

## **SPECIAL COUNCIL MEETING MINUTES**

**August 26 2015**

Clerk: By order of City Council, a special council meeting has been scheduled for Wednesday, August 26, 2015 at 6:30 p.m. for the expressed purpose of awarding the bids for a fire truck and any other business that may be pertinent at that time.

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 Pezzano to accept the Minutes from the August 5, 2015 meeting and place them on file.

Motion carried.

### **REPORTS AND COMMUNICATIONS**

FROM the Department of Commerce, Division of Liquor Control  
Notice to Legislative Authority for Primanti Corporation, Eastwood Mall, dba Primanti Bros.,  
5555 Youngstown Warren Road, Niles, Ohio

It was moved by Stredney, seconded by Pezzano to refer the permit request to the police chief and safety director for their report and recommendation.

FROM City of Niles, Income Tax Department  
Monthly receipt totals through July 2015

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

FROM Office of Building Inspector

Letter from Planning Commission approving the dedication of the plat roadway known as Phoenix Place with a variance for no sidewalks

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

FROM Dinesol Plastics, Inc.

Letter requesting income tax refund due

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

Mr. McCormick: What's the plan? What are we going to do?

Mr. Swauger: We have to allocate money to put into the refund account so we are going to have a finance meeting.

Motion carried.

President Marino: That would be general fund revenue?

Mr. Nader: Yes.

**MEMBERS OF THE AUDIENCE TO ADDRESS COUNCIL**

None.

**COUNCIL COMMITTEE REPORTS**

None

**ORDINANCES AND RESOLUTIONS**

**ORDINANCE NO. \_\_\_\_\_ (Amended Draft No. 51-15)**

**AN ORDINANCE AMENDING ORDINANCE NOS. 10-07 AND 17-12, IN PART, BY ELIMINATING THE FULL TIME-POSITION OF DIRECTOR FOR THE WELLNESS CENTER AND CREATING THE PART-TIME POSITION OF EVENTS COORDINATOR; AND, DECLARING AN EMERGENCY**

It was moved Papalas, seconded by McCormick to give this ordinance a third reading.

Mr. Pezzano: I talked to Mr. McMillan as well and I believe some other councilmen did also and he's okay with this plan, but what I found out also is that the two positions being occupied in the future are going to be city employees; is that true?

Mayor Infante: Yes.

Mr. Pezzano: Are they union guys?

Mayor Infante: Yes.

Mr. Pezzano: Being that they're union guys – I'm just throwing this out – does this job have to be posted for other employees to bid on?

Mayor Infante: No.

Mr. Pezzano: Are you sure about that?

Mayor Infante: Yes.

Mr. Pezzano: We don't need any grievances right now. Thank you.

President Marino: For a third reading.

**YEAS: 7      NAYS: 0**

It was moved by Papalas, seconded by Stredney to adopt this Draft No. 51-15.

**YEAS: 7      NAYS: 0**

Draft No 51-15 has been adopted on the 26<sup>th</sup> day of August 2015.

**RESOLUTION NO. \_\_\_\_\_(Draft No. 55-15)**

**A RESOLUTION AUTHORIZING THE APPROPRIATION OF FUNDS FROM THE UNAPPROPRIATED WATERTREATMENT 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 McCormick, seconded by Giancola to suspend the rule requiring three readings.

Mr. McCormick: This amount of \$27,901 is – we'll have one more payment for this and then that will be totally paid off and that next payment will be the same as this one. So we'll have one more payment and the design and engineering will be paid for.

**YEAS: 7      NAYS: 0**

It was moved by Giancola, seconded by Papalas to adopt this Draft No. 55-15.

**YEAS: 7      NAYS: 0**

Draft No 55-15 has been adopted on the 26th day of August 2015.

**ORDINANCE NO. \_\_\_\_\_(Draft No. 44-15)**

**AN ORDINANCE ACCEPTING THE NILES CORTLAND COMPANY ROADWAY DEDIATION PLAT FROM THE NILES CORTLAND COMPANY, LLC; AND, DECLARING AN EMERGENCY**

It was moved by Pezzano, seconded by Giancola to suspend the rule requiring three readings.

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

Rules are suspended.

