

**NORTH RIDGEVILLE CITY COUNCIL  
FINANCE COMMITTEE  
MINUTES OF MEETING HELD  
FEBRUARY 25, 2019**

**To Order:**

Chairman Martin DeVries called the meeting to order at 6:30 p.m. in the City Hall conference room at North Ridgeville City Hall, 7307 Avon Belden Road.

**Attendance:**

In attendance were Committee members Dennis Boose, Bruce Abens and Chairman Martin DeVries.

Also in attendance were Mayor David Gillock, President Kevin Corcoran, Assistant Clerk of Council Tara Peet, Law Director Brian Moriarty, Safety-Service Director Jeff Armbruster, Auditor Jeff Wilcheck, Fire Chief John Reese, Councilman Bob Chapek and Councilwoman Michelle Hung.

**Minutes:**

Chairman DeVries asked for any additions or corrections to the minutes from December 17, 2018. No discussion was offered. The minutes stand approved as submitted.

**Discussion:**

Chairman DeVries turned the discussion over to Chief Reese regarding the cost of the new ladder truck.

Chief Reese stated the pumper truck is twenty-six years old. The life expectancy is generally twenty years. It has been running fairly well, but it is old. He stated the ladder truck was built in 2007 and is eleven years old. Generally the life expectancy on that vehicle is twenty years, but not always. Chief Reese noted that between 2016-2019, they have spent \$94,155.79 on repairs for the 2007 ladder truck.

Chief Reese noted that the minimum the Department would get on trade in is \$150,000. The original price was \$750,000 back in 2007. He provided pricing he received today for a new pumper and a new ladder (see attached **Exhibit "A"**). Chief Reese stated the City gets a credit with the insurance company for having a ladder truck. The ladder truck isn't a vehicle that can pull into a driveway due to the weight. The vehicle typically works from the street off the 100 foot aerial ladder for safety reasons. To replace the tires on the ladder truck the cost was roughly \$10,000. The new ladder trucks are built lighter and have less maintenance required.

Chairman DeVries asked if there were additional technology advantages.

Chief Reese stated yes. He noted the new ladder trucks don't require the firemen to stow the ladder. The ladder is run by a computer. He noted the new trucks have dual foam and more safety controls such as airbags.

Chairman DeVries asked what the most maintenance cost has been for the ladder truck.

Fire Chief Reese stated the rear suspension. The break hubs were replaced for \$20,000.

Chairman DeVries asked how many calls a year the ladder truck runs.

Fire Chief Reese stated probably more than 350-500. The truck is required at all fire and motor vehicle accidents, especially on the turnpike to block the roadway.

Chairman DeVries Martin asked about the current pumper truck.

Chief Reese stated that it is a twenty-six year old vehicle. It is difficult to find replacement parts but the vehicle has served the Department well.

Councilman Abens asked if it were possible to have the pumper rebuilt.

Fire Chief Reese stated he did look into it but missed the deadline. He noted the City has a difficult time finding parts now and recommended it not be rebuilt.

Chairman DeVries asked how many calls the pumper receives annually.

Fire Chief Reese stated they use it as a reserve when one of the three trucks are down.

Councilman Boose asked what is the oldest of them all.

Fire Chief Reese stated the pumper they are discussing.

Councilman Abens asked if the quote presented was by the current manufacturer the City has already.

Fire Chief Reese stated yes.

Councilman Boose asked if there would be additional cost for additional equipment needed if the new truck is purchased.

Fire Chief Reese stated engines are fully equipped. The trucks are built with a generator and that would be part of the cost. He noted they have more equipment on their current vehicles that would probably not fit on a new vehicle.

Chairman DeVries asked if a new vehicle will fit in the new firehouse.

Fire Chief Reese stated yes.

Chairman DeVries asked if there would be additional training for the firemen with a new vehicle needed.

Fire Chief Reese stated yes, but it was all done in-house.

Councilman Abens asked how often the ladder truck is used in mutual aid.

Fire Chief Reese stated constantly.

Auditor Wilcheck stated he wouldn't recommend paying for the vehicles up front in order to get the discount.

Councilman Abens suggested paying a percentage up front.

Auditor Wilcheck stated both vehicles can be purchased. He stated there were a few options on how to make the purchase. He noted bonds can be issued, notes can be issued and some other things can be done.

Chairman DeVries asked if there was a deadline for the bonds.

Auditor Wilcheck stated the City will be selling off bonds in early June. It would happen at that time.

