

SPECIAL COUNCIL MEETING
(Resolution No. 22-15)
May 8, 2015

President Marino: By order of City Council a special council meeting has been scheduled for Friday, May 8, 2015 at 11:00 a.m. for the expressed purpose of the discussion on Draft No. 22-15, a resolution approving the Mayor's financial plan required by Ohio Revised Code Section 118.06 for submission to the financial planning and supervision commission for the City of Niles, and declaring an emergency. This is the only draft that will be discussed. There will be no public comments for this meeting and it is for council discussion following the Mayor's presentation.

The meeting was called to order by President Robert Marino and the President called the roll: Lastic-P, Papalas-A, Giancola-P, McCormick-P, Stredney-P, Merlo-A, Pezzano-P, Marino-P

Let the record show Councilmen Papalas and Merlo are absent. Councilman Papalas is on his way. At this time I will turn the meeting over to Mayor Infante to present his financial recovery plan. Mayor Infante.

Mayor Infante: The process is that we have to have this in by the 12th to the state and then the state will turn around and once council passes it, it goes to Fiscal Commission on the 20th for their approval. This is required by Revised Code Section 118.06. It's a 5-year plan. As I did the plan, I had to have supported documents to the auditors, which they ran the numbers and you'll see on the last four pages that this is a 5-year forecast. That was based off of my 35 items that I've listed. They broke it out in all departments, general, water, sewage, permissive. The only one they didn't project because we didn't have to include it was light. It wasn't part of it, so the first couple pages tells you the whole process and the dates that everything has to be submitted, financial reports and then the third page starts the recovery plan items that I submitted to you guys right now. We can go over everyone if you want. If you have a question, I'll answer it for you as well as the supporting documents that go with it. Like I said, Tim ran those numbers after the plan is based off of. So the numbers show a 5-year forecast that were valid. An example would be, if all 35 were implemented – each one is going to have to be implemented after the Fiscal Commission approves it. Each one is going to have to come in by ordinance and be attached at one time or another to be enforced individually.

President Marino: Because some of these are in the collective bargaining agreement, Ralph, is why we have to go through a process to arrive at a balanced budget?

Mayor Infante: Yes.

President Marino: Ok.

Mayor Infante: And the forecast will show you that it will begin -- an example would be the third quarter of this year, fourth quarter or it will begin in '16. Example No. 1, switch to state billing collection agency, you guys passed that ordinance Wednesday night, we'll do the contract with them and they'll start implementing that, hopefully, in the third quarter of '15, so we can

start collecting delinquencies. The second one is to eliminate three lieutenants through attrition. You guys already passed two readings on that so you'll have to pass the third one, but that probably won't take effect until '16, '17 or '18. Number 3 is available cash balances of dormant funds like the GO bond SA bonds, spare transit monies, unclaimed monies and by the fourth quarter and Terry Dull is working with the legal part of it. We have to go to court and request that, right Terry?

Mr. Dull: Yes.

Mayor Infante: Then they'll split that up among the general fund. It will be a one-time move. Number 4 is join the health county district reducing expenditures probably --

President Marino: Let the record show that Councilman Papalas arrived. Sorry, Ralph.

Mayor Infante: It will probably reduce it -- if we get that implemented by the third quarter, I sent the letter to the county health advisory board, so I'm waiting to hear back from them. The letter has already been sent. We'll have to work out an agreement. We'll probably save \$100,000.00 this year and \$200,000.00 starting next year and every year after.

President Marino: When will Mike be here as a satellite?

Mayor Infante: We'll negotiate with the county for a satellite office here so we'll have Mike here and probably a nurse to still do stuff for Niles, but they may have to do some stuff for Girard and maybe Weathersfield Township because they'll be govern by the county health.

President Marino: Like I asked you yesterday, it will all be in writing, the contract will be in writing?

Mayor Infante: Yes. We'll no longer have to worry about food services, licensing, they'll handle all of that. Number 5 is building and housing rate increases. We increased it -- me and Tony and Neil worked a couple days on that. We have supporting documents where we raised each rate because they haven't been raised in probably 50 years and we're still underneath everybody else us in the surrounding communities, but we think we can generate \$37,000.00 more, probably \$18,000.00 this year, but it won't be implemented until June once we go through council and pass the ordinance, but next year will be a full year and it will be about \$37,000.00 increase.

