

EXECUTIVE & FINANCE COMMITTEE MEETING  
FEBRUARY 22, 2010

2010 BUDGET HEARING

Chairwoman Holzheimer Gail called an Executive & Finance Committee Meeting for Monday, February 22, 2010 at 6:30 PM in the Euclid Municipal Center Council Chamber.

AMENDED AGENDA

Police Department  
Corrections

**Ord. (038-10)** An emergency ordinance to establish a solid waste collection fee for residential accounts. (Sponsored by Mayor Cervenik)

**Ord. (039-10)** An emergency ordinance enacting a special assessment upon all property within the City of Euclid to be used for the payment of street lighting within the City. (Sponsored by Mayor Cervenik)

Members Present: Gilliam, Scarniench, Jones, Minarik, O'Neill, Wojtila, Langman, Van Ho, Holzheimer Gail

Others Present: Mayor Cervenik, Law Director Frey, CS&ED Director Pietravoia, Finance Director Johnson, Service Director Smith, Recreation Director Will, Fire Chief Cosgriff, Police Chief Repicky, Mrs. Keller, Mrs. Hlavka, Mr. Slocum, Capt. Brooks, Warden Clinton, Capt. Brickman, Sgt.-at-Arms Novosel, Clerk of Council Cahill.

President Holzheimer Gail – The agenda tonight is we will be finishing up the presentation from the Police Dept. and the Corrections Dept. of the proposed budget. After that, the Mayor and Finance Director will provide a general overview of where we are today, what our position is and two ordinances that propose additional fees. After that we will allow questions from Council and then go the public for your questions or comments. Because we were expecting a crowd, I did make some sheets and put them out here. If you don't feel comfortable to get up and speak, or if there's a large number that wants to speak, we do want your comments. I left half sheets of paper on this desk, please feel free to use that. We will make it part of the public record as long as you leave your name and address on the form. Not to discourage anyone to speak, we do want you to speak, but if you feel more comfortable providing your opinion that way, please do so. Having said that, I will turn it over to Chief Repicky.

POLICE DEPARTMENT

Chief Repicky – I appreciate the opportunity to speak before you tonight and present the 2010 Budget for the Police Department, which also includes Corrections and Animal Control. This budget was carefully constructed and it is the goal after this presentation tonight, that you will adopt this 2010 budget.

The proposed 2010 Police Dept. budget represents a 1.3% reduction, \$147,000 from expenditures in 2009. Currently there are 97 police officers with two pending retirements in 2010. It is unknown at this time, due to the current economy if these officers will be replaced in 2010. Much has been said about a strong police presence and to provide the community of a police force that is quick to respond and will resolve issues. Our first priority is to meet the needs of the community and improve the quality of life.

The Animal Control Division has 1 Animal Control Officer and 1 maintenance person. The unit was reduced by one part-time Animal Control Officer in 2009 due to budget reductions. Corrections Dept. in Feb. 2009, the female wing was closed and to-date our female prisoners are transferred to other local jails. Currently the Corrections Dept. has 21 full time employees and 5 part time. We will discuss in further detail, later in these budget hearings, concerning Corrections.

I would like to introduce some of my staff that is here tonight; Capt. Dave Brooks, my Executive Officer; Capt. Tom Brickman and our Warden Jan Clinton. If there are any questions, please ask them at the end of sub-department. I would like to start on page 33.

Police Administration 211 Consists of the Record Room staff of 4 full time and 2 part-time, also our non-union employees which include secretaries. This year the non-union employees are also working 39 hour work week as they did in 2009 and there are no projected raises. The Record Room is a one-half percent raise in January, and one-half percent raise in July of this year.

I want to note also on Other Professional Services, that was reduced down to \$3,345 and \$1500 was added to Office Supply and there was a savings of \$800 to the city on that line item. Any questions?

2113 Victim Assistance. We've found funding for two advocates through the grant process. We reduced that from \$14,000 down to \$10,000, that's the only city match for that grant this year. That will employ our two advocates.

2119 Community Policing page 35. These have our Community Policing Specialists and a Community Outreach Specialist. The Outreach Specialist works out of the west-end mini-station. The community policing specialist out of the east-end. We have two mini-stations and one community policing officer still under the community policing division.

Councilwoman Scarniench – The officer, is his salary come out of Community Policing, or?

Chief Repicky – He comes out of Crime Control, our next one, 212.

Councilwoman Jones – The overtime that's listed under Community Policing, what does that include? Is that for the positions you just mentioned, the outreach specialist and both mini-stations?

Chief Repicky – Mainly it is for our Community Policing Specialist for community meetings at night and there is some for the officer too. Also our Citizens Police Academy, any overtime we might incur hosting that class, which is minimal right now.

Councilman Wojtila – The bottom of page 34, the Juvenile Assistance Diversion program, that zeroed out. Is that money now being included somewhere else?

Chief Repicky – We believe this year that we'll have enough grant money to subsidize the entire Juvenile Diversion Program. That's still up in the air. The Juvenile Court this year has opened up a fine where you can waive the ticket, I believe it is \$90 versus going through our Diversion, so that might have some impact on our income that we charge the parents and the juvenile when they go to court for Diversion.

Crime Control. This division is 97 police officers with two pending retirements. I would also like to note at this time that we have 6 other officers on other either non-related work injuries, duty related injuries, FMLA or Military Deployment. Basically it brings me down to 91 total policemen.

Overtime savings in January are reduced. One of the two Court officers will be on duty officer, coming off the road, or the Detective or Traffic Unit. Also we reduced court appearances through Grand Jury.

In 2009 I want to mention, the give backs to the city was \$500 clothing per officer; half a percent longevity and holiday pay which came out to \$175,000. This year in 2010 all holiday pay and half-percent longevity has been given back to the city, totaling about \$220,000.

President Holzheimer Gail – Chief, is that already reflected in the budget those give backs?

Chief Repicky – Yes it is. Moving onto 2121 Emergency Response team. This includes 15 of our officers for the emergency response team and six hostage negotiators. We're in the process now of merging our SWAT Team with three other cities, South Euclid, Shaker Hts., University Hts. We've been working together the last year in conjunction with Law Director Frey forming an agreement that all four cities will hopefully accept and we'll be coming to council hopefully in the near future with that.

In conjunction with that, we have received, it is still pending with the State, \$56,000 grant for the SWAT team and there will be an \$18,000 match by the city. It will be an in-kind match so there will be no additional cost to the city.

Pedestrian Traffic Control – School Guards. We have 10 school guards and this is for salary and uniforms.

Police Training. I want to note under overtime, I reduced that to \$5,000, I believe there was \$8,000 in there before. The appropriate reduction in pension was \$735. We reduced that budget by \$3735. This is training for all our officers on the department, especially supervisors. We are currently sending an officer now to a polygraph school in Washington, it is an 8 week course. The supplies line item is our ammunition, unfortunately those costs are sky rocketing. Also there's a delay due to our current war in the Mid East, Iraq and Afghanistan. We're in the process of testing a new service weapon for our department which will be no cost to the city, it will be an even swap and there will be a savings of \$46,000 to the city. Any questions?

Councilwoman Jones – You mentioned in the Training, that the overtime was reduced and what else?

Chief Repicky – The pension was reduced to \$1225.

The next budget is Communications, our dispatchers. We have 17 dispatchers, 12 full time, 4 part time and 1 supervisor. They received a half percent raise in January and a half percent raise this coming July. They also gave up \$475 in give backs to the City in 2009 per dispatcher, that was clothing and premiums. This sub-department also contains radio maintenance with B&C Communications who takes care of the entire fleet within the city, as far as portables and mobiles and any other problems we have with the antenna.

Police Building. Including our 2 part time custodians and they have to clean the police station, jail and the two mini-stations. Janitorial supplies and maintenance supplies for the building.

Animal Control on page 64. This Division is one full time Animal Control Officer and one maintenance person that keeps the Shelter clean. We did reduced a part timer out of there early in 2009. That's the Animal Control budget. The full timer and part timer and supplies to maintain the building on Lakeland Blvd.

Correctional Facility and I'll defer to Mayor Cervenik for opening comments on that.

### CORRECTIONS

Mayor Cervenik – Corrections begins on page 44 and before I turn it back to the Chief and possibly the Warden, I sent City Council an e-mail on Friday that because of what we thought at that time was a fairly good offer for another facility to house our prisoners, that we would most likely be closing the Jail on March 1<sup>st</sup>. We spent, a good part of the day going over the numbers, the savings that we thought we would achieve. However whenever we added back the unemployment that would be paid employees, when added back the pay outs and retirements of those people that have accumulated time, when we talked with Sheriff Reid twice today and calculated what the actual revenue would be, as well in the e-mail I mentioned that the Chief and Jan have worked with the Bureau of Prisons, as well the US Marshals to bring in an additional \$100,000 in fees, that it saved virtually nothing to transfer our prisoners to Lake County. Because of the uncertainty of the difficulty and the amount of time it might take to transfer back and forth from that facility, even though that facility was willing to do one transfer a day, we decided just before Board of Control at 4:00 that it would be best to continue to operate our facility as we have right now. To save \$15,000-\$20,000 just wasn't worth doing all those changes and we couldn't guaranty the \$15,000-\$20,000 would be changed.

I apologize to you for the confusion and even more so I do need to apologize to the Correction Officers for the uncertainty they've been experiencing close to 30 days now when they got their initial notification. Having said that, in my e-mail Friday and again today, when these budget hearings are concluded, it is still the administration's and the police department's intention to present to you a new configuration of our jail which would use a portion of the jail, it would add 8,000 sq. ft. onto the east of the jail and we would have ourselves a functional facility and dormitory style that could probably hold close to 45 prisoners. The majority of them would be our own. What would happen at that time is if we had council's approval, the money that we would be using to house our prisoners somewhere else, would more than take care of the debt service and we would have a payback in about 5-6 years. That will be coming later on. When we finally got done today in Carol's office and sitting with the Finance Director, it just made no sense to do that.

We do have a couple of changes on here. If you go to the page under Revenue, 10, right now we had housing county prisoners, really it was all prisoners of \$500,000. We are now increasing that to \$700,000. In addition to that we have \$100,000 for the federal bureau of prisoners, they pay a slightly higher rate. That is basically the \$300,000 that I had talked about would be saved by closing the facility. These numbers are virtually guaranteed, so we are very confident that \$300,000 can be added into the revenues.

On the expenditure side, we have the line item of Other Professional Services, that is meals as well as the medical contract that Dr. Thomas provides. In our original budget we have only \$62,000 in there and in actuality it did not include the approximately \$78,000-\$80,000 that we need each year to house female prisoners because we do not have a female wing in our jail. If you were to add the \$300,000 of revenues we expect to receive and deduct \$80,000 we will actually from this budget presentation be able to reduce or deficit by about \$200,000. I think our food item here is a little low as well, especially if we get other prisoners. As far as some of the details, if you have questions on some of the other numbers, it might be best to ask Jan or the Chief to answer that.

We will actually get a savings with the additional prisoners we're going to receive in 2010. We have some serious. Capital items that need to be done soon in the jail as I referred to in my e-mail Friday. We plan on until our presentation just patching the roof. If City Council approves the dormitory facility that would cost about \$3 million, we will not have to make those changes.

If Council determines that it is not in the best interest of the City to approve those plans once we've presented that to you, then in 2011 we would go back out and regardless transfer our prisoners to other prisons, even if it costs us more because we don't want to spend that kind of money on capital. As far as the deficit balance of about \$3 million or so on here, we will be able to reduce that by close to \$200,000 by operating our prison. I do need to thank Sheriff Reid for his cooperation. Today he in fact said if certain things go the way he hopes they go, we can probably get close to 40 prisoners a day, which is another \$120,000 of revenue. The jail is still going to cost us \$1 million or \$900,000 to operate, but at this moment it would cost more than making it a 12 hour facility and shipping all of our prisoners out to Lake County and elsewhere. That's where that stands.

Councilman Langman – Thank you Mayor, I didn't have a chance to review the e-mail. In general will we get a signed agreement with the Sheriff's office saying that they will commit to that because obviously the Sheriff is worried about his budget and I don't want them pulling out with quick notice, that would hurt us tremendously.

Mayor Cervenik – I will do my best to get a signed agreement. All I can tell you is he gave us his word that through December 31<sup>st</sup> he would from September through December that he would provide us with 30 prisoners at that time, and he did keep his word. We're not sure what's going to happen after the County government changes in 2011. We're quite confident that we will have that flow of prisoners coming in but we will see if we can get something in writing. It is a very, when you try to put together these budgets, there are so many variables. For instance our food contract will be up in May and we firmly believe that we can achieve significant savings by not feeding our prisoners something less than what they're getting now, but by going to other resources and doing some other things than we've done in the past. You're talking about a line item there that's about \$76,000 and if we can knock \$40,000-\$50,000 out of there it helps. That's really why at the end of the day, the e-mail didn't go out until 4:30 because that's when we finally made our decision. It is just that we felt we couldn't achieve the savings we had hoped to receive. We'll try to get that in writing.

Councilman Langman – That would be appreciated. With the changes that you outlined, what would be the operating deficit of the jail for 2010, approximately?

Mayor Cervenik – It would be \$800,000 of revenue and \$1.6 million in expenses, so about \$800,000. Then you would have to add the hospitalization cost to that as well, so about a million dollars.

Councilman Langman – That matches our historic loss.

Mayor Cervenik – It does. In fact this year because of the work of being able to have federal prisoners in, the net cost will actually drop \$50,000. It depends on other items that happen during the year. Medical we had \$57,000 of medical of our prisoners last year. Yes, we do, if they get sick, we've got to take care of them, that's State law, we have no choice. We hope that can be reduced. At the same time, if we have a prisoner that gets extremely ill, it could increase. That's what a budget is all about. I think we had a net number of \$16,000 at 4:00 this afternoon and that was not worth the headache of transporting prisoners.

Councilman Langman – I know we're going to have a separate meeting on this, just that we've done presentations before, in fact I'm sure of us saw Dr. Lisy's numbers that show how we can fund a facility like this. We need to make this work this time, I don't want to hear another presentation next year or whatever.

Mayor Cervenik – The presentations you received in the past were all based upon housing other prisoners. The presentation we will be giving you is, yes, we may have some room to house other prisoners, but this scenario means we save expenditures that will pay for it. If we end up housing some prisoners when we have some room, that's just icing on the cake. Everything before was expanding off of our jail, which would require us to keep that jail operating forever. As I've said many times, 60 days before that jail opened in 1989 we received a letter from Sheriff Billy who was in the Corrections Inspection Dept. at the time, and before we ever held a prisoner, his report stated that your jail is obsolete and should not be used as a correction facility. This city has been dealing with it long enough and we firmly believe our presentation hopefully in April will solve that problem once and for all.

Councilman Langman – We know what the problem is, we have to fix it.

Mayor Cervenik – Okay Mayor Jackson.

Councilman Van Ho – Did I understand you correctly that we will not fix the roof at the jail under any circumstances and windows?

Mayor Cervenik – If City Council does not see merit in the plan to build the facility, the proposed facility and I can't justify spending \$1 million in that building and still have to pay, still have the cost of operations of a million dollars. I've asked Director Smith to go tomorrow or when the snow melts and see what we need to do to hold that roof until a decision is made. The windows are not as urgent as the ceiling but over the next couple of years they need to be replaced. There are other safety items, I believe some of the controls are to the point where they need to be replaced and all those things add up. If we can build a modern facility with all of that taken care of, including the demolition of that portion the jail that we will no longer be using for \$3.1 million and we can save a half a million or \$600,000 a year in operations, it pays for itself in 5-6 years.

Councilman Van Ho – I'd be happy to look at the plan, but it seem a shame to let a building that was built in 1989, in essence fall apart. We have to look at that regardless of whether we have prisoners in there or not.

Mayor Cervenik – It is my hope that if Council approves what we propose to them, that part of the building would no longer exist. That's why I'm hesitant to put a roof on a part of a building that if the proposal is acceptable, it won't be there.

Councilwoman Scarniench – For as long as I can remember Dr. Thomas has been the physician of record. Do we go out for RFP's on that? Is he the only person who's interested in taking care of our prisoners?

Mayor Cervenik – I think the Warden can answer that better than I?

Warden Clinton – Roseanne Evangelista who works in our insurance department, we have checked many times and after the one contract is over with, he is the only one that is willing to work with it. We did have some individual vendors but they would not be the same person seeing them. We would not have any type of a record of who saw an inmate, there would be no way of follow up, you'd be seeing a different doctor every time something was wrong with you. We'd start running into duplicate tests. Dr. Thomas has been the most accessible person that has put in a bid for it.