Mayor Gillock stated there is no deadline. The deadline happens once the process begins. Mayor Gillock asked Auditor Wilcheck which funds the two trucks would come out of.

Auditor Wilcheck stated they can come out of Capital Improvement or Income Tax. He stated that if the City bonded it at \$1.3 million that would be using six percent of the Income Tax Fund for total debt. He stated if it were purchased through notes, it could be retired over five years. Auditor Wilcheck stated there is \$1.5 million that can be utilized as well. He stated he would need to speak with the City's Bond Counsel.

Councilman Boose asked how soon the City would need to issue notes.

Auditor Wilcheck stated considering the cost to issue debt, it would make sense to do it in June with the selling of the bonds.

Councilman Boose stated the purchases were slated originally at appropriations for 2020. He wondered what would need to be moved out to cover the cost of the two trucks.

Auditor Wilcheck stated he has not looked into it yet.

Councilman Boose reviewed all the purchases listed for 2020.

Auditor Wilcheck stated some of the dollars for the purchases in 2020 cannot be used for the purchase of the trucks.

Chairman DeVries asked how much the purchase would eat into the reserve.

Auditor Wilcheck stated \$500,000 is sitting and unappropriated in Capital Projects. He further stated he is looking to fund the debt service payments one year in advance in case of economic issues and for added insurance for bond holders. He noted it also helps the City with its bond rating.

Councilman Boose asked what it does to the reserve.

Auditor Wilcheck stated the amount is in excess of the City's carryover for General Fund. He noted that \$500,000 is going to be set aside for Center Ridge overrun costs. Auditor Wilcheck stated the City is on the hook for \$700,000 to date in overrun costs. There is \$900,000 sitting in the Center Ridge Road Widening Project fund. He spoke with the Engineer and stated the City could be on the hook for up to \$1.5 million in 2021. He suggested the City take \$500,000 out of General Fund this year and set it aside. He further suggested taking \$500,000 in 2020 and 2021 and not issue any more debt.

Councilman Boose asked if that was done, can the thirty percent carryover target be maintained in General Fund or would the 85/15 split need changed.

Mayor Gillock stated the City has the funding currently without touching General Fund money and the completion date has not officially been changed.

Councilman Boose asked Auditor Wilcheck if he would provide the different options in writing and how it impacts the budget now and going forward.

Auditor Wilcheck referenced an email he sent to Council in December. He suggested the initial half million comes out of General Fund transferred to the Center Ridge Road Project Fund. He suggested \$500,000 be set aside for future debt service fund payments. He stated the debt service must be paid first. Auditor Wilcheck stated he preferred having a cushion in the debt service fund.

Mayor Gillock stated the City has a license fee in place and it is spoken for regarding the Center Ridge Road project.

Auditor Wilcheck stated the license fee goes towards debt service. He noted no more debt can be placed on that debt. He also stated the bonds are twenty years and the license fee is permanent.

Mayor Gillock stated he will be looking at ODOT to recoup costs incurred due to Windstream's delay.

Auditor Wilcheck stated if the money is not used, it can be put back into General Fund or Capital Improvement Fund.

Councilman Boose asked if other quotes have been received from other companies for the trucks.

Fire Chief Reese stated he had. He stated if he had to choose, he would like to see the more expensive truck replaced right now.

Councilman Boose asked if the quote included trade-in.

Fire Chief Reese stated no.

Mayor Gillock stated the Department needed to have safe and reliable equipment. Mayor Gillock explained that state bid list means a list that has already been bid; or the City can speak to the manufacturer and buy below the state bid list.

Auditor Wilcheck discussed if a bond issue occurred, it would be \$1.3 million which would be just over the six percent income tax. The target is to be around five percent. Auditor Wilcheck presented a spreadsheet (attached as **Exhibit "B"**) to forecast what it would look like.

Councilman Boose asked if the scenario presented assumes no more debt being issued.

Auditor Wilcheck stated yes and further stated it accounted for two percent growth in income tax collections.

Councilman Boose thanked Auditor Wilcheck for the spreadsheet.

Councilman Chapek asked how much money would be saved in a one year period.

Auditor Wilcheck stated bonds can only be issued for ten years.

Fire Chief Reese asked the Auditor if the City is paying on any emergency vehicles currently.

Auditor Wilcheck stated he thought the City was a year away from completion.

Mayor Gillock stated he didn't think that was correct and that debt was issued in 2007 and there should be no debt.

Chairman DeVries opened comment up to the audience. No discussion was offered.