It was moved by Papalas, seconded by Stredney to adopt this Draft No. 44-15.

**YEAS: 7    ABSTAIN: 1( Merlo)    NAYS: 0**

Draft No. 44-15 has been adopted on the 26th day of August, 2015.

**RESOLUTION NO. \_\_\_\_ (Draft No. 59-15)**

**A RESOLUTION AUTHORIZING THE SERVICE DIRECTOR TO EXTEND THE AGREEMENT TO FURNISH WASTEWATER TREATMENT SERVICE TO THE VILLAGE OF McDONALD SERVICE AREA; AND DECLARING AN EMERGENCY**

It was moved McCormick, seconded by Lastic to suspend the rule requiring three readings.

Mr. McCormick: The reason we need to extend this agreement is so we are in accordance with the loan givers or whatever for the project at the wastewater plant. We have to show that this income will be coming in throughout the duration of the loan. That's why we had to extend.

**YEAS: 7    NAYS: 0**

It was moved by Stredney, seconded by McCormick to adopt this Draft No. 59-15.

**YEAS: 7    NAYS: 0**

Draft No 59-15 has been adopted on the 26th day of August 2015.

**RESOLUTION NO. \_\_\_\_ (Draft No. 60-15)**

**A RESOLUTION APPROPRIATING FUNDS FROM THE UNAPPROPRIATED GENERAL FUND TO THE POLICE VEHICLE MAINTENANCE ACCOUNT; AND, DECLARING AN EMERGENCY**

Mr. Papalas: Mr. President, I would like to make a motion that we allow the captain to explain this situation and why the ordinance is before us.

Captain Holland: It is my understanding that the vehicle maintenance account is depleted and money is needed to fix cruisers in case something breaks. I recently sold five out of six cruisers on website and received about \$4,000.00 from that. So this is what we are asking that you put that money back into the vehicle maintenance account.

Mr. Papalas: So the money went into the general fund and you want it to go back to the police account to make repairs.

It was moved Papalas, seconded by Giancola to suspend the rule requiring three readings.

**YEAS: 7    NAYS: 0**

It was moved by Papalas, seconded by Giancola to adopt this Draft No. 60-15.

**YEAS: 7    NAYS: 0**

Draft No 60-15 has been adopted on the 26th day of August 2015.

**RESOLUTION NO. \_\_\_\_ (Draft No. 61-15)**

**A RESOLUTION ACCEPTING THE AMOUNT AND RATES AS DETERMINED BY  
THE BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES  
AND CERTIFYING THEM TO THE COUNTY AUDITOR**

Mr. Papalas: Mr. Chairman, this ordinance is for tax purposes. It goes to the Auditor's Office of Trumbull County.

It was moved Papalas, seconded by Giancola to suspend the rule requiring three readings.

Mr. Merlo: The Resolution has the date of 26<sup>th</sup> day of September; shouldn't that be August?

Mr. Dull: Yes.

Mr. Merlo: So this needs amended.

President Marino: You are correct. Are you putting that in the form of a motion, John?

Mr. Merlo: Yes.

It was moved by Merlo, seconded by Stredney to amend the ordinance from September to August. All in favor signify by aye.

Motion carried.

President Marino: For suspension on the amended version, call the roll:

**YEAS: 7    NAYS: 0**

It was moved by Papalas, seconded by Lastic to adopt this Draft No. 61-15.

**YEAS: 7    NAYS: 0**

Draft No 61-15 has been adopted on the 26th day of August 2015.

**RESOLUTION NO. \_\_\_\_\_(Draft No. 62-15)**

**A RESOLUTION IN SUPPORT OF THE TRUMBULL COUNTY COMMISSIONERS,  
THE TRUMBULL COUNTY TOWNSHIP TRUSTEES' ASSOCIATION AND OTHERS  
IN THEIR OPPOSITION TO THE INJECTION OF TOXIC OIL AND GAS WASTE  
AND TO THE PERMITTING OF ADDITIONAL CLASS II INJECTION WELLS IN  
THE STATE OF OHIO**

It was moved by Papalas, seconded by Lasitc to adopt this Draft No. 62-15.

**YEAS: 7    NAYS: 0**

Draft No. 62-15 has been adopted on the 26th day of August, 2015.