Councilwoman Scarniench – That contract is one year at a time?

Warden Clinton – We have one year left right now.

Councilwoman Scarniench – It would be interesting to see if that's the way it stays, with the economy the way it is. Thank you.

Councilwoman Minarik – Warden, there is a line item here of overtime estimating \$135,000. Would it be less expensive to hire some part time correction officers?

Chief Repicky – The overtime, we have five right now, we're trying to hire some more. It would be more economical, that's why we've been stressing to hire more part timers. We have to hire the part timers that we laid off back in February. After that it expires in May, the 15 month moratorium, then we can go outside and hire, or we might use other city workers that were laid off.

Councilwoman Minarik – You hire back the people that were laid off and then you have to wait until May before you can hire more part timers, is that what you said?

Chief Repicky – I believe until that 15 month expires, we cannot hire anybody from outside, but I defer that to Law Director Frey.

Mayor Cervenik – I would just like to add, the overtime is not all just worked overtime, it is also holiday pay, which is classified as overtime. Their contracts allow, as they work holidays to be paid overtime on those holidays. I don't know if their contract calls for double time on some of the holidays, I think it does. A good part of the overtime in all of the safety forces budgets are contractual for holiday time as well.

Councilman O'Neill – On the mandatory recall for the laid off employees, are they recalled on a full time basis or can they be recalled on a part time basis?

Director Frey – The employees that were laid off prior are subject to recall for their full time positions. We have an agreement with the Euclid Correction Officers Association to allow any of those individuals who are able to work on a part time basis while they remain on the full time recall list. If there was a full time opening, the next senior officer would get the first opportunity to return to that position. They can, however, in the interim work on a part time basis.

Councilman O'Neill – Even after the recall rates are exhausted, is that something that we, are those individuals people that we want to focus in on to rehire on a part time basis? They've worked there before, they've got experience.

Director Frey – I imagine if they maintained their licensure, we would be interested if we had the opportunity, sure.

Councilman Wojtila – Chief when we were talking about crime prevention, your main category, page 36 Crime Control, you rattled off some concessions. Can you restate those? I know they're included in the budget book but I wasn't able to write that down.

Chief Repicky – In 2009 it was \$500 clothing per officer and a half percent longevity, plus holiday pay. In 2010 it's holiday pay, half percent longevity which comes out to about \$220,000.

Councilman Gilliam – Staying on sub-department 220 Crime Control, I looked in the Appendix on the position worksheet and I'm just curious. Could you explain the clothing allowance, going back to 2007 you roughly had 95 police officers listed and the allowance was \$181,000. 2008 had 99 officers and it was \$180,000. 2009 ha 96 officers and it was \$133,000, you actually came under budget. But in 2010 you had the same number of officers but there's an increase of almost \$49,000. Could you explain what the clothing allowance does for your officers and why the sharp increase?

Chief Repicky – The second answer is easy, that was the \$500 they gave back in 2009 was re-instituted in 2010. As far as clothing, they have to buy all their gear and the most expensive is a vest, between \$800-\$1200 and it lasts about 3-4 years. They need a dress blouse, all outside gear, two sets of coats, pants, shoes, boots, handcuffs those are the most important several pair, any other equipment they need, raincoat, hats, stocking caps. You name it, they have to buy it.

Councilwoman Minarik – The two pending retirements. That's what the separation pay is?

Chief Repicky – Yes, that's a part of it.

Councilwoman Minarik - \$237,883 is being paid out at the retirement of two officers?

Chief Repicky – I said that was a part of it.

Councilwoman Minarik – What's the other part?

Chief Repicky – Glad you asked. The other part is in the contract when an officer decides to retire within the last three years, he signs a binding agreement and he can cash in 400 hours of his sick time, rather than the city pay that cost in one lump sum, they can spread it over three years and it will pad the burden of pay out. We have about 11 officers that are doing that in 2010.

Councilwoman Minarik – That's a relief that it is not just for two officers. This is covering 11. Could you explain the comp time payout, which is different, which is \$337,000, what's that for?

Chief Repicky – That's for comp time that they don't get paid out in during the year and any holidays or vacation they haven't used in the previous year.

Councilwoman Minarik – All the officers or just these same 11, or just?

Chief Repicky – No anybody that has comp time that they want to cash out, they can cash it out, it is in the contract.

Mayor Cervenik – That's not a terribly bad thing necessarily because rather than pay overtime for the time they worked, we're paying them straight time.

Councilwoman Minarik – The proficiency in service bonus is \$558,000. Could you explain?

Chief Repicky – By State law we have to qualify at least one time a year and we also practice throughout the year. That totals \$5500 per officer. If you add that to their base and you compare about 5 other cities that are in the area, such as Mayfield, Mentor, Willoughby, Wickliffe and Beachwood, with our firearms proficiency, our base salary and our uniform allowance comes to \$61,864. We're on the bottom of all six. The next one is Mayfield with \$67,000 approximately. Wickliffe with \$67,000 our neighbor. Mentor to our east is \$69,500. Beachwood at \$72,000 and Willoughby at \$73,200. It is really not a bonus per se but it just brings up the salary of the officer to somewhere in the middle of the neighboring cities.

Councilman O'Neill – On the comp time, correct me if I'm wrong, the reason that was created, it was put on the books in time due rather than paying the time and half wages. So they took the wages, put them on the books and saved the city money when the city was strapped a little tight with money. So when it comes time to separate, for that officer to pay down his time before he separates his employment with the city, is it cheaper for the city to start paying down on that comp time before they actually leave the department and draw one lump sum. Is it true that when the time is put on the books, it is put on at say \$20 an hour, but the separation might be at a higher wage because of increases in their salaries. It behooves the city to start paying people off in their comp time before they retire, am I correct to assume that Mayor?

Mayor Cervenik – There's two answers to that, one depending on when they may earn it at a lower rate and get paid at a higher rate, but more importantly, most of the comp time pay outs are not pension able. I believe the pension for police, the city pays 25%. The only thing that are pension able are those items that you get paid and are earned. At retirement, if they received a balance of that comp time pay out, we "save", 25% of the pension contribution. Again, a lot of that was done at times when the city didn't have money for actual wages that would be paying the full benefits on the whole time, the pension on the whole time. In its own sort of way it does save us money.

Councilman Gilliam – Chief I heard you say with the base salary and compensation, you said it was about \$61,000 which is about average or comparable to those five surrounding cities that you had mentioned?

Chief Repicky – The only comparison is we're at least \$5,000 behind Mayfield which is #5 on the list and we didn't go any farther. These are the five that I have in front of me, but we're #6 out of 6, as the lowest.

Councilman Gilliam – Out of those six cities, thank you. The reason why I'm asking, I wanted to look at the average salary for the Cleveland, Elyria, Lorain area. The 75% they earn about \$60,000 which we're right on point. I'm not against allowances, but I do have some concerns about that these costs in reference to where the budget is at right now. I looked up some information, the US Census Dept. and I got this off there yesterday, the median income for a family in the City of Euclid is \$53,211. The individual median income is \$52,175. I'm not saying that you're overcompensated by any means, but when I look at these numbers, I do have some concerns. Our population is dwindling, we are asked for all different kinds of potential enhancements and people are losing jobs. Euclid is a labor surplus city. Whether you can say this now, I can understand because you're in negotiations with the Mayor. But is there any potential, I don't want an officer not to have a bullet proof vest, I'm not stating that at all. In fact I'm very impressed with both of our safety forces. But, you're looking at basically the firearm prevention, that's \$5700. Is that accurate with those other cities or are we actually getting more bang for our buck? Also, with the clothing allowance, like I said before, no police officer should be out, it is required minimal clothing, but I'm wondering how can we afford to support our police dept. as residents when we realize that maybe the salaries are a lot more than what an individual or in some cases a family makes in this city.

Chief Repicky – I believe the Mayor stated before that these are all contractual issues, back 10-15 years ago when the city didn't have any money and they gave holiday and comp time and all this other stuff. Now, it is coming back to bite us. I don't think we should penalize our officers today that are doing an excellent job on the road by reducing their firearms and uniform that brings them out of six cities that I mentioned in sixth place. There could be five more around us that are above us. I do want to mention, there was an article, now that opened up Crime Control, there was an

article February 16, Tuesday in the Plain Dealer and it talks about Akron Area Police staffing under average. The average officer that they recommend is 2.4-2.7 per thousand. If you figure out the math, Euclid should have 120 officers. 120 officers for 50,000 residents. I'm not asking for 120. If we do ours right now it is at 1.9 for 97 officers.

With that being said, I also want to mention that my staff has worked diligently the last couple of years on grants. Currently with assistance from the Mayor and Directors, we switched our two new hires under the CHRP grant to re-hires and now we have five officers under that grant which is savings the city an average of \$92,000 per officer per year for the next three years. A huge amount of money, it totals \$1.4 million for 3 years. Also in conjunction with that, we received \$127,000 JAG grant which is our street sweeps detail, after school detail and I forgot what the other one was. We also secured the Northern Border Initiative, the land base for \$9,500 to put extra officers on the street. We also are in the process of 700 hours from the Dept. of Public Safety which totals \$44,000 for extra patrol on the street and highways to reduce fatalities. We also have \$12,000 for check points. I mentioned previously the grant for domestic violence, also the third grade seatbelt, and also the pending regional tactical team for \$56,000.

If you add all those up, which I did, it is a large amount of money. We're continually and aggressively applying for grants throughout this year and the years to come. I appreciate Council's help in okaying these grants presently and in the future.

President Holzheimer Gail – Any final questions about the police budget before we move on? Thank you Chief, Captains, Warden.

#### Discussion on Ord. (038-10) & (039-10)

Mayor Cervenik – That concludes, it doesn't conclude because we've got a long way to go. We at least reviewed all the departments in the city. That brings us to the two pieces of legislation that I have presented to City Council. It was not easy and I know it will be met with some resistance to temporarily charge a \$14 fee for garbage collection, \$8 for those on the Homestead Exemption and those aren't numbers written in stone, we can discuss those. As well as the street lighting fee that up until 1978 was charged by the City of Euclid, a little less than \$4 for a \$100,000 home, in that area.

The reason for that is quite simple. We have, the book shows, \$3.1 million in deficit but with some of the changes we spoke of, we're looking at \$2,800,000 deficit at this moment. Last year we experienced a \$3.5 million drop in our normal revenue streams, especially in income tax, governmental funds, real estate tax, criminal fines and prisoner fees, because of the changes that were instituted by Cuyahoga County in the first half of the year.

We've got approximately, thank goodness, \$1,600,000 cash balance, but it was not that long ago we had almost \$4 million. We have been using our cash balance over the past three years to help us survive and to provide the services our residents want. Even with the \$1.6, we are still \$1.2 million away from having a zero cash balance and that just cannot happen.

These numbers are after we already eliminated 12 full time positions, including the elimination of our Traffic Maintenance Dept. and the Streets Dept., that was five positions. Two full time reductions in Motor Maintenance; none of these are going to be replaced in years to come. One full time position in Public Buildings. One in the Housing & Building Dept. Three full time employees in senior programs, as well as two full time employees in senior programs being reduced to 25 hours. The non-union employees, which in the general fund is down to 70 employees, is continuing what works out to be a 6 ½ day furlough for the year. We also reduced before this budget was presented, overtime, supplies, travel and many other line items that are going to make it very difficult to operate this year but we are committed to getting it done.

The 2010 expenditures that I propose here today, they're below what we actually spent in 2007. Our problem in our deficit is not based upon overspending. It is really based upon a great drop in revenues.

I'm not done. I expect over the next week to inform you of at least another \$400,000 in personnel cuts and other line items in the general fund. I need to sit and talk with each of the Directors and Chiefs about the specific details and at least allow them to have some input and maybe they have some ideas of doing something else. But that's still not enough without additional revenue streams.

The two pieces of legislation that I present to Council this evening, the garbage and street fees, garbage at \$14 per household, \$8 for a senior that qualifies for Homestead, would generate approximately \$2 million annually. In 2010 it would only generate 75% of that amount, or \$1.5 million because the 4<sup>th</sup> quarter billing would not be received until 2011.

The street lighting that is proposed will raise approximately \$900,000. It will cost a home valued at \$100,000 about \$4 per month. None of this revenue will be received because it will be assessed on your real estate taxes until 2011. I can assure you in 2011 we will definitely need that.

If these fees are not instituted the cuts that I have to make, and I have to make them because State law requires me to make them, we need to have a balanced budget. They will be devastating, they sincerely will. I'm reading these to tell you what I will be forced to do. It is not to scare. It is not to threaten. It is to make you understand the seriousness of our budget problems that we have today. Recreation would be hit very hard. All the pools would be closed including Memorial, the ice arena would be closed and many of the programs that we are known for would be greatly reduced. In addition to that, cuts would have to be made in Recreation because \$300,000 now comes out of the general fund for recreation. Our parks will not be maintained as we are used to having done.

Once Recreation is cut, I have no choice but to make drastic changes in the safety forces. That is because our safety forces are approximately 60% of our total budget. You cannot make the reductions that are necessary to balance this budget, by ignoring 60% of what you're paying for. My estimation is that six firefighters would need to be laid off. The retirements for 2010 will not be able to be replaced. This cut in manpower and the Chief if necessary can explain in very simple terms will not cause one fire station to close, as I thought Fire Station #1. What it would actually do is cause Fire Station #2 and Fire Station #3 to be closed and all the remaining fire staff would operate out of Fire Station #1. That would be for the protection of the firefighters, as well as for the protection of the residents, because they would have to respond as a group.

In the Police Dept. we were able to obtain a grant to pay for five police officers. We were to maintain three and hire two others. With this budget constraints, we were able to convince the Dept. of Justice to allow us to maintain five. We did not have to hire any other police officers, but maintained what we had. If we cannot get a second amendment to that grant and I'm not sure we can, we will have to eliminate anywhere from 6 to 10 police officers. The reason is quite simple. The first five we eliminate because of the grant we receive will only save us a total of \$50,000. We will make up for some of this reduction by using our plain clothes officers in the detective, juvenile and narcotics division to put them out on patrol. Then we will lose the services that those divisions provide. School guards, DARE programs and other programs we are noted for, will have to be eliminated because we have to balance our budget.

I am not trying to scare, threaten or make light of any of these cuts but I am required by State law and the Director next to me can verify that, that we must balance our budget. We have no choice. I've heard the arguments that I don't have much garbage, my neighbor has a lot more garbage than me and why should I pay the same. Or I don't use recreation programs, or I don't use this, or I don't use senior programs. Well I've got to ask us tonight, we need to look at this as a community. What I mean by that is we have to look beyond garbage fees, and we have to have this money to keep our community strong. Apologies. The services that we are used to having will be gone and although some people have told me at \$14 a month they will no longer be able to afford to live here, if we cut these services, I'm telling you, you won't want to live here.

What can we do? I'm telling you what we can do right now and this is why I'm asking Council this evening. The City of Euclid has a provision in their Charter, we're the only community in the State of Ohio that has this provision and it is similar to the House Bill that schools have to survive by; meaning that when you pass a levy you achieve no growth. We're the only City in Ohio that has that. Recreation, 1984 there was a levy passed. It raises about \$1 million. Today it raises a little less than that. Other cities receive growth.

My proposal is this and I think it is a very reasonable one, I'm going to ask City Council to approve these fees the balance the 2010 budget but unilaterally put a proposal on the ballot for November for the voters to vote on to repeal this provision in the Charter. The increase in revenues will close to double those of the fees. Think about that, instead of about \$3 million, this repeal of the Charter, could actually raise closer to \$6 million. I'm going to turn it over to Director Johnson, he has some of the detailed figures. Because the fees would be spread amongst our businesses and amongst our apartments, every taxable entity in this community, the owner of a \$75,000 will pay slightly less than what the fees for garbage collection and lighting would cost. They would pay \$17.41 instead of \$18 as I proposed. Various funds would receive much needed revenue. Recreation Dept. would receive money for both capital and operating, that could only be spent there. Our Streets & Sewers would receive slightly less than a million dollars. The general fund would receive about \$3.1 million, the Director will go over that.

