

**EXECUTIVE & FINANCE COMMITTEE MEETING
FEBRUARY 14, 2011**

2011 BUDGET HEARINGS

Chairwoman Holzheimer Gail has called an Executive & Finance Committee Meeting for Monday February 14, 2011 to be held at 6:30 PM in the Euclid Municipal Center Council Chamber.

AGENDA

Seniors	CS&ED
Mayor's Office	Council
Finance/Non Departmental	

Members Present: Gilliam (came in late), Scarniench, Jones, Minarik, Wojtila, Langman, Van Ho, Holzheimer Gail.

Excused: O'Neill

Councilwoman Scarniench moved to excuse Councilman O'Neill. Councilwoman Jones seconded. Yeas: Unanimous.

Others Present: Mayor Cervenik, Finance Director Brett, Law Director Frey, CS&ED Director Pietravoia, Asst. Director Gliha, Ms. Keller, Ms. Hlavka, Clerk of Council Cahill.

Seniors

Manager Will – First of all I would like to take this opportunity to thank everyone for allowing me the privilege to be acting as the manager down at the Senior Center. Started there on January 3rd and it has been nothing but a pleasure for me to work with everyone there. I'm amazed at what services the Euclid Senior Programs does offer. Everyday I seem to find that there's something new that we offer and I look forward to the challenge of continuing to see what other services we can offer to the seniors there.

Thank you for allowing me that opportunity and for presenting the budget for 2011. Keeping in mind that I have been there for a month and I am learning as I am going along. On page 54 & 55 is the large budget for 2011. The total amount we are requesting is \$232,000. To go through that on page 54, just so everyone understands the first account is for the senior meals which is C1 and that's the congregated meals that we serve in house. Right now we're averaging about 85 a day. The second line item is C2 which is the homebound meals which we are currently at about 90 meals a day. That whopping total of \$15,000 represents the salaries and wages of our kitchen aides and a portion of our nutritional supervisor.

On page 55 is the senior program administration which the salary and wages covers myself and one of our van drivers. The professional service amount represents the following that we receive at the center. One of the interesting items that I found there was the senior companion services. There's an agency called Benjamin Rose who assists us by having seniors to act as companions both in the center and outside the center and visiting different homes on a daily and weekly basis. Also assist with the class instructors, yoga, Pilates, line dancing, computers, arts and crafts, sewing, crochet and that's just to name a few. It also cover the services that we have in the kitchen for our sanitary purposes such as all the requirements for the Western Reserve for extermination for State supplies and hygiene supplies. Contracts for our office machine suppliers are also in there. We have a few fees that come out of there for our presentations that we have during our luncheons. For 12 months we have \$30,000 is approximately \$2500 a month.

The senior activities professional services represents some entertainment that we're trying to bring in during the luncheons. Although I've been working with a lot of different agencies to get some volunteers and entertainment at a reduced rate.

The senior gift shop, we sell food in the gift shop. I am currently taking a very good look at that. We do sell stuff and I'm amazed at how much stuff is bought each and everyday. Although what we're going out and purchasing comes back in for the people that are buying it there. Just to give you a quick example, I went out and bought stuff a week ago and it is time for me to go shopping, apparently I did not buy enough, they certainly like to get their snacks for the activities that they have going on.

Senior trips, professional services represents the money for me to go out and do trips. Although a majority of that is reimbursed by the seniors. Currently the budget is at \$3,000 which would allow for three one day trips. I know one of the big things the seniors are asking for are trips at the center and it will be my goal to find some sources to assist me to pay for those.

Out of those services the total is \$232,000. Just to give you an outline of the center, we currently have myself, the program manager, a nutritional coordinator, three van drivers, a part time van driver, a part time outreach/volunteer coordinator and two part time kitchen aides. We have some volunteers through Mature Services. Our receptionist is done by three part time. An activity director is one part time. Office assistant is one part time and another kitchen aide is one part time. The rest is various seniors that offer their time throughout the day to come in and assist us. The other items for four of the employees do come out of the block grant fund which was approved by the Advisory Committee. I know I have a lot to learn but if there are any questions, I'd be glad to answer them or try to answer them at this time.