**ORDINANCE NO. \_\_\_\_\_(Draft No. 63-15)**

**AN ORDINANCE AUTHORIZING THE SAFETY DIRECTOR TO ENTER INTO  
CONTRACT FOR A NEW ENGINE FOR THE FIRE DEPARTMENT; AND,  
DECLARING AN EMERGENCY**

It was moved Giancola, seconded by Papalas to suspend the rule requiring three readings.

President Marino: Chief, did you get the truck you wanted?

Chief Danielson: Yes.

President Marino: From Pierce?

Chief Danielson: Yes. I was the only one who submitted a bid.

President Marino: It all worked out, didn't it?

Chief Danielson; Yes, it did.

President Marino: And it was all open and fair?

Chief Danielson: Right.

President Marino: No one can say that anything was done inappropriately?

Chief Danielson: Right.

President Marino: Doesn't that make you feel so much better?

Chief Danielson: Yes.

Mr. Papalas: That's what we all want.

President Marino: For suspension call the roll:

**YEAS: 7      NAYS: 0**

It was moved by Papalas, seconded by Pezzano to adopt this Draft No. 63-15.

**YEAS: 7      NAYS: 0**

Draft No 63-15 has been adopted on the 26th day of August 2015.

### **MISCELLANEOUS REMARKS**

President Marino: I would like council to make a motion to entertain miscellaneous remarks because I know some of you want to make comments and some have questions. Is there a motion to entertain miscellaneous remarks?

It was moved by Papalas, seconded by McCormick for miscellaneous remarks.  
Motion carried.

Chief Danielson: I just want to thank council for the passage of the legislation for the fire truck.

Mr. Nader: Yes. At this time with Steve's okay, we need to bring money to appropriate wages into the water account. The reason we needed wages put into the water account is when we first prepared the budget, we did it bare bones. We had no overtime for vacation sell back, no retirement incentives. So far this year, the water department has spent \$61,484.00 in overtime, \$5,600.00 in vacation sell back; we had one incentive buyout of \$43,421.00. That's just through the first 8 months. We have another retirement incentive buyout coming later in the year for \$35,000.00. If overtime continues, that will be another \$30,000.00, so we're going to end up being short about \$178,000.00. Steve told me to bring that up today. That's what I'm doing. We're going to look, if possible, to have an ordinance brought in at the next council meeting for appropriations.

Mr. Papalas: Is the money available in that enterprise account?

Mr. Nader: So far through 2015, due to water increases and other things, through July the water department brought in \$3,636,000.00. It has only expended \$3,131,000.00. So far this year we have a \$500,000.00 surplus over expenses, which have helped decrease the deficit so there is money there to be able to pay these wages.

Mr. Papalas: I'll bring this up under finance committee.

Mr. Nader: Thank you, Steve. One other thing I have to bring up, I didn't ask Steve, but talking to Chief Danielson on this fire truck, Pierce has brought forth \$100,000.00 down payment.

Chief Danielson: Pierce will accept \$100,000.00 down payment from FEMA.

Mr. Nader: But to be able to pay that it has to come through us, so we're going to need a piece of legislation for that \$100,000.00 to be able to spend it also. I just want to bring it up now in case it doesn't come with – FEMA will send us the money as part of the grant. We have to pay it out, so it will be money coming into the fire department and going out of the fire department.

Mr. McCormick: Will we have to do the same thing with the rest of the balance?

Mr. Nader: Yes.

Mr. McCormick: So when we establish that account that will be good throughout the entire deal.

Mr. Nader: But we are only going to go with the \$100,000.00 right now.

Mr. Papalas: Is the money there?

President Marino: Have we received the money?

Mr. Nader: No, we have not yet.

President Marino: So when will the city receive the drawdown from the grant?

Chief Danielson: As soon as John Stevens requests it, they'll wire it over.

Mr. Papalas: We don't need to make an expenditure until that comes in, correct?

Chief Danielson: Right.

Mr. Nader: Thank you, Steve.

President Marino: You're going to communicate that – whose communicating that to Pierce?

Chief Danielson: What do you mean?

President Marino: That they're not getting their money until we get our money from the grant. Or do they already know that?

Chief Danielson: They already know that.