Not only will this allow us to continue the services that make this city such a great city, it will also lessen our dependence upon the income tax revenues. Our income tax revenues are about 62% of our total income in this city. As we've experienced before and we will experience again, when there are downturns in the economy, we get hit extremely hard. If this 920 provision is removed from our Charter and this additional income comes into our general fund and other funds, it will definitely help us weather the storm much easier than it does now.

In addition to that, it will allow us to I believe remain financially strong for at least 8-10 years. That is something that the garbage fees and the street lighting fees will not do. It will also, I

believe because we will lessen our dependence upon income tax and it will, as we call, straighten out our structural balance of revenue collections, that our bond ratings will at least be maintained, if not improved. That is going to be very important as we bond out the improvements we do in the neighborhoods and streets and with the sewer EPA things we are doing now. Before I turn this over to Jack Johnson to give you a little more detail on the proposed fees, there are many positive things that are happening in this community as well. We need to remember that. That's the second part of this. We strengthen ourselves now and then we take advantage one of hopefully the improving economy, I know it is going to get better, I'm just not sure when and nobody else does either. We have things like Bluestone Business Park, that has the opportunity to provide 1200 jobs to the City of Euclid. We have our lakefront development plan that will provide more room for retail in downtown Euclid as well as create housing opportunities in this community, as well as raise taxable values. We have new businesses moving in. We have our Downtown Plan. We have our Expo Center, which does not bring us a lot of money to our general fund, it does revitalize a very important area of our community, which is right next door to Euclid Square Mall and we hope that will spin off as well.

As I turn it over to Director Johnson and then I'm willing to answer questions, we can't afford not to support our safety forces with these fees. We cannot afford not to protect and to support our recreation with these fees and hopefully the subsequent passage of the repeal of our Charter. Upon repeal of the Charter by the voters, we would be able to immediately remove both the street lighting and the garbage fees, because we would then we be able to experience growth as our property values go up.

I would like Council to consider this very closely tonight. I would like the residents to please understand that this is not an easy thing. This is very, very difficult. From the e-mails I've gotten, I'm not the most popular person right now with everyone in the community and I hate to put a hardship on anybody who has lost their job or who is suffering as well. But in order for us to survive, in order for us to remain a community where people want to live, it needs to be done. The only other answer is to make the cuts that I've mentioned that I really don't want to do. The opportunity to have four new schools built and the \$8 a month that you'll be paying, should not influence your decision to support. It cannot because that will also make our community a much better community.

I'm going to close by saying I still have all the hope in the world for this community. I believe if we all work together and understand the problems we're dealing with and our neighbors are dealing with, we will survive this and we will become even stronger. With that I certainly hope I have Council's support. I certainly hope I have the residents' support, because if I don't, as I said before, I don't think the City of Euclid is going to be a community that we want to live in any more. Director Johnson, would you like to go over some of the details.

Director Johnson – As the Mayor has outlined earlier, we looked at two revenue enhancement alternatives which was a possibility of charging for rubbish collection and to assess for street lighting and as the Mayor outlined the timing of the street lighting would not occur until 2011. We also created some charts that illustrate what removing the Charter provision, how that impacts, not only the city's finances, but also how that impacts the individual residents and their particular situations.

I handed out stapled charts and I'll start on the first page. The first page shows, before I go any further, most of you know Carol and Kathy Hlavka who are sitting in the back row that work in our Finance Dept. They are very involved in assisting me in the budget process. Sitting on the front row is Mike Slocum; he has been with us for almost a year. Mike is involved with interfacing with the auditors and the financial statement preparation and a lot of the external reporting that we do. Mike was kind enough to prepare all these charts. If there is something that I'm not able to answer, Mike is here. Mike has worked in a couple of other communities where they've implemented assessments for rubbish collection, as well as for street lighting. Hopefully if there's a question that I can't answer, he'll be able to answer.

On the first page, what you'll see is we did a poll of communities in Lake County and Cuyahoga County. On the right hand column that says Don't Charge, there are 32 communities of the 46 total that we polled that do not charge for rubbish collection. In the other column, there's a total of 14 communities; 8 of those communities are in Cuyahoga County and 6 of those communities are in Lake County. There are a total of 14 communities out of the 46 that do charge for rubbish collection.

If you go over to the next page, what we tried to do here was of the communities that do charge, I tried to show you in as much detail as possible, how much they charge, whether they bill quarterly, monthly and how they do their collections. We've looked at a number of different alternatives. One, we sent a letter to our incumbent trash collection J&J, they are going to start March 1<sup>st</sup>, and we asked them to please entertain the idea of billing our residents for garbage

collection. After some period of time, they declined. We've also looked at having the City of Cleveland add that charge to the water bill, to the sewer bill, that we have not been able to get a response from, I don't think there's any interest on their part to do that. Because there's also the component of doing the actual collections and remitting of the cash.

So the other alternative that we looked at was to do that in house, to do it ourselves. If it is approved, our plan is to go forward with doing the collection in house within the Finance Dept. We are not anticipating being able to acquire any additional staff, so we're going to have to look at reallocating current staff time to be able to incorporate this function into their normal daily routine. That is basically what the sheet shows is the different methods that municipalities are using for billing.

The third sheet, we came up with 2-3 different scenarios. At the last Council meeting, it was Councilman Van Ho who asked for different scenarios as opposed to the \$14 and \$8 for homestead scenario, a \$15 and \$6 scenario and a \$14 and \$0 for homestead. For folks that don't understand what homesteaders are, the residents or homeowners that apply to the County, I believe you have to be over 65, are eligible for a Homestead Exemption. Your property tax bills are reduced for homestead exemption and you qualify for that exemption as long as you live in that home.

Based on that we estimate that we have about 15,000 total dwelling units. This would include single family dwelling units, two family dwelling units and three family dwelling units. The condominiums and apartment buildings, just for a lot of people that don't know, apartment buildings and condominiums have container pick up and either the condominium association pays for their container pick up, with the exception of a few, we do have a few condominiums where we would be charging the condominium association for, but all the high rise apartment buildings and apartment complexes that are more than three units, they have container pick up that's paid for by the building owner.

We would have about 15,900 total dwelling units that we're talking about. Under the \$14 and \$8 for homestead, you can see that assuming 100% collection, we're talking about \$2.2 million. That's after approximately \$180,000 in collection costs. A little bit later on I'll give you detail of what those anticipated collection costs are.

We've also given you two other alternatives, 85% of collections and 80% of collections. We threw that in because I think it is not realistic to assume, particularly in the first year, that we're going to collect 100% of every bill that we send out. We provided these ranges so that you can see exactly what that would generate. At 85% collection, it immediately goes down to \$1,879,000.

Under the second scenario of \$15 a month and \$6 a month for parcels with Homestead Exemption, the collection is at \$2,300,000 at 100% and \$1.9 million at 85%. Then in the third scenario which would mean the 3500 homestead exemption parcels would not be billed at all, it generates \$1.9 at 100%, \$1.6 million at 85%. So it drops off fairly dramatically if we do not bill the Homestead Exemption parcels.

If you go to the next page, we show a break down of the first year expected cost of collections would be. We've been shopping around for software and whatever hardware we would need to do this. We did get one quote from another vendor for \$117,000 and didn't really think that was going to be reasonable as far as software goes. We did contact a software vendor that told us that it would be somewhere in the \$15,000-\$20,000 range, just to purchase the software and the hardware to begin to do this. This includes the set up and installation of the product.

We estimated about \$84,000 which would be the equivalent of 2 full time employees in the department. We don't expect that we would have the luxury of having two additional employees, but we estimated that those two employee's time and that time we estimated to be worth about \$84,000.

The lockbox cost, we would anticipate that we would use a bank to collect all of the bills as well as the billings and post those to our bank account and send to us the stub so we could maintain the account activity. We estimate that would be about \$50,000.

\$25,000 for postage. This assumes that we would be sending out postcards for bills and that is about 15,982 postcards per month and another 4,000 postcards that would be second notices for those that didn't respond to the first notice. That would be 79,000 pieces of mail and it would be estimated to be \$25,000 a year. The pre-printed postcards would be another \$25,000 and other costs such as printer cartridges, envelopes, or what have you would be another \$6,500, which comes to recurring costs of \$168,000, \$188,000 assuming the \$20,000 for the software.

The next page, scenario 3 is very similar. One thing I would point out is that the postage cost there shown at \$25,000 and I just caught this recently, that \$25,000 should actually be about \$20,000 because under scenario 3, which is Councilman Van Ho's scenario of not billing our homesteaders, would reduce the number of postcards that we would send out by about 3,500 per year. That would reduce our postage cost to about \$20,000, which means the total cost for that would be about \$170,000. There would be a slight reduction in our total cost to collect.

That's essentially what we're looking at in terms of billing and collection for trash collection. If there are any questions, I'll be glad to answer them but it is pretty straightforward. It would be a lot of work on our part but we are up to the challenge and we're willing to try it. I've got to tell you that I've never done this before. I've never done a lot of things before, but I'm always interested to take on new challenges. The collections, I would assume the council legislation would allow us to, if these weren't collected, that we would certify these on to the property tax duplicate for collection, unless Council saw fit to do something else. That would be the assumption for that particular scenario. If there are no questions, I would like to move on.

Councilman O'Neill – Is it possible to reduce some of these costs for the billing through electronic e-mail billing and collecting where they can pay online? Is it possible to set something like that up?

Director Johnson – That's assuming that every resident has e-mail.

Councilman O'Neill – Is it possible to set something like that up that they can electronically pay? After the first year, if it was accepted, people could possibly set up an e-mail account where they could pay that way and save some costs.

Director Johnson – Sure, we could do that and that would reduce costs, yes.

Councilman Gilliam – Director Johnson on each scenario you list a second notice letters, which obviously is a higher increase. My first question is, the postcard bills will be sent out and if people do not respond, sending out a second notice letter. That's an increase in costs, not significant as far as the annual postage, but it is about sixteen cents more for the second notice and we're estimating only about 20-30% would be delinquent. I'm cheap, just point blank, is it possible to send out another postcard that's big bright fluorescent to kind of grab the attention? If we send out a post-bill and then we're looking at letters. I think that would be a cost that we could reduce.

In addition to that, are we taking any consideration and we may not know this, but this budget could increase due to postage increases. I'm just curious was that given any consideration at this point in time?

Director Johnson – The idea of sending a second notice, while we could reduce cost by sending out some fluorescent green postcard, we thought that to make it a little more stern message, a letter would provide us with a better opportunity to provide a stern message of the importance of doing this. In addition, where we have renter occupied single family homes, before we certified these onto the property tax duplicate, the property owner has to be notified also. Sending the bills to a renter occupied premises doesn't negate our responsibility to also inform the property owner before those are put onto the property tax duplicate, if that's necessary, which is partly why we came up with those costs. Your other question was?

Councilman Gilliam – My other question was historically postage has gone up, was there any indication based on previous increases, would there be an expectation that postage would increase this year or two years down the road? I was just looking into that situation was that taken into consideration, more or less in the near future?

Director Johnson – I would fully expect that postage would continue to go up every year. This just shows us what those costs are for this year. Next year that could be changed but we went under the assumption that at least for this year it is going to stay at .21 and .44.

Councilwoman Jones – Once the bills are sent out, the first notices are sent out, and let me ask another question, did you say that the notices will be sent for rental properties and those would be sent to the property owner or the tenant that lives at that property, or both?

Director Johnson – The initial bills and possibly the follow up bills will be sent to the residence where the trash pick up service is provided. But, earlier I had mentioned that we would anticipate any unpaid accounts would then be certified onto the property tax duplicate. If that's the case, we are obligated to notify the property owner before we put those assessments onto the property tax duplicate, which would require another mailing to the property owner, who may not necessarily be the occupant of the property.

Councilwoman Jones – The bills will be going out to the resident of whatever the address is?

Director Johnson – Correct.

Councilwoman Jones – How do we handle non-deliverables? Because I'm sure that some will not be delivered because now that house is empty, it doesn't have a tenant living there, so the bills are sent out to that household, but no one is there to receive it. Before this all starts, will property owners of rental properties be notified that this is going to happen? So that when they get the second notice bill, they can let their tenants know ahead of time the bills will be coming and they need to take care of it.

Director Johnson – I suppose a separate mailing could occur. That wasn't anticipated in this cost, although I don't think it would significantly impact the total that we're talking about. We didn't anticipate that but we possibly could do that, send out a second mailing to ensure that property owners are aware of what could potentially be happening here.

Councilwoman Jones – How are we going to handle the non-deliverables? Let's say there's a house that's now empty, whether it is a homeowner that moved out, or whatever, the house is now empty. Are we going to keep track of empty homes and not send out another month's bill to those houses, or how are we going to keep track of that?

Director Johnson – I would assume that there would be a property owner of record for every piece of property regardless of whether its vacant or not. The intention is the charge would apply to every residence whether it is vacant or not.

Councilwoman Jones – So if it is a vacant home, that property will still be charged?

Director Johnson – Correct, unless Council saw fit to do something else.

Councilwoman Jones – My other question is related to that, if we have a list of properties that we're going to send the bills to and they go out for the first time, the first month, and I'm just trying to ask if we wanted to be able to reduce the amount of postage that we're paying and we already know that there are houses that are empty, will we just not send to those homes or those just go to the property owners?

Director Johnson – If a bill comes back and the property is vacated, absolutely it would not make sense for us to continue to send bills to vacant properties. Initially if they do come back, our position then would be to locate the property owner, so that the property owner is aware of it and give them an opportunity to pay. A lot of the details of the rules of what we would do have not been worked out or thought out. So, some of those kinds of questions we would have to work through.

Councilwoman Minarik – Director Johnson, how many new employees do you plan on having to hire for this? Did you say you're not sure or they would be from within other departments in the city?

Director Johnson – We anticipate that we're going to do this within the Finance Dept. with current staff.

Councilwoman Minarik – Why did you assume \$84,000?

Director Johnson – Just to show what the cost of collection would be.

Councilwoman Minarik – But its really, if they're current employees, that \$84,000 is not actually?

Director Johnson – Correct.

Councilwoman Minarik – Alright, that was my first question. You're actually considering, the administration is actually considering charging owners of homes that are empty for garbage that's not existent? Could you explain that?

Director Johnson – As the Mayor eluded to earlier, folks are saying I only have a small bag of garbage. The idea is to allocate the cost of our collection to every residence in the city. It doesn't matter whether you have a small bag of garbage or whether you have 20 bags of garbage, we're still going to pick it up and you're still going to pay the same amount of money.

Councilwoman Minarik – But if there's no one living in the home?

Director Johnson – The service is still available to that residence. It doesn't matter, the service is still being provided to you.

President Holzheimer Gail – Excuse me, we will have time for the public to speak. If you could respect the speakers that are speaking, everyone will get their turn. We do need a motion to go beyond the hour and a half.

Councilwoman Scarniench moved to suspend the rules to go beyond the 1 ½ hour time limit.  
Councilwoman Jones seconded. Yeas: Unanimous.

President Holzheimer Gail – While all of these detailed questions are very important, we may be getting ahead of ourselves. I think let's talk about the general merits of the proposal. There's plenty of people that would like to speak, so I do want to make sure they have the opportunity.

Councilwoman Minarik – Right. My understanding is that the bid for J&J was the \$2.3 million or whatever, I think it was \$2.1, but the garbage that they're picking up, it is not just restricted to homes, they're also picking up garbage along the public streets in those garbage cans, the parks, the waste water treatment plant, public buildings and things like that. So this money that's being raised is also being used to pay for all of the garbage that J&J is picking up from the public areas?

Director Johnson – No. This is only for the residential portion of that total bill. There are other portions of the bill, you're absolutely correct, that there are, the Streets fund has a part of this contract and J&J also takes street dredging from the street sweeper, as well as the containers that are found along the roadways that are emptied. Those are charged to the street fund. There are also debris that's hauled away by the same carrier for the waste water treatment plant and that portion of the bill is charged to the waste water treatment fund. This is only for residential pick up.

Councilman O'Neill – Getting back to vacant home and I'll try to be brief on this. Would the attempt to collect be very similar to when we attempt to collect after we do grass cutting abatement or nuisance abatement where we cut the grass on a vacant home and we clean up the yard on a vacant home. Attempt to bill, collect, we don't and then ultimately we assess the property owner. Would that be very similar to this type of situation when the house is vacant?

Director Johnson – I would assume so that we would do something similar to that.

Councilman O'Neill – To Mayor Cervenik, maybe a little more clarification on how and why you're proposing this revenue tax if you will, this user fee, because that's what it is, it's a tax. We'll call it a tax. How and why its not assessed to the majority of the apartment dwellers and why it is not assessed to commercial properties and why the individual homeowners they're going to pay for it and the idea behind this revenue stream?