Mr. Giancola: Mayor, I went through this last night pretty well. There's one thing that I was a little hazy on. Does this count occupancy permits and things like that? Those things that Crowley was supposed to be working on.

Mayor Infante: That's part of it and that's \$61,000.00 there. When it comes to rental properties, right now it's \$12.00 and we're going to double that.

Mr. Giancola: So that's in this Number 5?

Mayor Infante: Yes. \$61,000.00.

Mr. Giancola: You're not going to have a cap? If somebody owns 40 rentals, and there was a cap at 15 –

Mayor Infante: The cap is on the apartment complexes.

Mr. Giancola: No, I'm not talking about what people own –

Mayor Infante: For an individual house, it is going to be \$25.00.

Mr. Giancola: No matter how many there are?

Mayor Infante: Yes.

Mr. Giancola: And this is what now?

Mayor Infante: Complexes. Remember we had that scale in there. We went from 1 to 150.

Mr. Giancola: Yes. Individual houses, though, if it's \$25.00 now, what was it?

Mayor Infante: \$12.00 before. It will be \$25.00 now.

Mr. Giancola: And there was a cap?

Mayor Infante: Correct.

Mr. Giancola: It was \$12.00. Once you hit \$150.00 if you owned another 60 houses, you would pay for it.

Mr. Papalas: We should do away with the cap. Are we doing away with the cap, Mayor?

Mayor Infante: At the moment, yes. If you guys think otherwise.

Mr. Giancola: No.

Mr. Papalas: No.

Mayor Infante: I have the supporting documents.

Mr. Papalas: No. I'm satisfied with that, Mayor.

Mayor Infante: You know, like when Jeff checked other communities, there were no caps.

Mr. Giancola: Right.

Mayor Infante: I can get that for you when you're ready to pass the ordinance, I'll have all that supporting document with it.

Mr. Papalas: Good.

Mayor Infante: Number 6. We talked about the Wellness Center has a full-time director. We're paying hospitalization. We want to turn around and in this plan is to eliminate it, make a director just for operations of scheduling sporting events and split it up between two department heads on running the building and the janitorial and the clerks out there.

Mr. Lastic: When those jobs are advertised with qualifications, can I be on the selection committee so I'll know who? Or is that no?

Mayor Infante: However you guys want to do it, it doesn't matter with me.

Mr. Lastic: I'm not speaking for anybody, just for myself.

Mr. Papalas: I think that's fine. Put someone from council and have Mike represent us. That's good.

Mayor Infante. Ok. And we figured we could probably save --

Mr. Giancola: So we're going to have somebody just run the sporting events.

Mayor Infante: Yes, a part-timer.

Mr. Giancola: And another part-timer to run the --

Mayor Infante: No. A department head already in the city hired to run the building and the maintenance. We have one on day turn and one on afternoon. We'll give them an adjustment of about \$5,000.00 each.

Mr. Lastic: There are plenty of young kids out there --

Mr. Giancola: To do something with --

Mayor Infante: To oversee the building, the operations of the building.

Mr. Lastic: Right out of college?

Mayor Infante: Right out of college. We're looking to save \$25,000.00 this year and next year it will be \$50,000.00 and beyond. Number 7 is allocating the cost of the engineer's department. The problem we had there was we didn't have any documentation supporting what they did every day and Mark put that together now and we are doing it on the time sheets. So if an inspector is working on sewer, they are going to be paid out of sewer, if they're working on a

light, they'll be paid out of light, if they're working on water, they'll be paid out of water, if it's a street resurfacing, it will be paid out of street and that's what the auditors wanted.

Mr. Giancola: So instead of the funds being paid out of the –

Mayor Infante: Out of general fund, it will be what they do and we have to have supporting documentation on the time sheets.

Mr. Giancola: Ok.

Mayor Infante: Number 8 is the contractor's annual license fee. Right now it is \$25.00. We're going to raise it to \$50.00 and that will generate \$12,000.00 more annually. That's an automatic thing. The only thing is, this year they will probably mostly have paid already and we have like 475, I think, contractors that work in the City of Niles that you have to be licensed. This will generate about \$12,000.00 more.

Mr. Papalas: Up from what? \$25.00?