Councilwoman Scarniench – Does this budget make sure the grant that we didn't get is all covered so we will be able to provide all the services that we've been providing?

Manager Will – One of the items that I'm taking a look at without having that County grant for this year and for 2012, our activities and transportation that were being provided to various residents that fell under the category of being a County senior. Right now I'm working with those people, we have 34 of them. They were currently getting all the services for free. Right now we're asking for them to give a donation, we gave them some time frame so they could continue to come to the center but they do have to pay the donation. At this time right now I hope to be able to continue that, yes. Although I will be and have already started talking to the County to make sure that we can apply and get that for 2013.

Councilwoman Scarniench – Do you know the reason why it is every two years, that we can't apply for it until two years? Is it a two grant?

Manager Will – It is a two year grant.

Councilwoman Scarniench – I just want to make sure that everything we already have is covered because the last thing we want to do is tell the seniors we don't have this any more because we didn't have the money to do it.

Manager Will – I am working with those individuals to come up with a game plan for them to be able to pay for those services.

President Holzheimer Gail – Any other questions for Senior Programs?

Mayor Cervenik – I just want to assure yourself, the council, as well as the seniors that it is our intention everything will be covered. Some of the comments I have already heard from various seniors at different events is that they are very pleased with some of the improvements that Ms. Will has been putting into place and they're looking forward to even more. One of the great things is Kathy is cultivating volunteers to do a lot of the things that used to be done at the center and we look for some great growth and opportunity and lots of fun. You should all, when you have a chance at lunch time or early afternoon, stop down and visit, they'd love to see you. Thank you.

CS&ED

Director Pietravoia – I'm going to ask Asst. Director Gliha to pass out a couple of handouts that we used last year, we've updated them for the budget presentation tonight. With some of the re-organization that has taken place over the last couple of years our budget is actually down to two pages in the book itself, pages 29 & 53.

Before I get into the actual numbers I wanted to give a quick recap of some of the staffing and organizational changes which was one of the things, Council President, that you asked us to touch on in our presentation. That is what Bob is handing out, the current staffing chart and also a chart that I will refer to later about the grants in the department.

We've gone through several significant changes over the past couple of years. This was part of the Mayor's Efficiency Initiative. It started in 2008 when we shifted at the end of the year the Housing Division and the Senior Programs. Housing Division when under Kelley Sweeney in the Law Dept. and Senior Programs came directly under the Mayor's office. Toward the Fall of 2009, we shifted the Building Division to Engineering and Public Service. That in particular allowed some efficiencies by combining the inspectors for engineering and building and eliminating in some cases some duplicate inspection trips that were going on.

The changes also allowed on our end for some savings that have continued into this year by reclassifying. If you recall, for some time we had two assistant directors in the department and we reclassified Asst. Director Beno to Planning & Zoning Commissioner. That also occurred at the end of 2009 and resulted in some cost savings in 2010 and that will continue into 2011.

What you have in front of you, you'll see we're now down to a lean, what I'd like to refer to as a lean and efficient department of seven professional staff members. That includes myself as Director, two support staff, then our crew that operates the Housing Rehab and Weatherization program.

We had two other staff changes that occurred in 2010 and they were the result of one retirement and one transfer. The Supervisor of Weatherization which was a Block Grant funded position, Rick Chirillo retired at the end of 2010. He was one of many that retired in 2010, reached their 30 years or more. After an internal posting, he was replaced by a promotion of Jim Fialko, I think most of you know Jim, he's been supporting almost a second in command for sometime and coming to Board of Control and assisting with a lot of the administration of the department prior to Rick's retirement. Jim was promoted to the supervisor position. If you'll notice in the chart under the Housing Rehab Weatherization section,

for now you'll see Asst. Foreman position which is where Jim Fialko was, as listed as open. We're taking this opportunity to review the staffing and the programming of the weatherization section with Jim and we're going to keep that position open until that review is completed and we decide whether we really need an additional foreman for such a small staff or perhaps more actual crew members to assist with projects. I'll report back to Council once we complete that analysis.