Mayor Cervenik – The reason we can't charge those people that do not use garbage pick up is because they pay for it themselves. The apartments pay for it and it is transferred in their rent. Businesses pay for it and it is transferred in their rent. That is why I have proposed this as a temporary fix for the budget deficit we are experiencing right now so that we don't gut the services of the city. In November with a very strong informational campaign, if I have to walk door to door to every single house in this city I will explain the merits of eliminating 920. This fee goes away and every property owner pays their share based upon millage, that's the goal.

Councilman O'Neill – That would be apartments and commercial.

Mayor Cervenik – Apartments will be paying. If you have an apartment building that's worth \$20 million, you're going to pay the millage on \$20 million, not on \$2, not on \$3. You're going to pay just as a homeowner does. Businesses, the same thing. Commercial properties the same thing. The only ones that will be excluded are the ones that are excluded now which are the tax exempt property owners in the community.

Councilman O'Neill – So in essence everybody pays.

Mayor Cervenik – That's the goal everybody pays. Unfortunately Ohio Revised Code does not allow these type of fees to be charged to those that do not have the opportunity, not necessarily use them, but have the opportunity to use those fees. Outside of collection cost and a slight amount for delinquency because I guaranty you any delinquent property owner will have this assessed to their property because we all need to pay our fair share, needs to pay it. But again, the hope is this is temporary. The hope is the residents with all of our help see the advantage of reducing the, getting rid of the Charter provision so that we can grow in very different areas of the city.

President Holzheimer Gail – Mayor we had talked about it and I know there's been a lot of ideas exchanged between the council and the administration. I want to make sure everyone realizes this. We have looked at, is there any other way to charge for a service that everybody could be charged for equally. You can explain it, but according to Ohio Revised Code we cannot charge for something, we can't come up with, let's say let's charge every household, whether they rent or own, a safety forces fee, or some other type of fee. It has to be tied to a specific service. We can look at levies, we can look at all kinds of other things but nothing impacts this current year's budget. So I think it is important for people to know that we didn't just say this is the answer and not look at other options.

Mayor Cervenik – You are absolutely right and that is one portion of the street lighting fee that everyone does pay. The businesses, apartment dwellings, all of them again will pay based upon the assessed value of their property with the county auditor. I would hope that this is only a temporary fix as well.

Councilman Langman – As we discuss these various options, I think we have to keep in mind several factors that we're going to have to try to balance. One is what the Mayor pointed out, you lose pools, you lose ice arena and those amenities more than likely are never coming back. The tendency is once you cut something, it is very difficult to bring back. Whether we acknowledge it or not, or whether we use those amenities or not, they're important for helping us attract and keep residents in this city. That's really what any community is about. There are many services that some of us and some of us don't use. So Euclid is a amalgamation of people that have different interests whether it is Shore, ice arena, police are paramount, EMS, etc. So we have to keep that in mind.

We also have to keep in mind another figure and that's 15%. That figure is the 2009 poverty rate in the City. I like Councilman Gilliam checked on the US Census Bureau statistics, our poverty rate is going up. I know that many of you had no cost of living increases, you get no uniform allowance, no proficiencies, some of you don't even have jobs now, so we have to keep that in mind also.

Finally we have to keep in mind that we are very limited as to what fixes we can make for 2010. Some of these things that we are talking about are in future years, so we have to focus on this year is the problem year. I know the Mayor mentioned that he has other cuts coming. There are other suggestions that we have that we want to see before deciding for sure before any trash fee or trash tax is imposed. Because I think quite frankly the 920 repeal is the better way to go, it is more flexible way to go. The City council will decide how much millage is actually imposed to generate revenue, etc., so the responsibility would lie with this Council or future councils as to what you spend on recreation and street and sewers, etc. So I don't want to get into a lot of details because I don't think we're making any decisions tonight. I know Councilman Van Ho wants to go but I do want to hear what these folks have to say. Thank you.

Councilman Van Ho – My take on this is let's face facts. This is not a garbage tax, this is a quality of life fee, because it allows us to move money around to keep these other departments up. Mayor, how many jobs would we lose, if Council just turned this down and said no, we're not passing this garbage tax and we're in the split, who like police or fire, I think everybody needs to hear that again.

Mayor Cervenik – The 12-14 cuts that I have contemplated in personnel that I will be discussing with the Directors this week are throughout the departments, they do not include the direct participants in the safety forces. It does not include the closing of pools and ice arena and greatly cutting the recreation department because I certainly feel those are quality of life issues and safety issues, as far as police and fire go. But as I stated earlier and I'm sorry for getting emotional about it, but that's how I am and I think that's better than not caring at all.

We're talking a minimum of six layoffs of first class firefighters, as well as not replacing two additional maybe three, possibly six retirements, that could be even worse. Depending on our conversations with the Justice Dept. for our CHRP grant which is paying for five of our police

officers right now, if we have to do lay offs, that will cause us to give back the grant. We're talking 8-10 police officers. If they will allow us to keep the grant to pay for the five that they're paying for, there would be five officers. We can make some of that up with transferring people out of the detective, narcotics and juvenile division, but that's not the best thing to do either. To a certain point it is, we need more people out on the street. But to totally eliminate those kinds of services, it doesn't make us a better city either.

The Recreation cuts will probably be four full time employees, maybe five. Not to mention all of the part-time summer help that we have, lifeguards and all that would be completely gone. That will bring us very close to balancing our budget to making up this 1.6. I cannot bring that cash balance down to zero, we need to end the year with at least \$600,000. That is an unbelievably inadequate amount of dollars. It is very brutal. It will change the face of this community forever and I don't want to see that happen and I don't think anybody here wants to see that happen over \$14 or \$18 a month.

Councilman Van Ho – Right now we're looking at laying off 14 regardless of what we do with a possibility of an additional 18.

Mayor Cervenik – I've got 12 full time and two part time.

Councilman Van Ho – Just a couple of other questions. Wouldn't it be more effective to send these garbage bills directly to the property owner? If I'm a renter and I know you're going to assign it to the tax bill if I don't pay, guess what? I'm not going to pay.

Mayor Cervenik – I think you're right. Some of the things we'll work out at our next meeting. Internally, administratively we need to work some of those out. I talked with Mayor Andrzejewski from Eastlake who told us what they do. We're going to sit down and they will be able to fill us in. This guy, Mike used to work there when they started this. When it is time for council to vote, we will have all of those details. Tonight was really to explain the reason why the legislation is here and the long term hope that we can have the voters remove the 920 provision from the Charter, so that we have a long term solution to the city's financial health and we don't have to go through this every five years.

Councilman Van Ho – It was elude to that we're charging this fee or tax or whatever you prefer to call it on vacant houses. Aren't vacant houses in effect paying for garbage tax and that through the property taxes and various other taxes and fees already, so it is not like we've come up with some new unique way to tax people, correct?

Mayor Cervenik – Conventional wisdom or just sitting back listening to us speak this evening, may say it is ludicrous to charge somebody in a vacant house, you may be right. Where we end up we may not be doing that. I agree with you, we should probably send bills to the owners of the home versus the person living there. But, the bottom line is, the goal again is to have the voters institute the repeal of the 920 provision and at that point everybody, including landlords of vacant houses, are going to pay this tax and spread it amongst the whole community as a whole. That's really the goal, that's the long term solution.

Councilwoman Scarniench – I want to make sure that everybody understands this, we've already laid off 12 people and we are going to lay off 14 more and that's included in what we've already done. If we don't do these two fees, then we go into the police and fire and everything else?

Mayor Cervenik – Yes, the 12 that were laid off already are in this book. Two and a half were notified today in Senior Programs in transportation. Then the other 10-12 after I discuss with the directors we will be making those changes. We're also looking at some other things such as the leaf pick up next year will not use any over time. Although that's not in the general fund per se, the way the fund balance will be in that department in 2011 we're going to have to transfer general fund money in there. We're looking at all the funds, we're looking ahead. We're looking 1, 2, 3 years ahead on our budget.

That will be another \$400,000, those for the most part and they are very important people, they've been here for a long time and other people are going to have to assume their jobs, we're going to have to break their jobs up into various other people's domain. It is going to make it difficult to do some things here as quickly as we do. But for the most part, that additional \$400,000 in cuts will not be felt by the general public. We have gone through this budget, it's been a rough 3-4 months. We have gone through and tried to make every cut that we do, one permanent, we don't want to be bringing these positions back in a few years.

When I made cuts in 2004 when I first started, we brought only one position back out of the 29 we removed. The goal is the same here to make these permanent cuts, to redistribute the responsibilities to other employees or to outside agencies like we did at the golf course, like we're doing with transportation. Those will be in here, it will be about \$400,000 minus some pay outs and minus some unemployment, there is nothing we can do about that. If you decide not to implement these fees, then I've got to go to item #6 where it started sounding pretty nasty here. That's not what, I don't believe the vast majority of this community wants that to happen.

Councilwoman Scarniench – It is interesting because I want to hear from the people. I sent out 285 e-mails to my people and probably I got back maybe 40 responses. That's pretty sad. I still have some other ideas but we can do that at another time because we still have time to make some decisions. But the bottom line is this is important that we do this right now and it is only temporary. I've been telling everybody about 920 and when I explain it, they're understanding it. That's a good thing. As long as we make everybody understand that this is something that we need to do. That is not a tax, it is what we rightly owe and everybody in the city will pay their fair share and that's the bottom line. A lot of people say, we'll I don't want to pay this garbage fee because it is not going to everybody. Well you can't charge it to everybody because they don't all use our services. It is real important that we do that. We will work on this over the next week or so to come up with some final numbers, the way it should be, but I want to hear from the folks.

Mayor Cervenik – We have to pass a budget by the 31<sup>st</sup> of March. If we do nothing, I have to operate in a budget and I have to run this city based upon \$34,351,000 of revenue and I will do that. It won't be pretty but I will do that. I'm hoping I'm not forced to.

President Holzheimer Gail – Director Johnson, you had a couple more sheets that you didn't get to, can those wait?

Director Johnson – Those can wait. The only other thing I was going to tell you was that I did pass out one sheet of paper that showed the pertinent sections of the Charter that talk about the H.B. 920 provisions that are applied to our levies. Section 13 is the particular section of the Charter that we'd want to zero in on that applies House Bill 920 reduction factors to our charter millage as if they are voted levies and non-charter millage. I just wanted to point that out and the other charts that are attached just show what the cost to the homeowner would be for the reduction of those both with homestead and without homestead. The assessment for street lighting, what that would cost for homesteaders as well as non-homesteaders.

President Holzheimer Gail – We will go out and allow the public to speak. I will review the rules real quickly so that those of you who have not been here. You may speak for 5 minutes, we have a full crowd so if you don't need to take the full five, we would ask that you consider the other people here. People speaking shall remain polite and courteous at all times, respecting the office being addressed and the decorum of the meeting. Vulgar and foul language and public remarks intending to embarrass or humiliate or which are personal in nature are out of order. Council rather than taking an official break, if anyone needs to get up, please do so, but I think we'd rather just continue with our progress. Just another reminder for those of you who don't want to get up and speak publicly, we do have some half sheets here. You can leave a public comment. If you leave your name and address we will make it part of the permanent record. They can either be left back at this desk with our Sgt.-at-Arms or out on the back desk. Thank you. First speaker please.

Ms. Jinai Amos – 23410 Lake Shore Blvd. My first question is, I believe Mr. Mayor you did I believe answer for me already but I just wanted to ask a question to be sure of your answer that if the November repeal is approved that this potential garbage tax will then be cut from subsequent years or periods of time that we do plan to keep it active.

Then my other question is, is there any information on whether or not the potential lighting fee would be around the same amount? I know the assessment hasn't been done yet but if there's any sort of preliminary research that could articulate that, that would be interesting to know.

My other question was, it is not clear to me as to how this tax will be gathered. Director Johnson did lay out the cost of postage and postcards but for me that seemed to be more of a reminder about payment. I wasn't clear as to how statements or you mentioned that the banks would be collecting this but how would the banks be collecting this. There is also mention about property taxes that this would be added onto the property taxes. I was unclear as to if that was for all residents or just for delinquent residents. I guess those are my only questions for right now.

Mayor Cervenik- You are correct Ms. Amos if the 920 provision in the Charter was repealed by the voters, your last bill would be for the 4<sup>th</sup> quarter of 2010. The street lighting would be assessed in 2011 but not in 2012 because we have to assess it this year.

As far as the bank collecting, how that works, is the same as our Tax Dept. If you owe money, the address is not 585 E. 222 Street it is a lock box. The banks go in, they deposit the money, they transfer it to an interest bearing account. It is a very efficient way of collecting.

The property tax would only be for delinquent people that did not pay the garbage fee. They would be notified and every September, hopefully everybody pays it, it would be assessed onto their tax along with the 10% penalty to pay for the costs. I think that was all of them.

President Holzheimer Gail – The plan to collect is, Director Johnson had talked about postcards but the details would have to get worked out. The plan at this point is that the city would send out the bills themselves on a quarterly basis, whether that's a postcard or a letter or a statement of some type, it would still have to be determined. The plan is to do that in-house.

Ms. Amos – Was there any information on the potential cost of the lighting assessment at all?

Mayor Cervenik – The lighting assessment would average about \$4 for a \$100,000 home. The total cost would be about \$900,000. The total cost of street lighting in the City of Euclid right now is about \$980,000. We are allowed to charge up to 98%, we have to keep 2% out for our costs. I know it has been suggested that we start turning the lights off, I don't think that's a real good idea. These fees are holistic, they are not just for street lighting or for garbage, they're to maintain all of the services that we enjoy in this community.

Ms. Amos – My last couple of questions are, how can residents get more information on the 920 provision as well as the City Charter?

Mayor Cervenik – The City Charter is posted on the website, we will make sure the 920 information is posted as well.

Mr. Jeffrey Beck – 25540 Chatworth. There's no question that the City of Euclid is facing financial difficulties. There are many cities across the country that are in the same position. There have already been many lay offs of city personnel and more are expected. By State law, the city must balance its budget. If the city has reduced expenses as much as possible, then raises taxes and fees to the residents is the only possible outcome. Or has the city reduced expenses as much as possible?

With 60% of the city's budget going to safety forces, it is only logical that the city look there to reduce their outlay. I'm not advocating laying off safety personnel as the last thing we need to do is put the city's residents at risk of harm. But there are a couple of line items that can have a dramatic effect on reducing the budget deficit as it now stands. I'm speaking of two areas, firearms proficiencies and clothing allowance. I will call these basically what they are and that is as a bonus. These items were negotiated into the contracts when times were good and now we seem to be stuck with them. We have heard how our police department is lower on the pay scale than many other communities. Do other communities offer these perks along with a retirement contribution approaching 30% of salary and a longevity clause that costs the city and the residents? This is unheard of in the private sector.

If the safety force unions were to agree to suspend the firearms proficiency and clothing allowance, the savings to the residents of Euclid would be \$1.3 million. A long way to reducing the deficit as it now stands. I understand that these two items are not up for negotiations with the unions. Euclid Police do an excellent job in protecting the residents of this city. Their unions shouldn't be holding a budgetary gun to the heads of those same residents.

The residents of the city can ill-afford to pay more in taxes and fees so this practice can continue. In the private sector, when a business's sales decline and their profitability and existence is threatened, then often the financially prudent thing to do is to file for bankruptcy protection. At that point the court steps in and takes financial control. Debt or possession financing is established so vendors can continue to supply needed products and material to the inflicted company. Contracts and unprofitable leases are nullified. This allows the company to renegotiate more favorable terms and hopefully emerge from bankruptcy a much stronger organization.

Bankruptcy is not an option in the public sector. When a city cannot balance its budget it goes into fiscal emergency. Under fiscal emergency the State of Ohio steps in and takes control of the city's finances until it can reorganize and emerge as a stronger entity. The State also voids all contracts so more favorable terms can be negotiated. This may not be a bad idea. The ability to renegotiate the safety forces contracts on more favorable terms will save the residents of Euclid at least \$1.3 million and probably more. Yes, it is true that fiscal emergency will harm the city's

ability to attract businesses and may delay lakefront development. If we don't do this, this Council will be back every February with the same budgetary issues and they will only get worse. I suggest this city take this drastic step before \$14 per month garbage fees eventually become \$35 per month garbage and \$4 per month lighting fees turn into \$15 per month lighting fees.