Stephanie Ford: I have two accounts that need large refunds. The first customer paid online through their bank for \$2,000.00 accidentally and we ran it through our system and they need

\$1,944.00 refunded back to them. The second one was a customer had a meter switched and when they started the new meter, the meter was reading incorrectly so they need a refund of \$563.32.

Mr. McCormick: That money came in and it's in the general fund right now.

Stephanie Ford: Inaudible.

Mr. Papalas: So they need refunds?

Stephanie Ford: I just need an okay to write the checks.

Mr. McCormick: Will that take legislation?

Mr. Papalas: Yes. Do you know what fund that will come out of?

Mr. Nader: It will come out of unappropriated light 5701 refund account.

Mr. Papalas: Council as a whole? We'll put it on the agenda for the next meeting.

Mr. Catanzarite: Just very quickly an update on the wastewater plant. We were going to accept bids on September 4<sup>th</sup>. We felt there was a need to extend the bid frame for another week, which has been agreed upon. The addendum has been sent out. We had a second walkthrough today and we had a few questions. We needed just a couple clarifications. We did receive word today that our PTI was officially signed and documented yesterday, so when the paperwork is done we will receive a copy of it tomorrow. Hopefully, we will be able to get a competitive bid and get things off and running and should be back on our timeframe within the next couple of weeks.

Mr. McCormick: We'll open bids on the 11<sup>th</sup>, Andy?

Mr. Catanzarite: Yes.

President Marino: Why was it extended?

Mr. Catanzarite: There was an issue with the printing being out on time to the plan room.

President Marino: Ok. I understand. Sorry. Thanks Andy. You're doing a good job.

Mr. Newbrough: The supplies account in the light department are pretty much empty at this point in time. I am anticipating that sometime before the end of the year I cannot order transformers for the Toyota Dealer and the assisted living complex that's going in near it and also an additional building at Niles Metal. The transformers are probably going to cost \$30,000.00 to \$35,000.00. We'll get reimbursed probably \$20,000.00 of that, but that won't be until sometime next year. We also have to buy the wire poles, all the supplies that are associated with that. We have them in stock now but they'll have to be replaced for emergencies and stuff

like that. I'm just asking that \$150,000.00 from capital account be transferred into out supplies account for the rest of the year.

Mr. Papalas: Now, when we did the budgets, we understood that that money was needed and we allocated it and now it's gone.

Mr. Newbrough: I wasn't involved with the budget.

Mr. Papalas: Well, you and I were Mayor and that money is gone.

Mayor Infante: No, I still think it's in the one account that's got to be transferred to the accounts to buy transformers and poles.

Mr. Papalas: Is that the account that the vehicles came from?

Mayor Infante: Yes.

Mr. Papalas: The new vehicles?

Mayor Infante: No, that was in construction.

Mr. Papalas: Those two vehicles that were purchased, did we need to do that?

Mayor Infante: Yes, Steve. We put it in the budget.

Mr. Papalas: An SUV? Mayor, I never knew we were doing that.

Mayor Infante: Yes, we put those in the budget.

Mr. Papalas: An SUV Mayor?

Mayor Infante: Yes.

Mr. Papalas: No. We never discussed that.

Mayor Infante: Two pick-ups.

Mr. Papalas: An SUV?

Mayor Infante: Two pick-ups. There was an SUV.

Mr. Newbrough: We've had a Chevy Blazer since 1999. We bought it brand new. Right now it's got a bad head gasket in it and it will cost \$7,000.00 to repair. The SUV is going to replace that.

Mr. Papalas: What are we doing with the SUV?

Mr. Newbrough: We're going to give it to the person who is using the Blazer.

Mr. Papalas: Why couldn't we just get him a small car that would be more economical for us?

Mr. Newbrough: Because he has to be able to get into substations in the bad places in the winter time. We've used an SUV since 1999. That's when we decided to buy the vehicle.

Mr. Papalas: My point is we had the money in 1999. We don't have the money now and it doesn't look right to buy a class A vehicle when we could have gone with something else. You just need a snow plow to go into those substations. So we expended this money and I don't even think we should have purchased the vehicles if we knew these other expenditures were necessary that we discussed last December.

