

MINUTES

Niles City Council held its regular meeting of December 19, 2012 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; Linda A. Yuhasz called the roll:

Lastic-P; Papalás-P; Giancola-P; McCormick-P; Stredney-P; Merlo-P; Wilkerson-P; Marino-P

It was moved by Stredney, seconded by Lastic to accept the Minutes of the regular meeting of December 5, 2012. Motion carried.

REPORTS AND COMMUNICATIONS

None

MEMBERS OF THE AUDIENCE TO ADDRESS COUNCIL

None

COMMITTEE REPORTS

None

ORDINANCES AND RESOLUTIONS

RESOLUTION No. ___(Draft No. 69-12)

A RESOLUTION AUTHORIZING THE APPROPRIATION AND TRANSFER OF FUNDS FROM THE UNAPPROPRIATED POLICE AND FIRE ½% TAX FUND TO THE POLICE DEPARTMENT'S WAGES ACCOUNT AND, DECLARING AN EMERGENCY

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

YEAS: 7 NAYS: 0

Rules are suspended.

It was moved by Papalás, seconded by McCormick that this Draft be adopted.

YEAS: 7 NAYS: 0

This Draft No. 69-12 has been adopted on the 19th day of December, 2012.

RESOLUTION NO. ___(Draft No. 70-12)

A RESOLUTION AUTHORIZING THE TRANSFER OF FUNDS FROM TWO ACCOUNTS WITHIN THE POLICE AND FIRE ½% FUND TO THE POLICE DEPARTMENTS WAGES ACCOUNT; AND, DECLARING AN EMERGENCY

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

YEAS: 7 NAYS: 0

Rules are suspended.

It was moved by Papalás, seconded by Wilkerson that this Draft be adopted.

YEAS: 7 NAYS: 0

This Draft No. 70-12 has been adopted on the 19th day of December, 2012.

RESOLUTION NO.__(Draft No. 71-12)

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE TRUMBULL COUNTY TRANSIT BOARD FOR THE CITY TO PROVIDE TECHNICAL EXPERTISE IN OPERATING THE COUNTY TRANSIT SYSTEM; PROVIDING FOR THE CITY'S GRANTS AND DEVELOPMENT COORDINATOR TO ACT AS AN ADMINISTRATIVE/TECHNICAL ADVISOR TO THE TRANSIT BOARD TO PROVIDE SAID EXPERTISE; AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY; AND, DECLARING AN EMERGENCY

Councilman Papalás: Mr. Mayor is this a month by month basis?

Mayor Infante: Yes.

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

Councilman McCormick: Is this something we provide gratis not something that they compensate us for?

Mayor Infante: We are going to get compensated a thousand dollars a month, the city.

Councilman Stredney: Three thousand total.

President Marino: Terry did you check with the Ethics Commission?

Law Director Dull: I did have an opportunity to speak with them and had quite a discussion about this. I believe the agreement we will have in place if this ordinance is adopted plus an additional agreement with Mr. Hess regarding an accounting of his time that he is going to provide with reference to the city position and with reference to the consulting work he will be doing with the Transit Board, it is my opinion that we can meet the requirements based on my discussion with the Ethics Commission. It will require a careful accounting of the time Mr. Hess is spending. I think we will have a written agreement and Mr. Hess is a very detailed oriented individual and I believe we will be in good shape.

President Marino: Thanks Terry for doing all your leg work on that, I certainly appreciate it. I agree with you regarding Mark's abilities, no one would ever question that.

YEAS: 7 NAYS: 0

Rules are suspended.

It was moved by Wilkerson, seconded by Merlo that this Draft be adopted.

YEAS: 7 NAYS: 0

This Draft No. 71-12 has been adopted on the 19th day of December, 2012.

RESOLUTION NO.__(Draft No. 72-12)

A RESOLUTION ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2013; AND, DECLARING AN EMERGENCY

Councilman Papalas: I want to state concerning this budget before we vote on it that every year that I have worked on this budget with the Mayor at the end of the year for the next years budget, I have to say that this administration, yourself, other council members have done a yeoman's job in cutting the budget and tearing it down to the point where it is workable and fits within our revenue. Every year we cut it more and more until now I am afraid for various reasons we simply can not cut it any more. We are at the point where after this year, after 2013 if we don't find additional revenues we are going to have to make cuts in places that are going to be very uncomfortable; in places in the budget that we probably thought would never happen a few years ago. Because interest rates are so low, the economy has tanked out, expenses increased appropriations and so forth for wages and medical benefits it is just not there any more. We agreed the other day that we need you to know this and we need the public to be aware of this. I am sure the Mayor is going to be adding to my comments.