These erroneous fees put on the cash strapped residents will only cause more families to move from the city and will prevent young middle class families from moving in. This is a drastic step but I feel is the necessary one. This city needs to get onto solid financial ground and will never get there by targeting most, those that have the least. Thank you.

Director Johnson – A point of clarification, I don't believe being declared in fiscal emergency negotiates collective bargaining agreements. I believe you would have to be Chapter 9 declaration.

Mr. Slocum – My name is Mike Slocum. I was an original member of the City of Eastlake's fiscal oversight appointed by the Governor when the City of Eastlake went into financial emergency. Number one, the Commission does not have the ability to negate the existing contracts with the city. Those stay in force. They do have the ability to mandate, the city come up with a workable plan. The City of Eastlake's case, five year ago, they instituted the garbage fee which still exists today.

Mr. Tod Guntner – 21290 Edgecliff Dr. I wasn't here when the meeting started so if you discussed this already, I apologize for having to repeat. My question is, if and how the recycling is going to be affected at VASJ, where we were paying a small fee to have those bins there.

Mayor Cervenik – There would be no affect on the drop off recycling from the City of Cleveland. That's the City of Cleveland program. The fee is paid to VASJ to police and clean the area of people that can't find it in themselves to get it in the can and to rent their space. There will be no effect whatsoever.

Mr. Lou Drassler – 1996 E. 226. I assume everybody knows that there's a recession going on. I'm sure you folks are all hurt by a recession. It is a severe one and it is not going to go away soon. All us householders, all us taxpayers, all us people here have got it tough right now, okay. The city has it tough right now too. We're talking about a budget that has to be balanced thanks to the wisdom of the State legislature. We have to balance the budget and stay in the black. However, so do the folks that pay the taxes, etc., they have to balance and they do not have the opportunity or the ability to go tax somebody in order for us to pay our bills.

I'm saying folks on this side of the line were charged to balance a budget however they balance the budget. What is happening, what I see fees and so forth is nothing more than a tax. We won't be able to vote on the tax. To me it is a tax without representation.

The other thing we should consider, can we stay within the budget, the monies are allotted. Coming to House Bill 920, I was on the Charter Review Commission when that was established and the folks in the City of Euclid voted for it. So we had a tax break for 40 years roughly, give or take, and that's a good thing. I personally would not like to see any taxes raised. If that gets rescinded it is nothing more than a tax rate increase. Anybody who has gotten a water bill recently, the last couple of quarters,

President Holzheimer Gail – Mr. Drassler, if you could address your comments to us rather than the audience please.

Mr. Drassler – So what I'm saying is I think you folks have to stay within the budget that you have, hard as it maybe. We cannot as taxpayers go to somebody and ask for more money, it is just not in the books. As far as the House Bill 920, the taxpayers are the beneficiaries of it. I don't need any comments. I'm just saying this for a statement that's all. Thank you for your time.

Ms. Sandra Weber – 2070 Miami. I am representing the Indian Hills Homeowners Association. I just had a couple of comments and questions in regards to the cuts that would be made, if the street lighting assessment and the garbage assessment does not pass. Is there a guaranty that you're not going to cut the Recreation Dept.? First question is there a guaranty on that? I do have concerns of closing our neighborhood pools. In Indian Hills alone, not to long ago we lost our basketball teams, our baseball teams. We have a diamond and field out there that is not even being used. You guys closed Central's pool. The only recreation we have on the southwest side is that pool and I know that the attendance numbers are down, I do know. But for the people who do use it, that would be a hardship if it wasn't there. We don't have anything else to do up that end. A lot of the kids, parents are working, they have no way to get down there, most of them don't drive. That's a big concern of mine.

Another concern is quite awhile ago there was probably close to \$100,000 of renovations put into Glenbrook pool. Now you say you might close it. I think that was wasted money if it does close. Our ice rink losses quite a bit of money every year. I'd like to know who's using it and how much it is losing every year, if anybody can answer that.

Director Will – For the ice arena, not including the maintenance fees because that gentleman would still have been working doing something else, it was approximately \$50,000 in this past season. Including the maintenance it was an additional 55.

Ms. Weber – How much are the pools losing?

Director Will – The pools for the year lost approximately for 2009 about \$130,000.

Ms. Weber – The neighborhood pools not including Memorial?

Director Will – Approximately \$37,000.

Ms. Weber - \$37,000 for four pools, so approximately \$10,000 a year for four pools.

Director Will – Four pools that are open in the summer correct.

Ms. Weber – I have concerns about that when we have one facility itself that's losing \$50,000 and I believe it is more than that probably. So who is using that rink? Are the majority of our residents using it or do we sublet it to other communities for ice skating or for hockey and things like that?

Director Will – I would be glad to get you a copy of the end of the year report for the ice arena. It is like all of our facilities, there's non-residents that do utilize it. I don't sublet it any other communities. But other communities do come in and rent and we do have our own Euclid High School, St. Joe's is in there, we have our Euclid Youth Hockey, we have our Blade and Edge. There are several programs that are Euclid based that are using it.

Ms. Weber – Would you say the majority of the Euclid residents are using it? Or is it mainly the higher percentage it is rented out to other communities?

Director Will – It is not that it is rented out. I'll be glad to give you the figures.

Ms. Weber – Used by other schools for hockey leagues and things like that.

Director Will – I would be glad to give you those figures but as far as public sessions, etc., they're mainly our residents. Some of the other groups are non-residents.

Ms. Weber – I just have concerns that if this lighting stuff and the garbage doesn't pass, gonna take the pools away. So if you take the pools away and the majority of the recreation, what do we have to offer residents that are looking? A good recreation department or even a solid recreation department, it doesn't have to be wonderful. We do have to have some basis that we bring people in. If all we can say is we have four good schools that were just built, how good are those schools going to be if we don't have residents moving to our community? Everybody with kids wants to move out because they don't have, we don't have a good recreation department to keep their kids busy. I'm sure they don't mind paying fees for that but once they leave, how good is our city? It won't be a city of superior services any more.

Mayor Cervenik – As you well know, always and I'm not passing the buck on you guys, but it is council's prerogative to just budget, but there would be no reason to totally eliminate pools and some of the programs if in fact these fees were instituted with the hopes of the charter provision being repealed in November. Certainly that would not let us say, okay it passed, let us spend money hog wild. We will continue to monitor what we are doing, find out the best way to do it. We've actually had discussions with some people about possibly running the ice arena. It is not an option that anyone wants to take over. We are constantly looking at ways to save money. As best I can guaranty you, those cuts will not have to be made.

A comment was made about Roosevelt pool and all the renovations getting done, that would be a waste of time. It turns my stomach to think that a brand new fire station on Chardon Rd. would be virtually empty if we're forced to use one fire station which would be Fire Station #1, right down the street here.

Mr. Walter Drake – 2810 Natona Rd. I want to thank everyone for the time that you're affording us to come before you and some of the things that I've heard here shows the empathic approach that all of you are taking. I'm here to really just express my own personal views, but also I come from Indian Hills with Sandy and to also ask a few questions based upon some data that I came up with and just to find out what is the response and what is the answer.

Euclid, back almost a year ago, permanently shut down 2/3 of its jail, including the entire women's wing. The next month after that there was a lay off of 16 correction officers to deal with our city's financial problems at that time. At that time it was stated and this is my point, that we would eliminate 1/3 of the \$2.4 million deficit by closing 16 of the 32 men cells and sending female inmates to other jails. The city also eliminated the positions of 13 full time officers, 3 part time officers and a secretary.

If this is happening or it happened then, what is to say that what we're doing now is not going to create another problem and I'm concerned that safety in this city is really going to drive a lot of citizenry away from this city. Because when we don't have the force here to eliminate some of the things that are happening right now in Indian Hills with break ins and things of that nature, if we don't have the police force to do it, then we're going to be in big trouble.

I would also just like to personally ask everyone here, I myself finished the Euclid Citizens Police Academy course. Learned a whole lot about the police dept., respect them tremendously more than I ever had before and I see what they're going through and what they're doing. I just want to ask since we're all trying to solve some of these problems and we're talking about cutting here, cutting there, how many of you have gone through that course to understand what they're doing and what they're about? Any of you?

Councilman O'Neill – I'm a police officer.

Mr. Drake – Okay. Councilwoman Jones, two. I would recommend all of you do it. I'm not trying to make comments as far as negative here but I'm just saying what I found out and what you will realize is something that will make you be able to understand what is needed and what isn't needed possibly in the cutting and the budgeting of that.

I go on to say that the Plain Dealer had a very good article Monday, February 1<sup>st</sup> this year in the Metro Section. It was titled, How Euclid's High Hopes for Prestigious Housing Stalled. I think probably all of you saw that. Here again, I'm questioning what are we doing to maybe cut back and I'll just throw in something here. I see every summer people riding down the street watering the plants that are growing. That's just a small amount, I don't know how much we spend for that, but I'm just saying, in lieu of what we're talking about doing, is that necessary? Has anyone looked at that to say we don't really need that at this point, that's something that can maybe help and other things.

Anyway this article was talking about, it has been 9 years since the TV host, Jay Leno, poked fun at our city. The officials there that we wanted to invest in unaffordable housing. The city supposedly has invested more than \$1 million of our tax dollars in the project called the Shores of Edgecliff, which still is not finished and the developer is being sued. Is the city of Euclid next to being sued? We don't know, but then again that is possibly something that can happen.

The article stated that of course our Mayor didn't want to make any comments on the litigation which I can understand because we haven't been brought into it, but was quoted as saying that the city is sometimes willing to lose money on a project if it helps in the long term. Well that's good, but my question is, do we believe that keeping a neighborhood pool would help in the long term? Especially for people who are looking to move into our city. The last thing I have is this,

President Holzheimer Gail – Very quickly because your time is up.

Mr. Drake – Okay, if I could. This is about money, where we could maybe let's say get some money. But there is a fund called a fund for our economic future. The City of Cleveland has received \$3 million in a grant to tap residents ideas on how local government can become more efficient and effective.

President Holzheimer Gail – Mr. Drake, I am going to have to cut you off. We have a whole line of people. I would be happy to talk with you, I am familiar with that and I know Director Pietravoia is as well. We'll follow up with you on that. I need to stick to the rules, so everyone has a fair chance.

Mr. Dan Rose – 1974 E. 224 St. I have a few concerns here, obviously everybody does. I've never been here before, I watched it on the cable channel and I wanted to come several times, but I have been disappointed in everything going on here. Some people do stand up and some people are for the city no matter what. This city was a city of choice at one time to live in. I hope it is again, but I have my doubts.

We have taxes, every time the city runs out of money they need something, they want money from all our people. It never stops. This city isn't getting better, we need police force. The Chief has made cuts. I think we need more police. The problem is, we have no money once again for this trash pick up or the lighting of the streets. Yes I do understand we have an outside source for trash pick up, but we do pay taxes, so the money does, you guys aren't paying for it out of your pockets it is coming from taxes. I don't care for that. There's a problem there with the lighting, trash pick up.

A lot of major corporations, companies City of Euclid they've reduced hours for employees, they've reduced wages that aren't coming back. They also laid off a lot of people. Not 14, not 18, not 22 people, okay. So at this point, you've got to say there's a 1% raise or no raises and then you say we take into consideration of these people that are over here but you're not. How could you justify taking money and raising taxes from these people that lost their jobs, lost their wages, how? Can you answer that anyone, Mr. Mayor?

Mayor Cervenik – I can answer that, I believe I did during my statements that I feel that the cuts the city will have to endure will be worse than paying \$14 or \$18 a month for fees.

Secondly it should be known, the City of Euclid, the city, the governmental body that provides you with police, fire, recreation and snow plowing and everything else, has not requested any additional money from the residents since November 1994, when the joint income tax was passed. The City of Euclid and the voters passed it, was a .38 on earned income only which means seniors do not pay that. Secondly, if it is a \$50,000 of earned income in your house, your tax went up \$190 a year back in 1995. This city has not asked the residents for a dime since then. I firmly believe as Mr. Drake asked, is a closed neighborhood swimming pool going to cause a problem or convince somebody to or not to move in here? Yes I think it makes a big statement. Laying off the police officers and firefighters that you're expecting me to do without at least trying, without at least proposing this idea, I think is very damaging. I also said in my statement that if this Council determines after listening to the people and listening to the facts determines that they don't want to charge these fees, I will make those cuts. I will make those cuts and I will do them fairly and evenly and in the best interest of the city.

Mr. Rose – I don't expect you to cut your fire employees, but I do think it would be right for you to cut almost all your employees on the city's pay, I know people don't want to hear that. I do expect hours to be cut. Everybody else is in companies and major corporations. Yes, shut down a pool, shut down ice skating rink. Shut down a baseball field. What about the people that are going to lose their homes? Do you care about that or is it more important that the city people don't take cuts? Because that's what it looks like to me. I'm disappointed, I've been in the City of Euclid for a long time. I'm 40 years old, I was here since I was a kid, I moved out once I came back. I want to put my house up for sale now and it is joke. I'm going to have to almost give it away and I can't afford to do that. My wife lost her job. I'm on reduced hours. I lost a lot of money in my wages. Do you have any consideration for these people that lost everything or are losing it?

President Holzheimer Gail – Thank you Mr. Rose, your time is up. They are very tough decisions.

Mayor Cervenik – Just so the speaker and the audience knows, I don't know if he was here at the beginning, all the non-union workers have a furlough of 6 ½ days again this year. Last year virtually every union took at least a 3% cut in pay. The police department this year is giving up \$225,000 of overtime that they would be getting paid on holidays. So the employees are kicking in as well.

Mr. Victor Goodman – 20201 Glen Russ Lane. Proposing new fees directed at only a segment of Euclid's population is not only unfair and unjust it is ludicrous. Every time the City needs funds it goes to those citizens who have made the commitment to Euclid by purchasing a home. The people of Euclid as a whole are not taxed equally and I'm sick and tired of this practice.

The answer to the city's woes is not limited to its homeowners. In the last two years homeowners have been hit with the largest tax increases in decades, namely our schools. Every time I hear it is only going to cost you a few dollars more, my blood boils. In a time when our country is facing the worse financial crisis in history, when more people are unemployed, or have to take pay cuts, when seniors have been advised by social security that there will be cost of living

increase for at least two years. The cost of healthcare, gas, heating, electricity just keeps going up. So how is the simplest solution, let's tax those very same people.

Approximately one-third of the owners of Euclid homes are senior citizens and a good percentage of them are on fixed incomes. Our foreclosure rate is high. Nearly 50% of our population lives in rentals. People are leaving the city thus a reduction of income tax. People are walking away from their homes, thus a reduction in property tax. At this rate, if you keep nickel and dime-ing homeowners only, Euclid will be bankrupt in just a matter of years.

Now let me spend a moment on the proposal repealing 920, where homeowners receive a 10% rollback. Repealing that homeowner benefit is exactly the same as charging them for garbage or lighting. Why? Because only the people affected are homeowners. City garbage and lights affect everybody who lives in Euclid. That's if they go to Sims Park, use the pools or throw trash in public receptacles or drive down any single street in the city.

Now let me take the automatic argument away. The owners of rental properties pay their fair share of property taxes, but here's the difference from the homeowners, they get to pass every single increase onto their renters. So in fact they have no increase. I cannot pass my increase onto anybody, so it is certainly not equal. It is the responsibility of this Council and Administration to balance their budget and stop spending money we do not have. Then run back to the people all the time yelling, give me. Ladies and gentlemen, the well is nearly dry.

You both owe an obligation to your citizens and taxpayers of Euclid to change the way you spend money. City employees, whether union or non-union have to realize that their jobs are not paid by a private sector, they are paid by taxpayers. We have offered unbelievable packages to these employees and they must be adjusted. Not only for today but for the future. No matter what you say, do not threaten me with the loss of services and safety forces. I just don't have any more money to give you. The citizens of Euclid can no longer afford to support the benefits of the people who work for us.

I would like to know and I think every citizen equally, at the point that was told, of a \$3.5 million deficit, how much of that is paid in benefits to employees who work for me? If we don't solve our problems today and simply go back to homeowners, you will be left with a city of renters. I remind you that all across America people are telling their government whether it is local, state or federal, I'm made as hell and I'm not going to take any more. An interesting argument brought here, what is better, a city that can't provide services or a city that has no people. I think it is a negative loss either way.