Mayor Infante: \$25.00 to \$50.00.

Mr. Papalas: Ok.

Mayor Infante: Number 9 is health care adjustments. Reducing the cost. We're looking to save probably at least over \$100,000.00 this year and because we bid out in June and it takes effect August 1, so we'll be bidding here in early July on health care. We've met with all the unions twice. Now we're waiting for them to come back. We brought in our person and explained to them what's going on. We need to change co-pays and stuff like that in the insurance plan. We brought a guy in, an expert in, and explained it to them. Now we told them, now you have your opportunity to bring somebody. We should be scheduling another one, but we're waiting on them, but that's going to be another negotiated item with the unions.

Mr. Papalas: Two questions. How soon do you want that to take effect?

Mayor Infante: When we bid in July, we want to have a new plan in place.

Mr. Papalas: All right. Here's the big question. The devil's advocate. What plan do you have if they reject your request?

Mayor Infante: It will probably end up going to fact finding, but we have the upper hand because it's in the plan and the auditors will go to fact finding with us.

Mr. Papalas: Ok.

Mayor Infante: We told all the unions twice now remember. Right now we're waiting on them. We have a cost containment committee and we've explained to them what our problem is. We told them, it's better off if we change the deductibles and turn around and have you pay a co-pay.

It's one or the other. We think we can save probably \$500,000.00, but that's not all general fund. There's like 95 members out of general fund and the rest are out of water, sewer and light. But those funds will save the balance of the money, but it looks like about \$265,000.00 out of general fund that we can save if not more. So if the bid goes out and it's what we want, we could probably save \$265,000.00 this year out of general fund.

Mr. Papalas: On Number 9?

Mayor Infante: Yes. The rest is broken out into water and sewer, 34 and 44.

Mr. Papalas: Ok.

Mayor Infante: The next year will be the whole year of savings in general fund. Number 10, cancel the Wellness program. We already did that. We just did that a month ago. The savings is about \$10,000.00. That's broken out. A lot of that is broken out the same way, 95, 34, 30 to other departments that are paid into that. So we already cancelled that part of it.

Mr. McCormick: So what is to begin in 2015 has actually already begun?

Mayor Infante: Yes. Number 11, monthly reconciliations. That's what the auditors wanted and I think Bob has agreed to the 11th of each month the reconciliations will be done and the report has to be given to you guys and approved.

Mr. McCormick: Aren't they current now?

Mr. Nader: Almost. We're through – we're finalizing February by the commission meeting and then get through April. The state auditor was in again on Tuesday and they had training on different things and they answered questions.

Mayor Infante: Number 12, that's the software in the auditor's office. Projection is June 1 and Sharon Hanrahan is really on that big time, you know, because we are still doing paper. Chuck's been putting the documents in every day so hopefully that's a good date, June 1st. Number 13, switch to the state collection agency. We'll increase the delinquent utility revenue by \$25,000.00 in water, \$25,000.00 for sewer during '15 and they are thinking \$5,000.00 annually after that when we ran the numbers. Now, we have already – we're definitely going to get them in right away. You guys just passed the ordinance Wednesday night, so we're going to get them down here and get started on the delinquents. The billing office now is running all the delinquent accounts and they'll go after them. They use like four or five different agencies to try to track these people down.

Mr. Papalas: Good.

Mayor Papalas: Number 14. We want to use the available cash balances in a lot of the funds, like the utility trust, \$700,000.00. There's one million four in there, in the utility trust, we want to take \$700,000.00 out. Again, Terry has to work with the common pleas judge and the reason why we're saying \$700,000.00 is because it's based off of uncollectible and what you can

collect. You still have to leave \$700,000.00 in here. If you have a lot of renters that have a deposit down and they have five years to collect it. Tim and I thought anything beyond five years, they're not going to collect that money, so we want to transfer \$700,000.00 out of that and allocate it to the funds where they belong.

Mr. McCormick: Is this just going to be an infusion in the general fund to beef it up to get us through?

Mayor Infante: No. It will be water, sewer and light.

Mr. McCormick: So it goes to the individual?

Mayor Infante: Yes. That's for the utility account. So they want to distribute \$175,000.00 to water out of that \$700,000.00, \$350,000.00 to light and \$175,000.00 to sewer and that's based off of, I think, 60/40.