Mayor Infante: Again, we put them into the budget.

Mr. Papalas: Mayor, I didn't look at my notes yet because I just got in last night.

Mayor Infante: It's in my notes.

Mr. Papalas: Well, I don't remember it. Even if I did, I would tell you guys you are out of your minds to buy an SUV when we could have gotten something far more economical. It doesn't look right when we are probably going to be laying people off and we're buying –

Mayor Infante: That's an enterprise account compared to accounts where we have problems.

Mr. Papalas: It's the perception that we leave with people. That's what's important right now, so I'll make a motion that we allocate \$50,000.00. When you spend that, let us know how you spend it and we'll allocate the next \$50,000.00, but I'm not going with the entire \$150,000.00.

Mr. Lastic: Did you say there is money in another account?

Mayor Infante: Yes, he is just transferring it from one to another. It's already been appropriated.

Mr. Nader: It needs to be in a certain account.

Mr. Papalas: So I'll make a motion that we appropriate \$50,000.00 to the account that Mr. Newbrough needs it appropriated to.

President Marino: That will be sponsored by finance or council as a whole?

Mr. Papalas: Council in support of this?

Mr. Stredney: I have a question. Where would the money be for the new construction?

Mr. Newbrough: Pardon me?

Mr. Stredney: How much do we need for the new construction for the car dealership?

Mr. Newbrough: Like I said, the transformers alone are going to cost somewhere in the \$35,000.00 to \$40,000.00 area.

Mr. Stredney: Each?

Mr. Newbrough: Total for the three of them. We'll be reimbursed probably \$20,000.00 to \$25,000.00, but it won't be until next year when the construction is done and the service is hooked up. I need the money available now to order them. There's also a list of supplies and parts that will be taken out of stock right now to get this new construction off and running and needs replaced. There are a lot of parts I need to stock just to be able to make repairs anytime we have a problem. I mean, if I have a problem and need a part and there's a three-day lead time on it, that's no good. People are going to be without power for three days.

Mr. Papalas: Well, what was more important, an SUV or these important parts you need?

Mr. Newbrough: The SUV that we're talking about is a city vehicle that's assigned to the light superintendent. Now, like I said, we can repair his car for a minimum of \$6,000.00. It's a 16 year-old vehicle.

President Marino: Okay. \$50,000.00. Council meets every two weeks. You'll have to come back after you have expended that and in defense of council, Jim, council did appropriate and approve a budget, but the experience has been that those appropriations specifically in the IT in years past, those dollars were expended on other things unbeknownst to council. Then come the end of the year, correct me if I'm wrong Councilman Merlo, we came to the end of the year and we had money appropriated for certain projects and the money was gone because it was spent on other things. Regardless of it being flush with cash, the light department –

Mr. Newbrough: But I didn't –

President Marino: I'm not going to argue with you, I'm just explaining the rationale behind putting limits on spending right now and I understand why some of them are taking the position they are.

Mr. Papalas: On the part of some people there is a perception that there has been a cavalier approach to the way the money has been spent and the only way this can be stopped is if council exercises its responsibilities and pulls the purse strings shut and that's all we're doing.

Mr. Newbrough: Can I just say I never requested the purchase or approved any purchases in the IT account.

President Marino: Jim, I was in the office when we were all in there and I recall you saying I have nothing to do with any of this. I was there. You got up, stood up and walked out. I remember it.

Mr. Newbrough: I remember standing up, but I didn't walk out.

Mr. Papalas: That's why I'm not pointing a finger at you.

Mr. Newbrough: When he mentioned the IT account money, I had nothing to do with any of that.

Mr. Papalas: We know that. On the part of some people though, there's been a cavalier approach to this and it's hasn't necessarily been Jim Newbrough.

President Marino: \$50,000.00. Is there a second to sponsoring it? Council as a whole?

Mr. Papalas: Council as a whole for \$50,000.00.

Mr. McCormick: I think maybe the finance committee should meet on it and decide what that number is and come up with one that –

Mr. Papalas: And I just got done telling you what's going to happen. We are not going to expend \$150,000.00 or \$100,000.00. We are going to expend \$50,000.00. The decision was just made by the finance committee.

Mr. McCormick: That's fine, Steve.