Director Johnson – I would like to address one of the statements that was made by Mr. Goodman. The repeal of the Charter provision that applies House Bill 920 reduction factors would affect all property, business, commercial as well as residential property. I think that needed to be clarified.

Mr. Tom Cooke – 25641 Edgecliff. Wow, talk about being caught between a rock and a hard place. Let me just start off by saying I hate taxes, I dislike taxes, I've always disliked taxes. I didn't like the school taxes in 2008 regarding the levy but I voted for them because I understood the benefit and the long term for the City of Euclid that the schools would provide. I didn't like voting for the bond issue last November for the schools. But I understood there again, the benefit of building four new schools and how it would draw people to the city.

My wife and I both run a business. For the last year, neither of us have drawn a salary. Yes, there's a recession out there, I don't care what anybody tells you, they're crazy if they tell you there's not. This is the worst economic downturn I have ever seen in 35 years barring none, not even close. That being said, I have three sales people. I've had three sales people for the last 15 years, none of them have received a pay cut. Nobody has gotten laid off. Nobody will receive a pay cut and nobody will be laid off, I'll go out of business before that happens. Reason being, those people are the lifeblood of my business. They're the ones that bring in the business that keep my business alive.

The City of Euclid is built on a three legged stool. Police, Fire, EMS, and city services. That's what the City of Euclid has to sell residents outside this city to come into this city. We have to do everything we can to maintain the police, fire and city services. I don't like taxes. I don't like this garbage tax. I don't like this lighting tax, but we have to do what we have to do to maintain this three legged stool because when this thing turns around, when this economy turns around and it will, this is what we are going to use as a sales tool to draw people into this city.

Strange as it may seem, there's a lot of good stuff that is happening in this city as the Mayor eluded to. The Tungsten Rd. development, Ray Fogg, when literally building commercial building in this area is down easy 30-33%, they're building an infrastructure to draw in more business. The Lakefront Development as I understand is going ahead with a pier, that's just the base for further development. Downtown Shore Center we all know the development that's happening down there right now, this summer. The Expo Center, sure it's not bringing in a lot of

dollars but boy is it bringing in a lot of exposure. I can't tell you how many times I heard that on the radio and I initially thought I was hearing about the City of Cleveland Expo Center and then they said, no Euclid Ohio, and I thought boy that's really slick, that's nice. Four new schools of which 41% is being paid for by the State, we could not afford to pass that up.

Right now there is no better way, there is no easier way. It just is what it is. That being said, I don't want to see a single penny go to Shore Cultural Centre. I understand they're doing very well on their own right now. I want them to be known by this Council that not a single penny will go to them. Fourth of July as far as I'm concerned is gone, done for, this year and any following year until we get out of this mess. Recreation Dept., there's a lot of people from outside this city that come into this city to utilize our resources, I want them charged and I want them charged heavily. These are for our residents, for our people. If somebody else is going to come in here, I want to make money on them and I want to make a lot.

As the Mayor stated, this is a community effort. It is going to take everybody in this community to make this happen. This is not easy, this is not fun, it is not fair so get off the fair bandwagon anybody who wants to get on it. It's a tough choice. Everybody that's here was elected to make that tough choice. Make it. Don't dance around the details. Make the tough choice and let's get on with it. Thank you.

Mr. Mike Maggio – 731 E. 250 Street. Tom said a lot of the things that I had on mine too, so I'm just going to say it is a tough situation. I have more confidence in this council than I ever did in the previous council's that we've had here for the last 10-12 years. I think you guys can probably get something done.

I have a couple of questions that I want to ask you on some things that may not have been touched about, maybe just some observations. When you talk about the waste collection, it is a fee; but when you talk about the lighting it is an assessment. What's the difference in terminology for that? Are they really both taxes? Where do the funds go?

Mayor Cervenik – The reason we use the word assessment on the lighting is it would be a special assessment on your real estate tax bill and it would be collected in that manner. The garbage fee, you can call it a garbage tax, whatever makes us happy, will be a bill that's mailed to you most likely quarterly.

Mr. Maggio – So are they taxes or fees?

Mayor Cervenik – Yes, they're taxes.

Mr. Maggio – If everybody is just upfront and comes out and says that.

Mayor Cervenik – The money goes to the general fund. That's these fees. If we can repeal the 920 because we have different levies in different departments, such as Recreation and Streets and Permanent Improvement, that money would also go to those departments by Charter, by what it was originally voted for and we would still receive about \$3 million in the general fund.

Mr. Maggio – I'm not privy to the same information that all you people are. But I think if there's a little bit more information coming out to the general public, maybe a little bit sooner, maybe some of this stuff was talked about a year ago, as far as charging fees for street lighting and stuff like that. I'm a little curious as to what's been done as far as that in the last year. Some of the questions I have are, is it possible to reduce the amount of street lighting? Can you reduce the wattage of the bulbs? How often are the bulbs changed? Are the bulbs that are changed, are they more efficient than the ones that we have now? What's the life span of some of the bulbs that we're using? How many street lights do we have in the city that we're paying for? Do we replace burned out bulbs with more efficient ones as they burn out? Who does that work and how much does that cost the city to have that kind of work done? Is that done by the utility company and then how much do they charge the city for stuff like that? These are the kinds of questions a lot of us want to know.

Other cities in the country are maybe going every couple of lights, turning a couple of lights out, they are reducing by maybe 30%. I know the safety forces are going to say there's some safety issues with that, but unless you do a study in the community where that type of work is done, I don't know if a lot of other members can pertain to this community. You'd have to do a study here to see whether those numbers are accurate or not.

I know you guys need the money and I'm on the fence about this both ways, but I think you guys also need to lead by example. One of the things I'd like to say is I've looked at two thermostats in here and we're set at 70 degrees. The one in the lobby is set at 70. I know you've got a couple people doing tax stuff, but you only have one person working the reception booth

during the week, put a sweater on. Most of the homeowners and stuff are at 68 degrees or less because they can't afford their high bills. If we went around the other rooms here, I would like to see what some of the other rooms are set at. I think it could be turned down to 68 or more. Utility companies, everybody says we should do that at home, I think you should do that by example. Alright, that's it.

Mayor Cervenik – As far as the lighting goes, there's a fee per pole that is instituted by First Energy, the Illuminating Company, that includes the repair of those. They replace quite a bit of them with the newer brighter light that is supposedly energy efficient. We have had discussions with First Energy about switching out all of our lights to LED lighting as we did with our traffic signals. They're not especially interested in doing that at the moment for a number of reasons. One, it probably costs them some money. Not to be critical, they do not feel that the quality of the LED Lights are at a point yet where they could be used throughout the city. We've asked them to use certain areas of the city as a testing point. We haven't heard back from them yet, but we are looking into those things. I don't know what the temperature is set on in here, but it is usually pretty darn cold in here even when people are upset. It might be the thermostat that is wrong but we will look at that, it is something we need to do. Randy, do we know how many street lights approximately? It's a lot but I don't know if I would want to start turning them off unless certain neighborhood associations would like to volunteer to have theirs turned off first. Whose do you turn off first? I don't think we were over bright anywhere in this community.

Ms. Karen Ostroske – 110 E. 202. I was born and raised in Euclid and my husband was born and raised in Cleveland. We had to choose did we want to raise our family in Euclid or in Cleveland and we chose Euclid because we wanted a community. I think when we think about the future of our city we need to bare in mind above and beyond all things that it is a community that makes a city strong, it is not the city that makes the community strong. But its residents are interested only in their own finances and they forget that there are other residents going through this with them, it weakens the community.

My children and I use the neighborhood pools and Memorial Pool every day during the summer. That's how we build community. We can't build a pool in our backyard, the Lake is an option but it is not really an option. Families go to the pool, that's where we reach out to each other and that's where we get to know each other. That's how I met people who encouraged me to come here tonight. I'm not speaking for myself, I'm speaking for a whole group of people.

It would be irresponsible and dangerous to close the pools. We live near a lake. Children need to learn to swim. They need to learn to swim somewhere safe, not to drown in the lake when they're trying to cool off. You close the pools then people are going to start opening up fire hydrants and we're not going to have the safety forces to fix those fire hydrants. People will see this on the news and Euclid's reputation goes right down the tubes even farther than it has. We have a chance to bring our city back. This is our community and we can only do it working together.

With regards to the hockey arena. My children don't play hockey. I take the kids there sometimes and they fall down and I watch them and that's marvelous. However, since I have been here I've seen hockey increase. Boys, girls, young, old, children are using hockey and I think it is on the rise and I think we can't judge it by what it has done but by what it can do. Euclid Youth Hockey this weekend traveled up to Buffalo, Niagara Falls. We're building communities, we're building our reputation across the country.

I work at the Library. Recently and every now and again there's large groups of children, high schoolers in the Library; people don't want them there. People don't want the youth walking in the street. People don't want youth everywhere. If you take away the Recreation facilities, they've got no where else to go, they've got nothing to do, bad things happen. We need to reinvest in our children and in our youth.

I belong a church that recently closed and was merged with another church in the parish. Our new Pastor said, if we strive only to survive, we're missing the point. We need to strive to thrive. The only way our city and our community will thrive is when we do it together, when we recognize that we must pool our resources for the betterment of our community together.

One more thing I invite Council to follow our example. At the Library we took a pay cut across the board. People are losing their jobs and losing money. I invite Council to share the burden with us and to take a pay cut, a separate portion to show that you understand and that you are with us. Thank you very much.

Mr. Wallace Tanner – 2046 Miami Rd. I have question, as far as the tax assessment as you call it, it seems like, I understand we all have to pay this. But at the same time if I have residential, live in a home, I'm paying it. But at the same time, if I lived in an apartment, I'd get the same quality of service. I want to know if that's the only way you can come out without so called taxing everyone?

Mayor Cervenik – If you're referring to the fees or the garbage tax and the lighting tax, I can only charge the users. I cannot charge apartment buildings that have their own trash removal.

Mr. Tanner – But can you come up with something else; if you want to call it a residence fee?

Mayor Cervenik – Street lighting on the other hand does affect all property owners. It affects all the businesses, it affects the apartment owners and all of that. Ideally, again, the push here is to vote that in this year because we need the revenue this year and then pass 920 in November and then everybody pays. That income doesn't come in until 2011. If we could have even gotten on the ballot this May and it passed in May, we still wouldn't get any dollars in to help our shortfall this year until 2011. That's why the short term fix are the two fees or the taxes and the long term fix for our community is to repeal the 920 provisions in the Charter in November and then everybody pays. We actually receive more money and we get better services and it puts us on a solid financial ground anywhere from 5-8 years.

Mr. Tanner – Also let's say I have a problem with my street lights, who do I call? Illuminating Company or do I call the city? Let's say this passed, who do I call if I have a problem with my trash and my street lights?

Mayor Cervenik – You call the Service Dept. Lynette, hi Lynette, she's watching on TV. If you have a street light out, either give us the address, or if possible, if it is in the daytime, there's a tag on the pole, a number. If you can give us that number we can call it right into the Illuminating Company. If not, we will go out and get that number. Same with the garbage, you call the Service Dept. if there's a problem with your garbage and we will handle that problem.

Mr. Tanner – And there is no other possible way to put this as any kind of fee or come up with any kind of other name you want to you to actually get everyone involved as far as the community?

Mayor Cervenik – The 920 will do that.

Mr. Tanner – I'm talking about up until that time.

Mayor Cervenik – Up until then we all have to join together. After that, the other entities will actually be paying half of what's brought in.

Mr. Tanner – Alright thank you.

Mrs. Annemarie Finch – 336 Walworth Dr. Euclid, Ohio. I'm also an employee of the City of Euclid. I've been a resident since I've been 18 months old, so it goes back a long way. Hi Mom, she's kind of taught me how to speak as my father has too.

A couple of things. City employees have given up. I've been in the city on a lot of different levels, as a volunteer, as a part-time employee and now as Aquatics Director which includes the ice arena, which is hard water for those of you who don't know. But, I can tell you from the bottom of my heart there's not a city employee that does not give their all to this city.

I have the privilege to work with the safety forces, both police and fire on a lot of different levels. Last week, unfortunately they were at my arena and Officer Walsh, which I saw here, did a wonderful job. I've worked with the Fire Dept. and I don't know what his rank is but Mr. Haddock, a training officer who has helped us. I've worked with the Maintenance Dept., the Streets Dept., and let me tell you these people have put together and kept this city running with very little. My grandfather worked for the Streets Dept., a long time ago, when back in those days, my grandpa would be the one person digging down in the sewer while 5 city employees watched him. That doesn't happen any more.

Every department is really working on a shoe string budget. Breaks my heart when our volunteer basketball coach comes in with two basketballs. That's his practice balls. For those of you who have ever coached CYO, you get 8 basketballs. It breaks my heart that our Superintendent of Parks after sitting in a meeting being told, he guys if this doesn't go through we don't have a Rec Dept. and his concern was, where are we going to get the mounds for the CABA tournament.

Where are we going to get the grates for the swimming pools that are mandated by federal law?

This is a man who is sitting there waiting to be told that he doesn't have a job any more.

I wonder how many people have the opportunity like the Rec Dept. did to sit down when our Director said, I need you to tell us how to cut our services. Basically I had to give my death sentence. When you listen, I'm the Aquatics Director. I manage the five pools. If we take that out, there's one-half of my job. Then we take out the arena, wow there's the other half. It doesn't take anyone with more than a second grade education to figure out that one person going might be me, okay.

Do I want to give you money to pick up my garbage? Absolutely not. Do I want to pay for lights? Yes, because I was down in West Virginia this weekend and without lights, it is very, very dark. So I will give you the assessments and you will put lights in because I said to my husband there is no way I'm moving to the country.

What you need to know is there is not a city worker and this city is running on a very lean, lean budget. Though no one wants to give any money, the option is, as the Mayor said, and my husband and I were on a very long ride back visiting my daughter down in school. Is what happens if all of this is taken away from us, if our services are taken away from us? There's a real possibility at some point the Finch's or Dittiro's, for those of you who know me from the dark ages, will no longer be part of this city because it doesn't make sense for us to stay here.

I really just wanted to say thanks to my fellow employees because they really do want the kids to play on a baseball field. Really do want them to skate on good ice. Really want them to swim in clean water. Our Police Dept. wants the kids to be safe. Our Fire Dept. wants fires not to happen. So, I don't want to give you my garbage money and you know what, it is a deal for me. I am a family of five with three teenage daughters. Our garbage is like four housefuls, so the \$14 is a good bargain for me. But most of the cities that my friends have left and gone to are paying way more than that. It is not equating us to Cleveland. Go to where our ex-Euclidians have gone. The one thing they've said is, wow, I have to pay for garbage. I've had people in the middle of the night come back and put their garbage on my tree lawn because they've moved to a city, okay.

That's all I want to say. Thanks fellow employees.

Ms. Dana Pado – 19631 Locherie Ave. I have some information for Council and then I have some questions for the Mayor. Number one, I've lived in the City of Eastlake before I moved to Euclid where I married my husband and Eastlake did all the things that Council is talking about doing and the Mayor has talked about doing. Paying for the garbage, the lighting, all that stuff and actually it did go through and they cut in our Parks & Rec department and they closed all our pools and shut down services at the schools and stuff like that. Actually the City got so bad that they actually, all the cuts that they made in the departments, actually they brought them all back because the city was looking so terrible that unfortunately they had to bring back what they thought was going to be a good decision to make the city look a lot better. For that I ask Council to really think about the decision before you cut out Parks & Rec., before you close pools, before you do dramatic changes to the city, you've got to think about what the affects are going to be after.

As for the Mayor, I kind of feel that it is just a little discrepancy. If they do not pass, the lighting and the garbage, people are speaking of Parks & Rec being totally eliminated? Are you talking about, you mentioned eliminating four full time employees, what exactly is going to happen with Parks & Rec if this does not pass?

Mayor Cervenik – As I stated, unfortunately we'll probably be closing the swimming pools and the ice arena, which would reduce a number of positions. You just heard one of the positions speaking. Those aren't set in stone. Right now we transfer about \$270,000 into the general fund. In addition we also have some general fund expenses of Recreation. We have some options, but those are options that can be quantified, immediately done and you know you have the savings. I don't want to see that happen any more than anybody does. But that's why those are the easily identifiable ones. We start eliminating, say okay, let's get rid of three maintenance workers, we barely keep the fields up now. It is difficult to stripe all the soccer fields that we have, baseball fields that we have, to rake them and cut all the grass that needs to be done, let alone in the wintertime the snow that they plow. That's why those are there. Obviously if this does not come out the way I hope it does, my team up here will sit down again and we'll come up with a final blue book and discuss it in public.