The other change was the Zoning Coordinator position, that became temporarily vacant at the end 2010 with the transfer of Brandon Hughes to the Engineering Division last Fall. The actual position description was slightly revised and updated, we hadn't done that for awhile so we took it to Civil Service. The main change was that it reflected the duties related to acting secretary to the Architectural Review Board. Even though that position had been doing that for some time, it wasn't actually in the position description. We updated the description and we went through a full competitive hiring and interview process and that resulted in the hiring of Scott Muscatello and that was at the very end of December 2010.

That brings us to 2010 being really the first full year under the full organization that has taken a couple of years to implement. I'm pleased to say that even in that short time we've already been able to focus more of our efforts on economic development and planning and the administration of all the grants and funds that our department oversees which is really the core responsibilities of the department.

For your use you now have an updated chart with all the staff members listed. With that, I'd like to get into a brief review of the budget numbers themselves because they are fairly concise on two pages starting with page 29. Before I do that, I did want to make a note on the organizational chart. If you look at the color coding, only one position in the 2011 budget is fully supported by the General Fund and that's the Director's position and I'll explain that a little further as I get into my remarks. Then two of the positions, Planning & Zoning Commissioner and the Zoning and Architectural Review Coordinator are funded partially by general fund and the remainder by Block Grant. The rest of the staff is funded either by the block grant and in Marty Castelletti's case NSP. The only staffing I'm going to be discussing in the General Fund is the Director's position and a portion of the two zoning positions.

Starting with page 29 and general comments about the two areas that are general funded, we've actually gone down from 2008, if you look back at those two areas together, they total \$283,000. In 2011 we're at about \$230,000. It is an 18% reduction from where we were in 2008.

On page 29 there was a slight increase in the Planning & Zoning sub department 191 and that's primarily a result in the increase in the salary of about \$6300 and that was the result of including the wage adjustment projected for 2011 and a slight upgrade when we hired Scott Muscatello. We were going after someone with additional credentials and experience so we're paying a little bit higher hourly rate as a result. That's why you see that increase.

We've shifted a percentage of those two staff members as I mentioned in the chart to Block Grant. That started in 2009, continued in 2010 and we're recommending we continue again in 2011. With the Planning & Zoning Commissioner at 26% of the salary covered by block grant and the zoning and ARB coordinator just under 50% covered by block grant.

I did want to emphasize as I've done in the past, those were always meant to be temporary in nature. We're hoping as the economy continues to improve that we can move, shift back a portion or all of those costs back to the general fund. Every year the grant amount fluctuates and we have to make sure we're staying under the caps on those grants for administration. But more importantly our goal has always been to keep as much of the funding that we receive for projects versus staffing. Right now we don't have the luxury to do that as much as we did in the past because of the other pressures on the general fund.

The other temporary shifts in staffing to grant funds that will continue in 2011 are the Neighborhood Development Manager. This you won't see in the budget book because it is 100% funded by NSP which is not part of the general fund. My secretary, to the Director, will remain at 100% block grant funded and that's been the case for I believe two years now. That will remain the same.

Minor change in my position. As we're trying to gradually move back toward some general fund funding of the positions, we went from 12% block grant for my position down to zero for block grant. That brought my position back to 100% general fund.