Mr. Papalas: If you want to take it over, go ahead.

Mr. McCormick: Take what over?

Mr. Papalas: Finance Committee.

President Marino: All right. That's enough.

Mr. Newbrough: One last comment. I would like to thank you all for the \$50,000.00, and I'll try to make it last and if it doesn't, I'll come back to you.

Mr. Giancola: Chief Danielson, what was the – do you have the total figure of what this truck is going to cost?

Chief Danielson: Probably around \$420,000.00.

Mr. Giancola: Okay. Maybe I misunderstood. You said you would use the rest for parts and stuff.

Chief Danielson: There's a couple things that we can do. Right now what we put out for bid -- the \$100,000.00 we can put into a special account that pays interest. Depending on how much interest we get, we might have about \$2,000.00 to play with.

Mr. Giancola: For some extra accessories because I didn't know if the bid was going to be \$420,000.00. I thought if it was \$390,000.00 you would have some extra cash. Thank you.

Mr. McCormick: Chief, I just want to say thanks and appreciate all of those involved in getting that grant again and getting that in the city. That's a great thing.

Mr. Stredney: I just have one question Mr. President. If the water fund is having an excess of money, are they going to be able to repay any of the debt this year?

Mr. Nader: Whatever excess money reduces the debt by that exact amount.

President Marino: It doesn't go back into the general fund, it just makes the water –

Mr. Papalas: Try to figure that out.

President Marino: We went around and around with the auditors on this.

Mr. Papalas: I was thinking just like you are, but that's not the way they're explaining it.

Mr. Stredney: So that excess money was loaned from the general fund, right?

Mr. Papalas: Yes.

Mr. Stredney: But it doesn't get paid back to the fund?

President Marino: It's just on paper.

Mr. Stredney: It was mind boggling when you guys told me this.

President Marino: Mr. Papalas and I met with the state auditors at least twice, maybe three times, and Steve was far more direct than I in terms of trying to explain to us how two and a half million dollars of general fund money was allowed to pay water department obligations under those accounts without appropriations and the state auditor explained to he and I that the city auditor is permitted to do that. It's permitted.

Mr. Stredney: So now we'll have an excess amount. They don't have to repay the –

President Marino: It just brings down the deficit fund balance. Chuck, jump in if I'm wrong.

Mr. Nader: No, you're correct.

President Marino: It brings down the deficit fund balance in the water so during the fiscal commission meeting, the fiscal supervisor explained that the two and a half million is 1.19.

Mr. Stredney: You guys are just explaining this to me because if that is all there is to it, I don't understand why our auditor just doesn't say then we don't have a deficit anymore and we can

just do away with the deficit on paper all together. I'm not trying to be a smart – I'm would just seriously – maybe we need to go to somebody else above these state auditors because I don't understand how they can't pay back the general fund this year.

Mr. Papalas: We went to two different groups of auditors. If we passed an ordinance that somebody came to us and said we need to borrow money from the general fund for the water department, we would pass an ordinance that said loan, like we did once for the light department, then that money would have had to be paid back, but there is no ordinance because nobody told us.

President Marino: Part of the issue, Ed, is that on paper – it sounds quirky – but it's just on paper. Liquidity wise, I think the light department is managing our cash flow for the City of Niles. Chuck, am I correct?

Mr. Nader: Yes.

Mr. Stredney: With the same rationale with account standards with the same rationale, then our water department has a surplus of \$300,000.00 actual cash dollars.

President Marino: No.

Mr. Stredney: How much cash is in the account right now?

Mr. Nader: Water has nothing.

Mr. Stredney: But at the end of the year, we'll –

Mr. Nader: We'll still have nothing.

Mr. Stredney: So where is the excess?

Mr. Nader: The money was floated from all the funds. All the money from the city goes into one cup. So the bucket is full. Pour out two glasses of water, how much water do you have in each one – I'm sorry. This is not aimed at you and you have to understand that. How much do you have in each one of the glasses?

Mr. Stredney: Two cups.

Mr. Nader: And what's in the bucket?

Mr. Stredney: Couple cups.

Mr. Nader: So you take a cup of water pour it out. That's money going out. When it rains it goes back into the cup, correct?

Mr. Stredney: I agree.