Mr. Nader: 50/25/25.

Mayor Infante: And there will still be \$700,000.00 in that utility trust. Number 15, allocate cost of engineering firms to funds based upon use. Additional expenditures for water fund of \$62,000.00 and sewer fund of \$62,000.00. Street fund also gets a portion. Again, that's going to be based off of how Mark and the time sheets, how it's projected out for the year. Right now, it's all – well, we were paying it, street, water, sewer and general by city ordinance. 25 each. His department was split. Why? They're saying that it shouldn't be that way. I don't know. If it's a city ordinance, you feel that's the law, but they would rather see documentation supported by the time sheets.

Mr. Hess: The engineering department used to be paid for half general and from street funds and from the sewer fund, and because we issue sewer permits, we inspect sewers and sewer projects, we do road projects. At one time Jack Meers, I don't know if you guys remember, he worked in our department and worked for the utility department, they didn't call it at the time water and electric. It wasn't separated. It was one department and it was under utilities, so when we brought Jack into our department, we had the idea way back when that we would try to save some of the general fund because we have all the records down stairs, all of the electric drawings, water drawings, everything is down there, so we thought that would be a good idea to try to do that and for all these years the state auditors have said it was okay and now all of the sudden it's not. So I still have the problem of trying to find electric department work for water department work for some of these guys, but the majority of it is on a daily basis is still street and sewer. That's the majority of it.

Mayor Infante: Number 16, health care reducing remaining 2015 costs. Pending approval by the unions, the savings would be \$15,535.00 going forward.

Mr. McCormick: Ralph, what's the difference between that one and Number 9? I see the same figures are in there.

Mayor Infante: The other one was sewer.

Mr. McCormick: Ok.

Mayor Infante: Then they show the breakdown for each department. Number 17, we raised the water rates in February 10% so that's going to show an increase of \$486,000.00. We know after '16, we'll have another \$398,000.00 - \$400,000.00 because the assessment comes off the books, so that will be an additional \$400,000.00. So it's going to be a turn of \$800,000.00 in two years in the water fund. Number 18 is for the sewer. The health insurance. So they have it broken down with the sewer, water, general. Number 19 is the collections from Trumbull County and Village of McDonald for their share of the sewer plant being built. That's based off their contract. McDonald's is 9.34% of the cost and Trumbull County is 9.7% of the cost. McDonald's is based on the 25 million cap. Trumbull County is based on the 35 million dollar cap. So Trumbull County is going to owe us 3 million and McDonald will be 2.6 million, and that will come off our total cost of the plant. The plant total cost with construction, engineering, is 36 million and our cost is only going to be 30 million. If it's 32 million, then it would be 25 million, so whatever the number is when it goes out for bid.

Mr. McCormick: I didn't realize that the county paid that much. I thought the county just paid a portion of McDonald. I thought they paid 10%.

Mayor Infante: We take McDonald sewage in.

Mr. McCormick: I know we take McDonald's in, but doesn't the county cover some of McDonald's too?

Mayor Infante: No. County only covers Weathersfield, parts of Weathersfield we take in, McKinley Heights, Hilltop and Howland. Number 20 was prisoner transport. It's not generating enough money so stay whole. That's that fee the judge put on at \$50.00 per transport. They're not collecting the money like they should be because people don't pay, so that's something we're going to have to talk to the judge about. I think we get a portion of the increase of court costs that he put on, but it's got to stay positive. We're spending about \$5,000.00 per year for that part of the collection agency to - well, whoever he uses for collections.

Mr. Papalas: Mayor, what percentage of the general fund goes to the court right now?

Mayor Infante: Well, a year ago it was like 200 and some thousand or 250 thousand.

Mr. Nader: I don't have those numbers with me.

Mayor Infante: Now, through attrition we're eliminating a position there so that's going to have to go to council eliminating that position, who that's going to save about \$70,000.00.

Mr. Papalas: Ok. So we don't know what percentage then presently goes to the court from the general fund, is that it?

Mr. Nader: No. I'll get you that number.

Mr. Papalas: Ok. Can you e-mail that to me? I'm just curious.

Mr. Nader: Yes.

Mr. Papalas: Thanks.