Ms. Pado – So there's no official, you're not saying that it would be completely eliminated, it is just going to be a matter of moving what you have to to coordinate the budget.

Mayor Cervenik – Yes, we can say that. Nothing is in stone yet. However, safety forces, those numbers are what's left over after I've cut virtually every other department to the hilt. That's the part that I'm trying to avoid as well.

Mr. Jeremiah Swetel – 145 E. 207. I'm an employee for the City of Euclid. I'm a mechanic at the Service Garage, Local 1363. I kind of have a dual perspective on this since I'm a resident and an employee. Last year we made some concessions with the 2% and more recently we lost a parts manager and a mechanic. What that means for the Motor Maintenance Dept. is as far as losing a mechanic goes, it is slower response, not response but turn over time as far as the police cars are concerned and fire apparatus and the plow trucks and what not. When the truck or vehicle comes in, getting it out. There's some extra duties now that we have to perform from the loss of personnel in our department.

Also I've heard some things tonight that weighed on my mind a little bit that I think city employees take the brunt of the cost savings that the administration and council ultimately has to implement. It is unfair to say that we have not done anything, or we have these extravagant bonuses. It is not like we have this undying passion to give money back or lose personnel or co-workers. The monies that are negotiated in our contracts are well warranted. I would hope that when you talk to your constituents, when the time comes to pass this legislation that there would be some serious consideration and talk on our behalf that every city employee does in fact care deeply about this city and does perform to the best of their ability to deliver quality services. I think we do that every year, every day, on a daily basis, especially police and fire.

With that being said, I'm also a resident and nobody likes increases in taxes, but it is inevitable and we definitely need to do it. Obviously my bias as an employee would be to say pass it, but also as a resident with a family, I don't want to see any services discontinued. I have two young kids that I'm sure are going to enjoy the parks and I would hope that we would keep all that going. Thank you.

Mr. Mike Fortunato – 208 Wells Court. Euclid. I'm also the President of our Local Union, AFSCME, which represents our Streets & Sewers and our Public Buildings Dept. As a result of the economy the city has been forced to take a lot of action this year. Some of which has been to cut some of the services. Not cut services but we've lost personnel. We've lost a whole Traffic Maintenance Dept., which entailed 5 employees and an electrician in our building maintenance department. As a result of these actions, we've all been forced to pick up the slack and assume these duties from these people and we're pulled away from our normal jobs.

If something is not done to enhance our revenue in the city, I'm sure there's going to be further cuts and cuts are going to be resulting in loss of service, plowing, leaf pick-up, road repair, maintenance of our buildings and these are all things we are all used to. To lose them, after years of living here, it is kind of tough. I can say that over the years I've been an employee for 27 years now, and I work in the trash collection department and we eliminated that whole department. There was several employees that were lost back then. I can't tell you the number but I know it was probably 40-50 employees. Those things over the years have kind of snowballed. Originally we had people and I don't know how many people were here back when we had men that would actually go into your yard and bring your cans out to the street. As time goes on and money gets tight, people lose their jobs. So, I'd hate to see that happen again. I've been a citizen my whole life in the city, born and raised here. I've worked here for 27 years and I'm asking the council to make the right decision so we continue to keep the services that we have. Because I think that's what keeps people in the city, I really do. That's all I've got to say, thank you very much.

Ms. Christine Vidmar – 111 East 214<sup>th</sup>. I actually don't have very much organized here and I'm kind of doing this off the cuff but I'm appealing to Council on the behalf of I think a lot of Euclid families. I moved here thirteen years ago, not a lifelong Euclid resident. I grew up in Lake County as well as my husband. I've always been extremely proud to live here and when I moved into the neighborhood we're surrounded by older kids, little bit older, watch them walk around safely. Watch them go to the pools. Watch them go to the rinks, be involved in the Rec Department. It's near and dear to my heart. We finally are getting these new schools. We're going to be bringing hopefully new residents in here and not have services to offer these new children who will hopefully be coming into our community. I'm basically, I'm not for taxes either. None of us are. I'm assuming and hoping all other alternatives have been looked at. I'm appealing to, to, if this needs to be done to look at the families. I was at the Ice Rink, five families told me we're out of here; we're out of here if this isn't here. If it's not safe for our children, that's what we care about. We want a community where our children are safe, they're well educated. That's about it. Thanks.

Mr. Hiscott – 1970 East 224<sup>th</sup> Street and I'm also President of the Chardon Hill Community Association but I'm here to speak as a private resident. But our group does entail some six hundred homes. We have over a hundred dues paying members and some of them were here and have spoken tonight. But just generally speaking, many are, well they're all homeowners. Many are senior citizens and I know they're certainly not in a position to be paying any extra fees, taxes, or assessments, or whatever. On the other hand I can understand the dilemma because we do promote and support the City. We have people from the City come out and speak to our group. We try to take care of the area so anything that's going to take away from that is going to be hurting too. I did have a quick question from the, for the gentleman that was involved with the Eastlake situation. Did they have the 920 option available to them?

Mr. Slocum – The City of Eastlake did not have charter millage as the City of Euclid did. The millage within the City of Euclid is called for in your charter. We did not have anything similar of that in Eastlake. Everything that was passed in Eastlake was done through a specific levy which lasted five years and you know needed renewals. So we did not have ongoing millage.

Mr. Hiscott – Okay thank you because you did make the comment of five years ago when they went through some problems that they instituted a garbage fee which is still in effect today. So sometimes fees get put in and they just are there forever regardless of how other things may change. I guess something else on the lighting being an assessment rather than a fee for those of us who itemized deductions and deduct property taxes and things, would that be included in as a deduction because it is an assessment.

Mayor Cervenik – Madam Chairman, Mr. Hiscott, no it would not. Special assessments are not deductible. Many cities in Northeastern Ohio as well as all of Ohio, when you get your street done they actually assess by the footage and that part is not deductible. On the reverse side, if the 920 provision is repealed, that would not be an assessment that would be taxable, that would be real estate tax being paid and that full amount of the increase would be deductible.

Mr. Hiscott – Okay, yeah I thought that myself too. Well, you folks have a decision to make. Good luck. I think you will all do the right thing. I will say Mr. Mayor and the Administration that you need to do one heck of a marketing job between now and November and I think once people have the information and once the initial shock of these things kind of settle in, I think they'll support what needs to be done and do the right thing.

Mr. Zuccaro - 25655 Glenbrook. I am not as an eloquent a speaker as most of the people here. So I'm going to get right down to the facts. I've also not lived here as long as most of these people, I've only been here for about eight years but I chose to live in Euclid for a variety of reasons, proximity to Cleveland. I think the east side is a great location. I think the lake is a great location. But a lot of people did laugh at me and they still laugh at me for why do I live in Euclid and I think for someone in my situation, most people are willing to move a little further away for one reason and that's because of the taxes. So I do think we need to weigh these options carefully because Euclid does pay a fair share of tax and I think any tax increase is going to be look on, looked upon unfavorably by people looking to move into the City. One thing I wanted to clarify is whether, we've talked about two things, the tax on the trash and then the levy on the lights but it seems like those two are being packaged together into one ballot issue, am I correct?

President Holzheimer Gail – No they're two separate. Right now, they're ordinances. They would be treated separately.

Mr. Zuccaro – So one could be voted down, one could be passed. I just wanted to clarify.

President Holzheimer Gail – And it's not a ballot issue. It's a Council Ordinance so Council.

Mr. Zuccaro – They're two separate ones. So one could be passed and one could put down. Okay. I think that's an important distinction because I think that should be looked on as some other gentleman said that the homeowner's are bearing the brunt of this and I think there are a lot of people that take advantage of the services here and the great living in Euclid. So that's my only statement.

Mr. Marcus Epps - 25580 Tungsten Road. I've, we've all got an earful tonight. I, like a lot of people are, am on the fence with this. I do support that we do need to impose some sort of fee onto residents in order to make up for the hole in the budget. I understand that you have to do these things in order to make things happen but Mr. Drassler brought up a clear and simple point and it's that people have balanced or have budgets to balance in their homes everyday. These are all a kitchen table issues that people deal with each and every night. Parents discuss amongst themselves and even with their children about ways to cut back and in order to balance their budget. And it's a good point to say that it is your job Mr. Mayor and your Administration to balance the budget. I didn't look at it that way but it was a good point to say we don't have the opportunity to say hey look you need to, I need a dollar from you and a dollar from you. Everyone who walks in my house hey you got to pay a dollar admission. You got to pay a dollar admission here because I have bills to pay, you know what I mean. Don't throw anything away in my trash because I'm paying for that. You know we don't have the opportunity to say that whereas the City does, can go to the people like you often do and say hey look we need more from you.

I think that it's important that Euclid residents soak all this in because the reality is is this is probably going to get passed. My opinion is that this point I think you should pass the lighting aspect and not the trash aspect because they're a lot of questions that were answered that this Administration could not that were asked that this Administration did not answer tonight and could not give a clear answers and I understand that you're still in discussions but for that reason a lot of these things need to be answered and this Council needs to urge this Administration to answer these things before you even consider voting for this. Even if you're in favor of it and you want to vote for it I think that all you need to know how are you going to charge for empty properties. I don't care what you say about how taxes goes. People pay taxes on those properties. It is not right to charge those people who have empty homes.

All these loopholes, how are you going to do it, are we going to impose it on the resident or the renter that lives there and if they don't pay then the homeowner's going to have to pay then and you know all these things need to be figured out. In my opinion I think one way is you can clearly say hey we're going to charge to the homeowners even for those renters that's a way to clear that up. All these things have to be done. You have to figure out exactly how you're going to do it and I don't think you know. I don't think you know. Its sounds like imposing this is going to create a huge mess and you're still not going to get the funds. It's a waste of time and if you're thinking about your political careers I think that it's going to weigh heavily on voters in the next election.

I go back to say that it's your job to balance the budget and now voters need to decide and need to let this soak in and say hey look who are we putting in office to balance the budget. Euclid was not in financial trouble as fast in this recession as many of the other cities around us were. Cleveland in particular and did you not see it coming. I just think it's important that we decide now is, are these names that we know so well delivering on behalf of us. And the problem in our government across this nation in my opinion is that we put people in office who are politically motivated. Have all these, they've went to school and spent all these years out of community to gain these degrees and do all of this and then they come in office and we expect that they're going really deliver for us. Well how can they do that if they don't even know what we go through? And when our forefathers set up our government years ago that's the reason why we don't have qualifications like degrees for the positions that you all hold including the Mayor's position. It's not a requirement and that reason is because the people were supposed to be running things and now we need to decide as people who we're sending to represent us and who were sending to balance our budget. And it ought to be people who have struggled and who are having an issues at home who are running our city and that's the bottom line to it. We can hire people to do the different departments and as director's etcetera but we need to really decide who's going to be the decider and we've figured out, this nation is learning now that all across this country we're supposed to be the decider and you all supposedly work for us but that's not really the case. It's not the case at all and we need to decide and we need to reevaluate and really focus in these elections and start putting people in office who really care about people. We have not been doing that here in Euclid. We have not been doing that here in Ohio. We have not been doing that in this country and until we start sending everyday people to serve us we will continue to keep being screwed because you're not making decisions on behalf of the people. 2011 is not very far Mr. Mayor. Be careful.

Ms. Sara King – I live in 19970 Upper Valley Drive. And I've been sitting here listening and listening and listening and it doesn't seem like we've had long range planning in this city. We go from one extreme to the other. I've been in residence for fifteen years and I've loved this city but I don't like to see what's going on here now. For you Council people, perhaps there's other avenues that you could look into. This gentleman over here, oh he's left already, mentioned the fund for economic future. You might want to look in that. You can do a lot of cost savings. Other suburbs have done it across the board. What it's set up to do, Madam President you said you've investigate

it. Perhaps I don't know if any of you know about it but she need, it needs to be shared and you need to deal in it. Deal with it for this community. It's for buying and other things of nature, I think you save yourself some money. Now I'm not quite sure a lot of us work outside of Cleveland as far as the tax base. Whatever happened to getting the money out of your paycheck up front like the City of Cleveland does, that way you know what kind of money that you're dealing with from folks who live outside of Cleveland to get tax money. That way that money is there. I don't know how do you do it. I don't know the legal. Your Law Department could look into it but looking into having money come out of folk's paycheck for the City of Euclid like the City of Cleveland does. That way you know you have some money to work with. I think that was done in the past. Some service done it and I don't know whether or not they're still doing it but perhaps you need to look into that as well. I sat here and I listened and I listened and I'm just between a hard. I voted for all the school issues. I voted for everything else and I understand it and most likely as much as I hate it I'll, if I had a vote I would vote for it because I understand we have immediate needs right now but we got to stop being in emergency instance reacting to a situation, emergency situation all the time. You have to do some long range planning. Get some things, focus on things and get things in order and I thank you for listening to me.

Mayor Cervenik – Madam Chairman, as to the withholding. Every employer is required to withhold a tax that is located in the City of Euclid. Any, the other part of the coin is a .85; we cannot require an organization or company outside of the City of Euclid to withhold that .85. Now if you're in a CCA community, they have a rule that if you have more than one business in two different, more than two businesses in different CCA companies than they can require you to withhold that. We cannot make cities outside of our community withhold that .85. Everybody who works here has 2.85 withheld from their pay and just going back to the last speaker only because it got a little personal, if anybody thought I put these two pieces of legislation in front of this City Council tonight, it certainly wasn't to further my long term political career. That's probably farthest from the truth so; I'm doing it to further the long term financial strength and growth of our community.

President Holzheimer Gail – Thank you. I think that wraps up Public Comments. Last chance.

Councilman Van Ho – I guess I have several quick comments. Somebody said let's go into bankruptcy or default or whatever else. I probably have the honor of being one of the few if not the only person here that worked for the City of Cleveland during default and it affects all your services. I've literally some days in purchasing had to beg to get carburetors for cop cars or tires for fire trucks. You know so that affects right straight across the board. You think you're services rotten now, if Randy doesn't have snow plows up and running, you're going to really be upset. As far as Council pay cut. I'll take one. I once, the Mayor mentioned 1994 was the last time the City came and asked for extra money. I want everybody to think, those of you that are old enough, what were you making in 1994 versus what are you making now and our costs go up because when we go to a lumber company to buy lumber or gas, they don't go we are a city that hasn't raised money since 1994 so we'll give you '94 rates. No, if anybody's got some miraculous ideas like Mike you came up with looking at thermostats, call. Call me or call your councilman. We'll look at them. We don't get any joy out looking at the idea of asking you for more money. I guess I had mixed calls and e-mails all along the way and thank God that a good percentage of them said I, you know we don't want to pay anymore taxes but we will to protect our city and our quality of life. Like Director Johnson pointed out, I haven't had one person said raise my fourteen to fifteen and give the seniors a break. I will vote to move this legislation to Council and I do it with mixed emotions. I know people who don't have enough money to get their pills. Who are cutting pills and so forth but if we don't, they like I at this point can't afford to move out of this city. So we need to protect for the people, the very people that everybody had been talking about. The poor people, the seniors. They can't afford to move so you better get, protect them and give them a decent quality of life you know. That's about all I have to say.

Councilwoman Scarniench – Thank you Madam Chairman. Just a few things, I don't have a degree folks. I grew up in Euclid in the projects and I graduated from Collinwood High and that's as far as I went. But I spent the last thirty years from the back of this room and the back of the school board room doing what I thought was best for the citizens and Euclid. And fortunately enough I finally got elected. If you remember, now when we were asked to take a pay cut, we already did. I brought before the previous Council to eliminate the medical benefits and because I don't have that in front of me I believe over the next three years we will have saved a half a million dollars from these nine people because they gave that up. I talked about that for many years and once I got here I was able to convince people to do that. So we have taken a pay cut. We are doing what we

believe is right. Political career, I don't have any political career. I have no aspirations to go anywhere except to serve the people in my ward for as long as they want me to. And if they decide that whatever decision I make isn't the right one then they'll vote for somebody else. I will know I've done the best that I could for the information that I had.

What city outside of Euclid and Cleveland, can't count Cleveland, what suburb have so many swimming pools? Nobody. Okay, I have advocated for years that we only need Memorial Pool. I still say that we only need Memorial Pool.