Moved by Boose and seconded by Abens to forward this to Council to consider the purchase of a new ladder and pumper truck and for Council to be given different figures and scenarios in writing.

A voice vote was taken and the motion carried.

Yes – 3

No – 0

Auditor Wilcheck asked the Committee what kinds of scenarios Council wants to see.

Councilman Boose stated all of the options touched on at this meeting. He asked for what the scenario of notes and bonds look liked.

President Corcoran asked if the purchase was to be rolled into the bond issue in May, how quickly would legislation need to be adopted.

Auditor Wilcheck stated March 18 by emergency. He noted Council would have more time if they choose to do notes.

Councilman Boose asked what the rates were with notes and bonds.

Auditor Wilcheck stated notes are about three percent and yield at 1.9%. He noted he used 3.5% for calculation purposes.

The discussion moved on to the cost overrun for the Center Ridge Road Widening Project.

Auditor Wilcheck stated there are \$757,000 in cost overruns to date. He noted the fund has close to one million in it to cover current change orders. He noted the Engineer stated it could be as high as \$1.5 million in change orders. He suggest transferring from General Fund this year \$500,000. He suggested that for the next two years, if necessary.

Councilman Boose asked where the \$500,000 would come from next year.

Auditor Wilcheck stated there were a few options.

Chairman DeVries asked if the City can recuperate costs associated with the delay.

Mayor Gillock stated the City can potentially recoup costs from Windstream. The total cost of the project is around \$60 million. The City has put in \$8 million.

Chairman DeVries asked for any comment from the audience.

Holly Swenk, 36259 Center Ridge Road stated she has been mowing the City's portion for six years and if the project is estimated to be completed in 2020, she will be continuing the mowing. She asked if she will be receiving compensation for it.

Safety-Service Director Armbruster stated to let him know and he will take care of it.

Mayor Gillock stated project maintenance is not the City's responsibility.

Kim Stermole, 37872 Sugar Ridge Road asked if the City could be cleaned up a little during construction. She stated the construction areas look awful.

Mayor Gillock stated that was the price of progress.

Safety-Service Director Armbruster stated he can certainly ask.

Moved by Boose and seconded by Abens to recommend legislation be drawn up authorizing the Auditor to transfer \$500,000 from General Fund to the Center Ridge Road Construction Fund for Council's consideration for overrun costs.

A voice vote was taken and the motion carried.

Yes – 3                      No – 0

The discussion moved on to T 10-2019.

Chairman DeVries stated the version of the job description he received has the position reporting to the Safety-Service Director and the ordinance has the position reporting to the Law Director.

Mayor Gillock stated he has interviewed two people for the position. One candidate that worked in Euclid and Brook Park reported to the Mayor. He reached out to a few other municipalities and stated it is typical the position report to the Mayor. Mayor Gillock felt the position should report to the Mayor.

Chairman DeVries asked about the administrative assistant and recalled the Finance Committee asked that the position not be funded in 2019.

Auditor Wilcheck stated he funded the position.

Chairman DeVries stated the Committee did not approve that.

Councilman Abens felt the position should not be filled yet.

Mayor Gillock stated he would like to discuss the position in executive session.

President Corcoran stated the HR position has been funded for a few years and it was just never filled. He felt they should move forward with filling the position.

Mayor Gillock noted they retained a recruiter to find applicants. The recruiter will collect fifteen percent of the first year salary once the City hires the person. They will be paying for the recruiter out of what was appropriated from 2019 the first quarter of the year.

Mayor Gillock stated he will be working with Brian Keller to determine what the HR person will be doing as the Treasurer does a majority of the HR workload.

Councilwoman Hung stated the job description needs cleaned up.

Safety-Service Director Armbruster stated the job description is not legislated and Council does not have a say in it.

Councilwoman Hung stated she understood but it still needed cleaned up.

Mayor Gillock stated the job description will be changed from the version she had.

Moved by Boose and seconded by Abens to amend T 10-2019 to have the HR position report to the Mayor and recommend City Council adopt it as amended.

A voice vote was taken and the motion carried.

Yes – 3                      No – 0

Moved by Boose and seconded by Abens to adjourn into executive session to discuss personnel issues with no additional business to be discussed after.

A roll call vote was taken and the motion carried.

Yes – 3                      No – 0

Adjourned into executive session at 7:49 p.m.  
Reconvene into the Finance Committee meeting at 7:56 p.m.

Chairman DeVries adjourned the meeting at 7:56 p.m.

These minutes were approved on March 18, 2019.



Tara L. Peet, MMC  
Assistant Clerk of Council