President Marino: Gentlemen for your own information I have been asking questions if you have been paying attention about our finances and I had some discussions with our Treasurer, and he was kind enough to provide me with year end bank balance accounts for The City of Niles since 2007. In 2007 we had \$34,283,000 at the end of the year total cash. In 2008 we had \$27,178,000, in 2009 we had \$16, 616,000, in 2010 we are at \$16, 724,000 and in 2011 we are down to \$14, 107,000. From 2007 to 2011 twenty million dollars! At the end of this year, 2012 when we met with the Mayor and Auditor it will be \$8,000,000 cash in our accounts. The Water Fund will be zero, the Sewer Fund will be zero and the Light Fund will have \$3,500,000. So the picture painted for all of us is one that is going to require us pulling up our boots and really getting to work on this.

Councilman Papalas: It is going to be very difficult and the department heads all of them have done everything they can to control the budget and to control expenses. There are things that they need also in the course of their work and in the course of the work of their people. It is going to be a frustrating time.

Mayor Infante: Well a lot was said and I have been saying this for the last three years. Chuck and I when we do the budgets and Neil and the Board of Control watches the money every Wednesday because if something is not in the budget and the department head spends it they don't allow it. This is a train wreck waiting to happen. For 2008 we used to get \$1,500,000 on the interest on our money so we would have eight or nine million banked in General Fund. Today we are at twenty five thousand to thirty thousand interest and Chuck can verify that. That is what we are gaining on our money. By the time the interest rate goes up we are not going to have any money there to gain interest on. We have combined jobs through out the city and we have a lot of jobs opened through out the city in the General Fund because we could not afford

it. The unions have worked with us and we have combined jobs in General Fund with the Light Fund. We have combined jobs every where we can to try to save money in the General Fund. It is getting to the point now where we are running out of our unencumbered money. We have cut and I don't think that we have one vehicle budgeted for in the budget this year to purchase in any department. That is how it is getting. We went to all avenues we can to make it work and if the interest rates were still there and we were still getting that \$1,500,000 a year we would be on top of the world. We have got to last about four years. In 2008 we were collecting \$6,300,000 in income tax and today we are about \$5,600,000, we have taken a big drop in our income tax. Even though it is holding it's own and it's a little higher this year than last year but it's just not enough to over come that \$1,500,000. As we talked with the finance chairman, the auditor, service director, me and Bob Marino we have to look at an alternate plan and hopefully the first quarter of 2013 we need to sit down and put a plan together and look at raising our income tax. We have to try and make up that \$1,500,000. We want to put a plan together and do it for maybe Capitol Improvements types of income tax increase. Maybe go like Steve suggested for three years temporarily and let the people see in the City of Niles what we are using the money for. It is not going to be wasted, we have not wasted money in twenty years. We want to keep our safety forces working, we have dumped all of our money in police and fire every year. Both of their budgets are close to \$8,000,000 and we only bring in \$5,600,000 in income tax. We are funding through unencumbered money and the unencumbered money is running out because of the interest dropped so low. We will do every thing we can to keep it going but after 2013, 2014 is going to be a tough year if we don't do something. I am hoping we react in the first quarter and get the finance committee to get a committee together and put a plan together and let's go out and sell it and see if we can do something. I want to thank all the department heads because they all understand where we are at hopefully.

Councilman Papalas: Those meetings will start in January and we are going to need help from the fire chief and police chief. We need input and advice, discussions are important. We have different sources of actions that we can take (inaudible) approach and we need to run some of those by you in how we are going to raise that money. We can't cut any more and you know that. We need fire trucks, we need cruisers and a lot of things if we are going to maintain a certain level of safety in this community. We are not going to be able to do that in the near future and that is what we are concerned about and I know you are.

Mayor Infante: We also lost our local government funds so that is another \$50,000 on top of everything. We probably lose the rest of that next year Chuck?

Auditor Nader: At least another quarter.

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

YEAS: 7 NAYS: 0

Rules are suspended.

It was moved by Papalas, seconded by Lastic that this Draft be adopted.

YEAS: 7 NAYS: 0

This Draft No. 72-12 has been adopted on the 19th day of December, 2012.

MISCELLANEOUS REMARKS

Auditor Nader thanked everyone for their help in the budget this year.

Mr. Mark Hess spoke to council about a company hired by the drilling industry to perform seismic testing. The company is called Front Runner Seismic and they will be approaching property owners in Niles to do some testing. The intent would be to determine what the thickness of the existing shell is. One of the methods that would be used is a trac drill which is a 6 foot wide and 10 foot high machine that drills a six inch hole on the property thirty feet deep. This company also uses 2 trucks that weigh 80,000 pounds. Mr. Hess informed council that Front Runner Seismic will do a presentation for city council at the January 16, 2013 meeting at 5:30p.m.

President Marino spoke to council concerning the January 2, 2013 meeting. It was moved by Councilman Papalas, seconded by Councilman Lastic to amend the 2013 calendar to have one meeting in January on the 16th of January 2013. Motion carried.

Councilman Stredney told council that his son came home from school and said that as a tribute to the victims of the Sandy Hook Elementary School in Connecticut on Monday night please leave your front porch light on.

It was moved by Giancola, seconded by Merlo to adjourn the meeting at 6:20 p.m.

Linda A. Yuhasz, Clerk of Council

Robert Marino Jr., President of Council