I'm on a fixed income. My husband's retired. I know exactly what we're doing and I don't want to do and if we passed this I will pay what I have to because I don't want services cut anymore than they have been right now. And then everybody laughed about the empty houses, well you know what we can ask Mr. Beck about the houses on Chatworth or my other folks over on Idlehurst with their empty houses and how much trash is sitting there week after week, month after month. Somebody has to pick it up and somebody has to clean it up. Our guys have to go out and clean up the mess because this is what's being left at our empty houses. So please don't laugh about empty houses and on that I'll shut up. Thank you.

Councilman O'Neill – Thank you Madam Chair. Just, I want to thank the Mayor and the Administration, Jack Johnson and the Finance Department for a, you don't know how much time those people put in. I mean late nights. I just want to thank you for your efforts. I like many people on Council here don't have a college degree but I've been in this city all my life. Forty nine years today and I've been a firefighter for 27 years. I've been a cop for 14 so I've got a pretty good idea kind of how things go, pertains to the Police Department or Fire Department and you do not want to cut either one of those departments. We've cut everything in this city to the bone. There's no where else to cut. I will tell you that that fourteen or fifteen dollars a month you're going to pay is pittance compared to what could happen to this city if we start cutting the Police Department, start cutting out street lights, cut back the Fire Department. You don't want to know what's going to happen there. I could tell you that for a fact. You don't want to do that. So you have to weigh is it worth fifteen dollars a month to maintain or actually we'll probably exceed some of the city's services by having that revenue come in and then hopefully that will roll into a rollback of the 920 and that would really keep the momentum of the city going even in a very, very bad economic time.

I'll tell you another division within the city that's very important. It's Community Development people, Frank Pietravoia over there. You don't know how hard that Department is working for the city. You are going to the results they have in four and five years. If we start cutting now, you are not going to see that momentum in this city so I will vote for this and I will lead and I will say I will vote for it and it won't cut the city anymore. And you can vote me out if you want. I make \$9,000 a year. I take home about six. Matter of fact, the first year I spent four grand on clothes that fit so if you want to take that all from me take it away from me. With that I'll say good night Madam Chair.

Councilman Gilliam – I liked to thank the Mayor and his Administration for coming with some possible solutions to balance this budget. It is up to Council to make determinations on how we can allocate our dollars and how we can enhance our revenues so that we can have a balanced budget by the end of this month. One of the proposals by the Mayor and as I said a proposal by the Mayor was to charge home fourteen dollars and that would have raised about 2.2 million, excuse me two million dollars, excuse me. The deficit is about 2.8 million. I have a concern when the homeowners and the residents have to pay 71% of this debt because two million dollars out of 2.8 million dollars is 71%. Now what I'm really about to say is not going to make me popular. So in regards to Councilman O'Neill's particular statement if I am voted out my name will still be David Gilliam. I'll still be a problem and I'll be a citizen.

When we look at what we're asked to do across this particular city the major concern that I have is it equitable to every citizen that lives in this city and it is not. And I want to be very blunt with this. On the south side of Euclid, there is no money geared towards economic development. Therefore the south side residents are paying to support cities where the money is going towards which is the north side. No I'm not here to divide this city but it's very blunt to me that the south side residents have paid their fair share as well as the north side but if I'm going to spend fourteen dollars a month plus add up another particular, I forgot the actual amount for lighting. I want to see some equity in my development on both sides of the city and I don't see that. And I'm making it very blunt to you that this is not going to make me popular but that is my opinion. If we're going to be a community we're going to have to look at every partner. That is our apartments, that is our homeowners, and that is our government in every single department. I know we've made allocations but a three percent decrease in departmental costs is not equate to 71% of this particular budget shortfall falling on our residents.

Councilman Langman – Thank you Madam Chair. First a question to you, I don't think it's your intention to vote on these this evening and move them to.

President Holzheimer Gail – No I think this was meant to, this was the first opportunity we had to hear the presentation. We wanted to hear from the residents. Based on what everyone heard tonight, there's still a chance that many people want to comment. So no, the intent was not to act on this this evening but to have the discussion. We will have to set up a subsequent meeting to talk about it again and send it back to Council if that's the recommendation of Council.

Councilman Langman – Okay the reason why I asked is I think there is more work that we can do and should do to make sure we have the best package, whatever that happens to be as possible because again I would have to emphasize this there are a lot of people out there that cannot afford this. We have to think about that long and hard before we vote in anything. I know that our employees work very hard and they're also compensated very well, better than a lot of our Euclid residents. We do have to take a look at that.

It was mentioned about growth, growth and revenues. The real growth and revenues would be if we move some of these development projects forward. I know Lakefront is on the north side, downtowns on the north side. We've talked about that since long before I've been on Council and quite frankly right now we have no Lakefront development. There's nothing. Downtown we're making some strides but that's not enough. You know you can talk about where we are today but if you look at long term, we've had great services in the past. We have good services today and we still have lost people decade after decade. The only way we're really going to break out of this cycle is to do some of these development projects and we've so far we haven't done it. We hope that it happens within the next decade, can't wait that long.

So I think part of the package of whatever we decide to do we have to call it pressing, call it holding their feet to the fire, we have to make sure the Administration understands that these projects need to happen sooner rather than later. So what that strategy is I think should be part of our conversations as we move forward because ultimately that's the solution to our long term problems. You know we can't expect to raise taxes every few years. We can't expect employees to give back each and every year. That's not sustainable. Growth is sustainable. Bluestone holds promise but right now there's nothing there. Our industrial belt needs to be refilled. We don't have Rockwell anymore. We don't have Chase Brass. We don't have GM. That's what allowed services to be at an extremely high level so part of this equation is how do we increase the pace of redevelopment because that's going to ultimately break us out of this cycle. So I look forward in the next few weeks. I know we have lots of suggestions. We need to bring them all together and bring them to the Administration to see whether they are logical to adopt, to address the issues not only for this year but in the following years. Thank you Madam Chair.

Councilwoman Minarik – Thank you. I do have a request. I got a call from a resident who just recently found out about the garbage fee. The garbage tax, the lighting tax all that. Is it possible since there is no newspaper in Euclid I think there are a lot of people who aren't even aware that these two taxes are being discussed. So is it possible to have some kind of a forum, town hall meeting, perhaps in a couple weeks maybe at the Lakefront Community Center and get some publicity out there. The Mayor then can pitch the 920 idea. Explain this all but the residents don't know about this and they really need to know so that's my suggestion.

President Holzheimer Gail – I would suggest that each ward councilperson have a forum in your ward. I would be happy to attend with you. I'm sure that we can't do nine in one night, eight in one night. We could, I think the more we can do that the better off we are because in my personal opinion I think we can sell it. The decision is what type of city do you want to live in? Do you want to live in a city with quality services? We've cut, we've cut the budget for three years in a row. We've consolidated departments. Workers have given up things. We're at the point we haven't had any increase to the city and I know we have increases all the time. Those have been to the school, to the library, to the county. The city has not had any increase since the 1994 income tax. Prior to that the last property tax for the city itself was the Recreation one in 1984 that's a long time so you know I think part of, part of, I agree with you the information needs to get out there that's why I think it's important that we don't make a decision tonight. We need to hear from residents. We need to make sure that we get this message out because we will create problems if we don't. I, you know to me it comes down to what type of community do we want to live in. I love the quote of "Do we want to survive or do we want to thrive?" and that's the question before each of us. So I would encourage you know over the next couple of weeks, we need to have a budget passed by the end of March. I feel you know if we're going to make, if we're going to need to make cuts the sooner that happens you know the more it saves so the longer we wait if that's the

way Council decides to go the cuts are going to have bigger the longer we wait. So I would take the next two weeks. Try to have, you know go to neighborhood meetings. We can schedule community meetings throughout the community, make ourselves available and offer ourselves. I think that's all of our responsibility.

Councilwoman Minarik – Just to follow up then but yes but the problem with that is if we each do it in our ward we will bring our prejudice or our bias to that meeting and that's why I was hoping we could do one city wide that everybody's hearing the, that's why I would like that.

President Holzheimer Gail – Mayor, a couple, maybe three throughout the city but with presentations by the same. We can figure that out.

Mayor Cervenik – I'll do whatever Council wants me to do. I told you I'm willing to go door to door between now and November to get 920 passed. Tonight was a town hall meeting. Call it what you want. Tonight was a town hall meeting. You decide what you want. You want eight meetings in your wards; I'll be at all eight of them just let me know when. If you want four, if you want one big one, to be honest with you I think eight smaller ones, it's a much more workable situation. I really do. I think it gives us a chance to be a little more intimate to concentrate on one person's question instead of having a hundred people that want to talk that evening. We may only have forty so that they all can response because these aren't going on till one in the morning. But again it's, you tell me where you want me. I'll be there. I would like to just so the people understand, there's some comment about long term planning, didn't we not see this coming. We dropped, if not for the mill two one time payments to transfer out of our nuisance abatement fund and the \$638,000.00 we got from First Energy Solutions, we dropped three and a half million dollars last year in virtue all of that drop, the majority of that drop came in the last five months. When September dropped \$500,000.00 below our projections because none of our larger companies paid net profits tax, we knew we were in trouble but we also budgeted the last three, the last three months of the fourth quarter very conservatively and we didn't come close to meeting any of those. So it, we're not alone. This is happening throughout Northeastern Ohio, throughout the United States.

As far as long term planning goes, our Lakefront Development, our Downtown Plan, Bluestone, those are all long term and as Councilman Langman said, we've got to find a way to speed them up. We speed them up if we get those grants and get some money because obviously we wouldn't be here tonight if we have as much money as my friend in Beachwood has Mayor Gordon. We could just build that break wall and we're on our way. But this is a time that no one has ever seen before economically and this is, I cannot find another way to deal with it right now other than to ask for this cooperation. But tell me where you want me to be.

Councilman Wojtila – Thank you Madam Chair. I am glad to hear that we aren't voting on this tonight because I thought we were going to vote to send it to Council and I would have voted no on that because there is a lot of information that's still be presented and we need that information before we can make the proper decision and the right decision. So I do appreciate all the works that's been done. I'm hoping that we're still going to get additional information so that we can we can go through that and really understand what does it mean.

Questions that I have and I don't think tonight's the right time but you know we talked about eliminating six fire positions potentially and that would close not one station but two stations, why is that? So again, I don't know if this is the right time, it's been a long night but I think we need other meetings and I agree this is a town hall meeting. We didn't ask, I didn't ask a lot of the questions that I had because we did want to give the public the opportunity but I would be in favor of another Executive and Finance Meeting and allow the people to talk and allow the questions to be asked but first get the information that we need so that we can go through with it because I know the information's changing and I understand that.

Mayor Cervenik – Madam Chairman, if the Chief could have the last word and somebody would adjourn right after that, I think would be a good way to end tonight's meeting with his explanation as to why only one station would be open.

Chief Cosgriff – Thank you Mr. Mayor. With these cuts that we're talking about the six firefighters being laid off as well as four to six retirements, with those firefighters not being replaced along with the retirements that have taken place over the last year that weren't replaced, we're getting to the point where we're going to be forced to run two trucks and two rescue squads. Now those rescue squads with the three that we have running at this point in time those rescue squads are out all day and all night. Now if we increase their load by 50% because we're only running two, they're going to be running that much more and we will not be able to count on them to assist with fighting fires.

The other part being down to fire trucks instead of three, if we were to put a fire truck at Station 2 and a fire truck at Station 3, it would take a long time for the first arriving truck to get help. What happens is the guys would end up doing things that they know is wrong. There's an OSHA standard that says that there should be two in and two out before we make entry in a structure. Now the one truck pulls up on the scene and there's a mother outside saying that I have a baby sleeping in, in the bedroom and the house is on fire those guys should stay outside until they get more help and you know what, they're not going to do that. That puts firefighters at risk, civilians at risk, and it's not a good way to operate. So my plan would be to put both trucks at Station 1 that way they both leave together, they both arrive together and they both have another crew that's outside that can come in and rescue firefighters if the need arises. So that's a plan with you know with the decreases that we're talking about. I certainly wouldn't want to do that. I have family members that live in your ward and I wouldn't want to cut the south side off also but we need, we're at the point where we need to circle the wagons because we can't be cut anymore and we've all got to run together and arrive together. So I hope that answers your question.

Councilman Wojtila – Yes thank you Chief that answered the question. So will there zero number of firefighters that you could lose or if we're looking at the budget we're looking at everything, could you take a couple or is the budget already as tight as can be?

Chief Cosgriff – Well if you recall during my budget presentation I have stated this since I became Chief in 2004 and that is we are at a 16 well we had been at a 16 man minimum and we should not be cut further than that in a city such as ours. And if the NFPA 1710 says that we should be able to have either 14 or 15 firefighters on the scene in eight minutes or less, 90% of the time we can't do that and in a city such as ours we need to be able to do that. So I'm not in favor of cutting us at all. In fact in my budget presentation I was not asking Council to pass the budget as it was presented. I was asking you to increase it by \$200,000 in order that I could protect this city in the way that I know that it needs to be protected. So you guys have tough decisions to make.

Councilman Wojtila – Again I go back to we need the information that we know it's changing but we know the latest information and we need to evaluate it and we need to ask the questions and we the input from the community so again I would suggest that another Executive and Finance meeting. Thank you.

President Holzheimer Gail – Think that's definitely in order and last before Councilwoman Jones has been waiting patiently to jump in and then I think we will, we can set another date tonight if folks want to do that.

Councilwoman Jones – Thank you Madam Chair. I'll guess I'll be the last comment. I want to first of thank those who came here to give their comments and their speeches. Thank you for taking your time out of your evenings to do that. For those that could not make it here this evening that maybe are watching on TV or watch the meeting later, your comments and suggestions are still welcome so you can still, you can either email your councilperson or you can I'm sure the Mayor will take comments or suggestions as far as that goes too. A lot of the comments tonight were made about what are the city services as far as bringing new residents in. It's not only that we want to bring new residents in but we also have to think of the sustainability for those residents that are already here. And I understand that there are a lot of residents who are on fixed incomes. They've lost their jobs and have downsized in their own households and as one of the speakers mentioned that we're doing the same thing in our own households to reduce, expenses and things like that are we are doing in the city. The city is just a more global and larger part of that. Excuse me. I do agree that the House Bill 920 is more of a future planning starting that future planning stage and these fees that we're talking about are more of a, excuse me, a bridge to get us to that point. I do agree that some of the comments that were made tonight that we have other questions before anything could be decided that were brought out tonight. So I do look forward to these additional town meetings or group meetings that we'll have and other people that maybe couldn't make tonight can come out and give their comments and suggestions. So please pass along to your other neighbors that couldn't make it here tonight things that you heard at the meeting tonight and let them know that there will be other meetings and opportunities that they can also express their concerns also. Thank you.

President Holzheimer Gail – Thank you. As I, information that I think would be helpful to Council and add on, we certainly need updated budget books. Maybe not the entire but what has changed. I know there has been some cuts made some changes made to the budget book. An operational plan for the garbage fee, how that would you know all those details. I think a review of the cuts made

today and then we can look at where we are with the deficit, cash balance. Do we want to use some of that? I think everyone would agree that if we looked at any fee it would be temporary in nature and then work towards a long term situation, both 920 and some other longer term administrative changes within the city. Other items that I'm missing?

Councilman Van Ho – Madam Chair, I would like to instead of have the budget books redone do a budget recompilation where I, when a resident calls and says what's going to happen if we don't pass this that I can email or send them a one or two page thing that explains not in accountant terms but look we're going to have to cut eight, yea we're going to have to cut eight police or six fireman or this, that they can understand. You know most people don't sit around and look at spreadsheets all day and understand that 200,000 moved out of this fund into this fund equals this. So just make it simple. Dumb it down so I can understand.

President Holzheimer Gail – I guess that what I would think of is that's an impact statement for the proposed cuts. So Chief Cosgriff, Chief Repicky, Director Will and I know there's been others changes to the other departments you know what those changes would mean in terms of day to day service to our residents. I don't know whether this week is enough time to get some of that stuff done. Should we look to Wednesday the third?

Mayor Cervenik – Wednesday the third is fine.

President Holzheimer Gail – Okay, let's tentatively plan on that. We'll make sure we check schedules and plan to have an Executive/Finance here with a public forum as part of it. And in addition I would suggest that we do schedule a couple other community meetings perhaps in you know maybe two in different parts of the community would be a good compromise.

Councilwoman Minarik moved to adjourn. Councilman O'Neill seconded. Yeas: Unanimous.

Meeting adjourned.