We did have a question from Councilwoman Jones on page 29 about the overtime line item. This is to cover the time that Scott spends in the evenings at meetings for both Planning Commission and Architectural Review Board serving as the official secretary for both of those boards, he attends all of those evening meetings. That line item went down in 2009 and that was a result of the 39 work week, the overtime doesn't kick in until after 40 hours so we had a little bit of lead way there. In 2010 you'll see the expenditures went up to just over \$1,000. In 2011 with the proposal to go back to 40 hours combined with our anticipation of more special meetings related to some of the major projects, we were projecting a slight increase in the overtime budgeted from \$1400 in 2010 to \$1500 in 2011. Those special meetings could be associated with the new schools, the lakefront, other major projects that we're involved in. We expect the charges will be closer to what we've averaged in the past.

Councilwoman Jones have asked if we could adjust hours so that on the days there are evening meetings, that individual would work less hours so as not to incur any overtime. I have some concerns

with that. It is something we could do but I would recommend against it because one of the areas that we still struggle to keep up with is the commercial maintenance code, the inspections associated with that and responding to complaints associated with that. That's the position that actually does that. Short of being able to hire another individual at this point in time, one way we could at least maintain the same level of service would be to allow this slight increase in over time and still allow that individual to work the full 40 hours plus the night meetings. That wouldn't take away from the ability to do some of the extra commercial maintenance inspections and responding to complaints.

At this point in time I wouldn't recommend reducing the overtime for that reason.

The other page, if you want to flip to page 53 and then I can answer any questions on the budget part of it. This sub-department CS&ED administration, again it covers my salary. The change here is primarily due to the increase in CONSAVE and the shift from my salary from block grant back to 100% general fund. That combining with the slight increases that marry that in the benefits side is the result of the increase that you see in this area.

We're still below the total for this sub department of \$123,000. We're still well below where we were at in 2008 which was \$174,000. We've been able to continue the majority of the savings to the general fund by keeping the director secretary at 100% block grant funding.

At this point I do have some remarks on the department accomplishments and some other areas that I wanted to cover. Before doing that, if there's any questions about the numbers part of it, Bob and I would be happy to answer.

Councilwoman Minarik – What is the total development block grant dollars right now that we're spending? The reason I ask is I watched the meeting last week and Asst. Director Gliha, you said you're looking at possibly three years down the road we maybe losing those dollars, so I was just curious what that total is that we have to start feeding back into the general fund. An estimate is fine.

Asst. Director Gliha – I don't have that at my fingertips. I might be able to pull out some general figures.

Councilwoman Minarik – That's fine and we could have other questions in the meantime.

Director Pietravoia – We're going to look at the staffing position sheets and we'll be able to give you an estimate of those that are shown in the chart that are block grant funded, you're looking for the total dollar amount approximately that we're spending on staffing.

Councilwoman Minarik – So we can start thinking okay three years down the road, we need to start thinking how do we get that moved into the general fund like we did with yours, a little bit here a little bit there.

Director Pietravoia – While Asst. Director Gliha is looking for that, we did discuss that briefly as you mentioned at the NSP meeting last week. We have enough flexibility at least for the next 2-3 years because we've been having a carry over at the end of each year that will assist us if the federal government does go forward as it appears they will in reducing the block grant funding, it will carry us we're estimating for 2-3 years, to still be able to cover our staffing. That would impact some of the program areas to continue to maintain the same staffing level. It is hard to predict at this point, next year for example we may ask as we did this year for a slight shift back to general fund if the economy continues to make the slow progression on the plus side that it has. We may ask for another shift from block grant back to general fund.

Councilman Van Ho – Why have we got 124% increase in membership, dues and licenses and 218% increase in other supplies, both of which are on page 53?

Director Pietravoia – These are rough estimates that we make. If you look at the actual dollar amounts involved, there's an increase of a couple hundred dollars for memberships and licenses and an increase from actual to budgeted of a little over \$130 for other supplies. They're relatively minor increases. We're just estimating what we think we'll need for the year.

Mayor Cervenik – Some of that is not a deliberate estimate by any individual. Our system if you don't put a manual number in there will take the average of the past few years. You see office supplies in 2008, 2009 we're \$1200 and \$1400. It dropped to \$802. It takes the average of those figures and came up with \$980. The budget is a blue print of what needs to be done. That would be the reason for those as well.