Mayor Infante: Number 21 is exploring the RITA for income tax collections and I know Bobby's been talking with RITA so you're going next week?

President Marino: Monday.

Mr. Papalas: What will that be? Rough number.

Mr. Swauger: Rough number if we only staff the income tax office with all the positions, I mean we have the investigator unfilled right now, you're looking at around 80 to \$100,000.00 per year.

President Marino: That we would save if we go to RITA?

Mr. Swauger: Right. We're not fully staffed and we have the expenses are low right now so it would probably be more like a breakeven 15 to \$20,000.00, but if you wanted the income tax office to operate with a tax investigator to go out and find other things and collections and all that, you're probably looking at \$100,000.00.

Mr. Papalas: Does RITA have an investigator?

Mr. Swauger: Yes. I am also actually going to their place Monday to tour and see exactly how they operate so instead of them coming down here I wanted to see how they operate. That way I have first-hand knowledge of how they do it.

President Marino: At what point will you make a recommendation to council, the administration and the commission, Bob?

Mr. Swauger: If Monday's meeting goes well, I talked to Chuck up there and probably I would guess sometime in June because in order to get it online in '16, if that's the way we decide to go, we would have to have something in place sometime by July 1st to the middle of July at the latest. We can get everything transferred over there to be up and running by January 1st.

President Marino: Ok.

Mr. Papalas: You do understand that we need action on this very quickly?

Mr. Swauger: Yes. I will know Monday. I'm touring the facility on Monday.

Mr. Papalas: All right.

President Marino: Mayor, may we put June 1st in here? Are we permitted to – I know it's your plan, but can you put so it's in here that the Treasurer will provide you with his recommendation by June 1st?

Mayor Infante: Sure.

President Marino: Is he allowed?

Mr. Dull: Yes. If it's something before council approves it.

President Marino: Is that ok with you, Ralph?

Mayor Infante: Yes.

President Marino: That you put a date in there?

Mayor Infante: Yes. Now, the only thing is if you go with RITA, it's probably \$185,000.00 and that's not counting if they take somebody to court. That's an extra cost. I'm looking at maybe using OSS to collect delinquencies in the tax office.

Mr. Papalas: But they also have an investigator.

President Marino: Yes, but they charge you.

Mr. Swauger: We are finalizing a lot of the open questions that we had from our previous meetings on Monday when I go there because there's a couple questions that me and the Mayor come up with that aren't clear.

Mr. Papalas: Whose going with you?

Mr. Swauger: Nita from the auditor's office.

President Marino: From what I understand for Number 21 it's going to say 1st quarter 2016 recommendation from the treasurer on RITA, right? Is that what we are all agreeing too here? You're going to have a recommendation?

Mr. Papalas: June 1st.

President Marino: By June 1st, right. By treasurer by June 1st. Ok.

Mr. Papalas: So we're looking for something before June 1st?

Mr. Swauger: Right.

Mr. Giancola: Ralph, you made a statement that you were also making collections in the treasurer's office to the other agency?

Mayor Infante: OSS. I think it would be cheaper.

Mr. Giancola: What's the –

Mayor Infante: They get 6% of what they collect only.

Mr. Swauger: It's the same contract that you guys passed the other day, but that was the utility office. You have to get another contract for the income tax office.

Mayor Infante: We can just add it. Number 22, eliminate minimum manning in the safety contract, police and fire to reduce the expenses by \$150,000.00 in police and \$100,000.00 in fire. Right now we're -- that's what's blowing us out right now in general fund is the police and fire. Both their contracts are over 7 million. We would bring in 6 million in income tax so that's been our problem the last four years. We have to find a million five out of other monies to support police and fire. So if we can eliminate the minimum manning in the contracts, that's a big savings.

President Marino: How's the progress going on that?

Mayor Infante: Right now it's at a standstill, but once it's in the recovery plan that gives Clemons and Nelson teeth to negotiate and the auditors will go in with us again on that.

Mr. McCormick: This isn't meant to eliminate people, it's meant to cut back the overtime that's required to do this, correct?

Mayor Infante: Yes. Number 23, installation of water meters to generate \$695,000.00 in additional revenue and the installation costs of putting those remaining meters in would be \$600,000.00.

Mr. Giancola: Are we going to be able to get these installed here?

