, who presented to council before, he's their marketing guy. He was not involved at all with design. Bob Rogoski, who was here two weeks ago, he's their design guy. Tom Unger was the marketing guy.

Mr. Merlo: So the guy that is no longer with them is not going to affect our timeline?

Mr. Catanzarite: Absolutely not.

Mr. Merlo: Ok.

President Marino: Andy, thanks for staying on top of this.

Mr. Catanzarite: You're welcome.

Mr. Nader: I would just like to bring to council's attention that revenues for the first two months of this year were significantly lower than last year. That's something that we have to start looking forward to if the revenues are not coming in how we expected them. I just wanted to bring that to your attention.

Mr. McCormick: Do you have an explanation, Chuck?

Mr. Nader: Revenues aren't coming in.

Mr. McCormick: They're owed to us and they're just not coming in?

Mr. Nader: Collections, etc. are all lower. Some of the problems are with our billing department.

President Marino: You're talking about the enterprise accounts or all revenues.

Mr. Nader: Enterprise account revenues especially.

President Marino: Do you have an estimate on how much they're down?

Mr. Nader: I would say they're down probably 25% to 30% right now.

Mr. McCormick: I think that's something that we should look into and see if we can get some sort of explanation of whether it's going to rebound. What do you think, Steve?

Mr. Papalas: Well, first of all, once that billing office is put together by the end of April, I'm thinking things will stabilize there. We'll have an idea of the enterprise account and funding then at that point. The most critical would be the general fund. That's what I'm worried about. The enterprise accounts the Mayor can make some decisions –

Mayor Infante: That can be like, water is down, I think this month, was \$200,000.00. That can be two or three accounts that the mail wasn't put in because we had less days in February.

Mr. Papalas: Let me give you an example. We still have about – for those of you who weren't here this evening, I know some people are anxious to know more about this – I didn't get a bill at all for February, so if there are enough people like me who didn't get a bill at all, that certainly has an impact on this. Now, once this is stabilized and we have the apparatus in place that Stephanie mentioned this evening, that's going to take care of itself. We'll know what to do with the adjustments, if any of them are needed, but I think we'll have a better handle on March 18th when the commission meets and we see what's going on with the general fund.

President Marino: Well, the issue that raises alarm bells is because we pool our cash, the liquidity of the city is being impacted by those revenues being down and if we don't see an uptick in them, come the end of the year, as Mr. Davis so eloquently said at the Fiscal Commission meeting, we are going to have very serious cash flow problems, so that's what gives me a very unsettled feeling in addition to the deficit fund balance in the general fund, which we have to come up with approximately 1.1 million dollars of reductions this fiscal year. But what that does for '16 is that we have no money going into '16. None. So if we cut 1.1 million dollars this fiscal year, starting 2016 general fund, there's no money sitting there. There's no carry over. We will still have obligations for operations in '16. So the sooner we start working on this – I know the Mayor is working on this, I know he is – the sooner we start working on this, the better we will be. This is a multi-layered problem. Very complex.

Mr. McCormick: The majority of the money we're talking about coming in is for electric, water, sewer, correct?

President Marino: Correct.

Mr. McCormick: Is our accounting and stuff good enough right now that we know how much we billed that month and we know how much we collect, so if we billed a million and we got \$500,000.00, we know there's still \$500,000.00 out there. That's simple. I know those aren't the right numbers, but isn't that something. And seeing that, we would know that that money should eventually come in.

President Marino: I can't answer that. Those gentlemen behind you would have to answer that.

Mr. Swauger: If we base it on roughly three weeks behind of the mail sitting around, you're probably looking – the average month is usually 2 to 2.2 million in collections, roughly, so if you

figure we're three or four weeks behind, simple math would be 1.5 million, but we're probably more realistic around a million a million one.

Mr. McCormick: So we're talking about the first two months, we roughly talking twelve weeks, we're talking three weeks put away, there's your 25% right there.

President Marino: Is that going to be it?

Mr. Swauger: Yes. They're still going to be down some, but I think that percentage once the mail gets caught up down there in April, then I think that gap would shrink a lot.

President Marino: Also, to reinforce and not to be an alarmist, but just to be aware, that as the fiscal pieces come online in the auditor's office and the treasurer's office with CUSI, we will get better information to make more informed decisions, the administrations and us. Because right now, we don't know the bottom line, but then we truly don't know what's sitting in those boxes over there. She said she's got two boxes --

Mr. Papalas: Two boxes.

President Marino: Two paper box lids full of unopened mail. That's this right here. A paper box. Imagine how much that is, so I have full confidence in Stephanie that she and her department will get that addressed in April. I have no reservations about the competency with them and then we'll have a better handle on the utility part. The general fund part, to reiterate Steve's comments, that is a grave, grave concern.

Mr. Papalas: That is the key to everything in that budget as far as I'm concerned. We better be learning what we can about that general fund and I think March 18th will give us more knowledge.

Mr. Nader: And not to alarm council and I didn't mean to alarm them, but at the end of March I'll let you know where the revenues are coming also. It's the easiest way to do it, but through the end of February it was lacking. So you will know by the end of March if it is straightening out or not.

Mr. McCormick: My only point is that we need to identify what it is so that we can work on it and see if there's going to be some relief to it or if we can project something better.

Mr. Papalas: The Mayor and I had a discussion yesterday on the budget. The Mayor and I had a discussion today on the budget and we are going to have more dialogue in the next few days. I know from talking to him he's on this. Every day. So let him come up with this plan. He is working on it and it's coming together slowly but it's coming together. And we'll have a better handle on things then at that point, but you know the key, again is the general fund and even more importantly is everybody's support for the Mayor's plan once he brings it forth. That's where everyone's going to see how much pressure they can stand. We'll be coming to you with some of that information as the Mayor gets it under way as he brings it into focus. Just hang on

and wait because I know he's working on it and there's something coming up right now that he's putting together. Let's see how it goes.

President Marino: Chuck, to your point, not being an alarmist, I would much rather know in this venue at this point than the other way in which we learned about the deficit funds in the water department sitting in the meeting with the state auditors.

Mr. Papalas: We don't want those kind of surprises.

President Marino: So I would much rather you share with us sooner rather than later, so I'm appreciative.

Mr. Papalas: Well, I hope that your questions were answered. If not, please contact me and we'll discuss it more.

Mr. Giancola: Mayor, on that ordinance for the salt and patch, do you think that will be enough to get us through?

Mayor Infante: As long as we don't get any more snow.

Mr. Giancola: What I am saying, how much salt and patch do we have left?

Mayor Infante: 70,000 we went through already.

Mr. Giancola: What we put in, how much salt will that get us stocked up?

Mayor Infante: Probably about 600 tons more if we need it.

Mr. Giancola: Once more question. Bob, do we still have a lot of delinquents?

Mr. Swauger: You mean taxes?

Mr. Giancola: Yes.

Mr. Swauger: Yes. Most of it is on the report on the front page. There are delinquents there. Most of it is interest. A lot of it is -- more recent isn't so bad because even though it's delinquent on the report, they are on payment plans over the last couple of years. So we reported them as delinquent, but there are payment plans where they pay us every month. So once we take them to court, they go on a payment plan, but we leave them on the delinquent list until they get it paid up to date. There are some very old stuff on there also.

Mr. Giancola: Ok. Thank you very much.

President Marino: The men on the street department are doing a very good job too. They're doing a very good job.

ADJOURN

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



LORI KUSZMAUL, Clerk of Council



ROBERT MARINO, JR., President of Council