Councilman Van Ho – They're just estimates at this point?

Mayor Cervenik – Virtually the budget is an estimate and a blue print of where we expect to be and what we need to provide services throughout the year. A lot of these smaller items are just generated by the

system and unless a Director knows ahead of time that I know the system generated this but because of what we're doing this year we need to increase or we can decrease that, no change is really made. We're talking \$500-\$600 total between those two items. The percentages are high, but the dollars are minimum.

Asst. Director Gliha – I have those figures that were requested. We're looking right now at three positions, the two P&Z and the Director's secretary. Between salary and benefits that comes to \$95,000 and some odd change for 2011.

Councilwoman Minarik – What about the other five full time positions?

Director Pietravoia – Bob was responding to what we might ask to shift to general fund from block grant. If we went fully back to block grant on those three positions it would total \$95,000 additional needed from general fund.

Councilwoman Minarik – What's the rest that we may end up additional down the road, 3-6 years we're going to have to cover?

Director Pietravoia – The other five positions.

Asst. Director Gliha – I'll have to have some time to work that out.

Councilwoman Minarik – You can email me that's fine.

President Holzheimer Gail – Just to be clear, we were talking about a percentage cut, not a total loss of the program.

Director Pietravoia – Yes, thank you for mentioning that. The cut that's currently being considered for the year that we're in, fiscal year 2011 was about 12%. Then President Obama in his 2012, his remarks about the proposed 2012 budget was proposing a 7% cut at that point in time that would be on top of the 11%.

Councilwoman Scarniench – Director, at one of the other budget meetings we talked about the code update. Is this the page we would add that \$5,000 to so we continue the program that we've been working on for the last few years? I think it is very important to bring all of our codes up to where they're supposed to be. Is this where we would add it?

Director Pietravoia – This is another situation as the Mayor was explaining in terms of the automated part of the budget process. In the last couple of years we were working on funds that had been budgeted from 2008. So there wasn't any need to budget additional dollars in 2009 and 2010. As a result this system saw those two years at zero and projected 2011 at zero. Quite honestly I didn't catch it until we had a discussion about it a couple of weeks ago. We're estimating and we were going to work with the Mayor and Director Brett, as we do final revisions as a result of the budget hearing process, to look at adding \$5,000 to that line item. That should more than cover the continued services from the County Planning Commission that has been helping us with the update of our code.

President Holzheimer Gail – That was under the Planning & zoning section?

Director Pietravoia – On page 29 we would add the line item of other professional services. It doesn't even show up in the budget book because the last two years were at zero. We would request a \$5,000 amendment there to the proposed budget.

Councilman Gilliam – Mayor to go back to your statement before. If I heard you correctly, if there's not an entry into the budget it takes a summary average and it kind of calculates a number which you can go up or down on.

Mayor Cervenik – The initial run of the budget does that and then it is up to each Director, Supervisor to go through and check those items to make sure that number will cover the expenses they need. We were only talking a couple hundred dollars in those areas. They felt there was no need to change it. Just because that number is there it doesn't mean that they're going to spend that much.

Councilman Gilliam – Correct, now is that based on a 3 year average or a 5 year average because I think Director Smith sometimes used the term 5 year average to determine some of his outcomes. Is that pretty much the standard or is it actually 3 years?

Mayor Cervenik – It will go to five, even though we are only showing three years here, it will go back to the five years.

Councilman Gilliam – I just want to make sure I was clear.

Asst. Director Gliha – If I may answer part B of the question. This is a new one, I usually would have had all of this added up before hand so I apologize. We're looking at an additional staff people plus one secretary. I'm rounding those four people salary and benefits would come to an additional \$210,000. They're covered under Admin and in some cases where they're working under the storefront program or the muni beaut program, some of their time also spread out and allowable to those categories. I hope that answers the question thank you for giving me the time.