Mr. Nader: How much money does water then have? It still has nothing.

President Marino: On paper it is going to show that the deficit is reduced by whatever.

Mr. Stredney: But here is my question. Where is the deficit being reduced to? To its own fund?

President Marino: Yes. So the liquidity of the city is the light department cash sitting there. The sewer has a little bit of money. Water has no money. General fund – listening to him at the last meeting would be bankrupt the end of November.

Mr. Papalas: Ask the auditors at the next commission meeting.

Mr. Stredney: I talked to them and we went around and around and I still don't understand.

Mr. Papalas: In the early '80's we weren't allowed to do that. That was not allowed. Remember Fremont, in the early 80's the first time we went through this, we weren't allowed.

Mr. Stredney: The way I saw this is we were going to have an extra quarter of a million dollars that they could repay the general fund.

President Marino: We thought that. We thought that would get us through this year.

Mr. Stredney: And I'm still baffled as to how if you have the money and you see the money coming in but it's just going to pay down a deficit that is not in existence in the general fund.

President Marino: Just on paper. I'm not making the word up.

Mr. Stredney: That's what they told me, but I –

President Marion: Eventually it will be made whole as the revenues come in. Chuck, anything else? Did I misspeak on anything?

Mr. Nader: No.

Mr. Stredney: No. That's how it was described to me, but I just thought – One other comment I would like to make is that at one meeting it was brought up that the tax levy that is going to be on the November ballot cannot pay for certain items has been –

President Marino: Great question. Mr. Litner e-mailed me back and said because there's no specifics of specificity within the actual language; that we're okay. It does not change the five year forecast. Thanks to John Merlo for helping push that along with providing them with information to clean that up for us, so we're okay. He also put it in writing.

Mr. Stredney: The state auditors -- their financial recovery plan goes –

President Marino: The financial supervisor said it was okay.

Mr. Merlo: Chuck, at the last meeting you were talking about payroll and where we would be by the end of the year, we'd have a better understanding after the fiscal commission, where do you think we'll end up now with police, fire and general fund?

Mr. Nader: We're working on that right now. Like I said, if we can knock out other line items, etc. it's still like I said, right now the end of the year is going to be very very tight. I think it's going to be beginning of December.

Mr. Papalas: John, the Mayor said September 1<sup>st</sup> at the last meeting so we'll wait until the next meeting and then ask the question. So I hope next week we have some idea.

Mr. Merlo: That's all I have.

President Marino: Chuck, if we nurse through this year, what do we start with on January 1 going into next year if we just make it by nip and tuck?

Mr. Nader: If revenues with everything is status quo, we'll end up with like eight million dollars in expected revenues for next year. We'll start with no money carry over, so eight million dollars, I mean, there's going to have to be cuts throughout the whole year. I mean staff and everything. It's not going to just be layoffs. Now if come November, if the tax levy was to pass, that brings \$900,000.00 more to do things with. That's going to be a big difference. A lot depends on that and then it's already been said that Toyota's moving in, Cafaro – you know, when are they going to start? I don't expect to see much revenue from them until at least the end of the first quarter next year, so it's just – a lot depends on the levy. If the levy doesn't pass, I mean you're going to have to cut the budget by at least 10% - 15%. The only big pieces of the budget are the payroll and benefits.

Mr. Stredney: 10% - 15% would be \$750,000.00?

Mr. Nader: No. It would a million to a million and a half.

Mr. Merlo: I remember you saying when we pass the budget that we were putting appropriations in for just wages, it didn't include overtime or vacation sell back, am I correct about that?

Mr. Nader: yes.

Mr. Merlo: So let's take police 2.4 million. Where are they at right now when we only appropriated 1.9 million?

Mr. Nader: I don't have the exact number of what they've spent so far, but in December when we passed the budget, I brought forth the only monies for regular time. There was no over time, no vacation sell back budgeted into that. I brought that out and it was in the newspaper so it's not like we shorted anything.

Mr. Merlo: We could very well before November or December.

Mr. Nader: Could be.

**ADJOURN**

It was moved by Papalas, seconded by Lastic to adjourn the meeting.

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LORI KUSZMAUL, Clerk of Council

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ROBERT MARINO, JR., President of Council