Mayor Infante: Well, right now we don't have a plan on how we're going to get them installed. I mean, we try to go get financial – we tried to get a loan and once we went into fiscal emergency, they wouldn't honor it. The company that we had --

Mr. Lastic: What was the name of the company? Neptune?

Mayor Infante: No. A financial name.

President Marino: This will enable the Mayor to pursue getting them put in. If it wasn't in here, he would be unable to do that, so this allows him to go out and get this done.

Mr. McCormick: This installation cost, Ralph, what did you estimate the cost to put in these meters, do remember?

Mayor Infante: What was that? \$85.00. And we do have the supporting documents to show the additional revenue would be \$695,000.00. So say we try to go out and get a three-year agreement, the cost was going to be \$200,000.00 a year so we would realize \$400,000.00 more in additional revenue in water and sewer, split 60/40 because the sewer is based off the water read.

President Marino: Can we borrow the money off ourselves, Ralph, and pay it back?

Mayor Infante: We're looking at that now. We're looking to borrow from the light department so Nita and Tim are checking for us. We'd have to do some things through council.

President Marino: Pay ourselves back.

Mayor Infante: Yes. We've done that before.

Mr. Papalas: That's a good idea.

Mayor Infante: Number 24 is through attrition like fire, we're looking to eliminate three police captains through attrition to save \$45,000.00. A captain makes 17% more than a lieutenant and right now we have four lieutenants and five captains. So we're looking to go to 2 and 7. Seven lieutenants and 2 captains, so it's not reducing any police staff. That's through attrition, so we're looking – the next one looking to retire is about 2017.

Mr. Giancola: That's only one position?

Mayor Infante: Right. The first one. Then the rest will follow. Number 25 is non-replace the one court employee who retired this year. So this year, this will save \$50,000.00 and next year it will be a full \$70,000.00 and that's general fund.

Mr. Papalas: Number 26, that's the one I didn't understand that well.

Mayor Infante: That's the one that we have one year left to pay our assessment out there. We had a –

Mr. Papalas: At MVSD?

Mayor Infante: Yes. Our assessment comes off so that's additional \$400,000.00 in water after '16.

Mr. McCormick: We make the payment in '16.

Mayor Infante: In '17, there will be no more \$400,000.00 payments. Number 27 is eliminating Niles Answering Service. Our intention is to have dispatch do the duties. It's probably a savings

of \$3,000.00 total for a year. If we get that started in June, we can probably realize \$1,000.00 in water and sewer this year. Next year it will be the full \$3,000.00. That's all that is when there's a power outage or a water break, people call the police department and the police department calls the answering service and they go down a list to see whose next to be called per contract. Number 28 is capping the retirement incentive in all the contracts and we felt we can cap them and negotiate it through – like say somebody has – right now the ordinance says you can only pay up to 25 years, so if somebody has 30 years they can only get 25 incentive when they retire. So we are saying let's cap it where they're at right now starting in '16. Somebody has 15 years and they go to 30 years, when they retire they only get the 15 years. If they're at 9 years, they only get 9 years.

Mr. McCormick: Is that something in their contract that would have to change.

Mayor Infante: Yes. Right now we have 5 a year in the service departments, 2 for the salary people, so that's 7 there. How about police?

Mr. Nader: Police are completely different.

Mayor Infante: Ok. Number 29 is eliminating the college tuition in the contracts. Right now it's like an open door. Last year we spent \$18,000.00 and we were out by March. I had to send a letter over to the police and fire department saying there was no more college tuition being paid. We ended up with a grievance so right now we're going through the grievance procedure on that. So if we eliminate them out of the contracts, that's just college tuition, not ongoing schooling. Now we now \$17,000.00 is in police and \$3,000.00 in fire, so there's \$20,000.00 right there in general fund by eliminating tuition. Number 30, eliminating future increases on pension pickup and on employee share. That means that the pension boards turn around and say the employee's pension is going up another ½ % this year, the cost is going to be on them. That's what that's saying, before we pick them all up.

Mr. McCormick: We would still be liable if the employer portion went up, right?

Mayor Infante: The employer, yes. We have to cover that.

Mr. McCormick: Ok.

Mayor Infante: Number 31, adjust the life insurance coverage. We know this year we are going to save \$6,000.00 because Neil got a better rate so far, but then it's going to be bid out again in July when we bid the health insurance, so we're hoping to get more than the \$6,000.00, if possible. Number 32, we're adjusting the tax collections for the relocation of the Cafaro headquarters. We believe we'll probably get additional revenue of \$157,000.00 based off of 10.5 million payable and I have the documentation on their payroll from the Cafaro Company. Number 33, adjust tax collections for the Hampton Inn which is going to be built. We're looking at additional revenues of \$11,250.00. That's based off \$750,000.00 payroll. Number 34, Toyota Dealership. They ran the adjustments for that and that's about \$3,750.00 per year for Toyota coming into Niles. So that's all put into the 5 year forecast on income tax collections. The last one is – this is a big key one for the next 5 year projection. If we increase by a ¼% the income

tax, it's got to go on the ballot in November, we can generate approximately \$900,000.00 of additional general fund income. That would solidify us for the next five years.

Mr. Giancola: This ¼%, this is a permanent ¼%, right? Not just a five-year –

Mayor Infante: Well, however we do. It's up to you guys.

Mr. Giancola: I'm just asking. I didn't know which way if it's going to be a temporary five years or a permanent.

Mayor Infante: I would say.

Mr. Giancola: Say what?

Mayor Infante: Permanent.

President Marino: Councilman Merlo apologized for not being here, but he sent me an e-mail that he would like me to read into the record so that he's comments are included.

“Bobby,

Due to my job commitment I will not be able to attend today's special meeting in regards to the financial plan. With that said I would like for you to share my comments in regards to the Financial Plan.

Mayor Infante has spent great time in putting this plan together. He has very attainable line items that will bring the city to financial solvency by 2019. Based on the financial forecast on A6 our cash balances in GF start to incline by end of 2016.

On A9 and A10 the Water plan and Sewer plan respectively. These are two funds that have a deficit(water) and one that has a very large Debt to come (sewer). Based on these projections we would have solvency in both these funds by the end of the 5 year plan.

Here are a few items I would like to comment on. The sewer fund shows a decline in balances starting in 2018. Based on our debt service we would owe on the OWDA loan, our ending balance would continue to decrease. This is just something to keep in the back of our minds that we would need to increase incoming Revenues after 2019 in order to maintain Debt services on a 30 year note.

I am in total agreement that the wellness center needs attention during this financial plan. We are subsidizing the wellness center with the GF and need to increase our revenues. I am not quite sure how the implications of 2 part time directors of wellness center will affect the Current revenues coming into the wellness center. I think the wellness board should look at increases of Team fees that are currently being charged. We have the best facility in the Mahoning Valley and can utilize our state of the art facility to its fullest ability to increase revenues.

Mayor I again thank you for spending hours and hours on this plan.

I again apologize that I cannot be there today due to work commitments.

Respectfully,

Giovanne Merlo”

Mr. Papalas: Councilman Merlo’s comments are well noted.

President Marino: Any others? At this time, council’s pleasure on the Mayor’s plan.

Mr. Papalas: One second. Can I ask a question?

President Marino: Sure.

Mr. Papalas: Mayor, on this page, City of Niles Financial Assurances of the Financial Plan, is that some sort of agreement between you and the financial commission? Is that what I’m seeing on that page?

Mayor Infante: Yes. I have to sign this and I have to get it to them by Tuesday.

Mr. Papalas: Ok. Move for suspension of the rules.

President Marino: Moved by Papalas, seconded by Lastic to suspend the rule requiring three readings. Questions or comments? Terry, do we have to amend that section?

Mr. Dull: As far as it’s on the plan that he’s going to physically attach, if you make the change on that, then that will be –

Mayor Infante: Yes. I wrote it in on that. I’ll make the change and print that one page out.

President Marino: So we’re good?

Mr. Dull: Yes.

President Marino: Thanks for asking. Call the role.

YEAS: 6 NAYS: 0

Rules are suspended.


It was moved by Papalas, seconded Stredney to adopt this Draft.

YEAS: 6 NAYS: 0


Draft 22-15 has been adopted under suspension of rules this 8th day of May 2015.

ADJOURN

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



J. TERRENCE DULL
Acting Clerk



ROBERT MARINO, JR.
President of Council