President Holzheimer Gail – Director Pietravoia, I have a question, not necessarily budget related. With the shift in the Building Dept. to Engineering and the Zoning Commissioner and Architectural Review together, if we have complaints or questions about a commercial building, they go to the Zoning commissioner? Or who do they go to?

Director Pietravoia – It would probably depend upon the nature of the complaint. For years those positions have covered areas that are in our code under the commercial maintenance. So if there's deferred maintenance, painting, gutters falling, signs that are in disrepair, that would come under the zoning division to go out and notify the owners if there's a need to cite them, they would actually cite them. They still work with building on that but they take the lead.

President Holzheimer Gail – So the first call or email should be to Paul or to Scott?

Director Pietravoia – Paul supervises Scott so I would recommend going to Paul and he would work with Scott to make sure it is assigned.

President Holzheimer Gail – The building side, they'll get involved if they need to but we should start, any commercial related complaint?

Director Pietravoia – Yes, generally speaking. If it is beyond the commercial maintenance code then Paul would advise that Building should either take the lead or participate with them.

In the interest of time, I'm going to try to hit some of the highlights for the department.

Categorizing a couple different areas starting with business attraction, retention and expansion. The Department assist several new businesses to get established in 2010. Most notably was the negotiation of the sale of the land for the construction and new business coming in at Century Corners Fresinius Healthcare. Also we worked extensively to help Intergroup International, that's the plastics recycling company that relocated in the former Sunshine building, we assisted them in finding the building and going through the approval process for that project.

Great Lakes Expo Center going on their second year now, that's the first suburban convention center in Cuyahoga county in the former Kmart building. We coordinated the review and approval process and as you all know because many of you have assisted with this, we've partnered with the Chamber, the Euclid Public Library and the Euclid Schools and we've developed and staffed the Euclid Welcome Center at the Expo to both promote and market the city. Also to promote and market the citywide calendar of events on ExperienceEuclid.com.

As far as retention and expansion, we assisted one of the major projects we assisted was University Hospitals. They undertook a major expansion of their administrative offices at the former Rockwell facility on Euclid Ave. They invested about an additional million dollars at that location and have already grown their employment to nearly 400 at that location.

We've been working more aggressively in 2010 with B&W, supporting their plan, growth going from primarily defense contracts into the commercial nuclear sector, particular a project called the Empower Energy Solutions. You might recall both Senator Voinovich and Senator Portman over the last two years have come to B&W in Euclid to help encourage funding of that project. They've already seen a growth of about 26 employees related to research and development for that project.

Another exciting project that we'll be having a ground breaking on soon, but the ground work was laid for it in 2010, is Mesacoat, Inc. I know I talked to Councilwoman Minarik a couple of times on this. They're a spin-off company related to Powdermet and they will be undertaking a six million dollar expansion about a 12,000 sq. ft. new addition this spring. All the groundwork, reviews and approvals, were laid for that in 2010.

Councilwoman Jones knows we've continued to work with the owner at Omni Park Office Building. They are doing extensive renovation and investment there and hopefully will be having a grand opening there soon for a new restaurant in that facility.

We've also worked with Heritage Business Park, they've kind of quietly continued to invest significantly to the tune of several million dollars in that facility. Primarily to retain their major existing tenant Eaton and Tech and also to market the property to new tenants as they continue to invest in the facility. We've been assisting them all along.

Bluestone Business Park, we continue to work with Fogg Building Methods, the owner. As you know last year a significant part of our effort was to get the actual improvements done, the infrastructure is complete now except for the street lights, that's the last thing to go in. More importantly, they sought and we helped them with the documentation to get the Job Ready Site designation and this has put them on a priority list at the State level for marketing that site, as they get national and international inquiries for sites. The first site they refer them to are the Job Ready site locations. We've already participated on several visits by potential tenants there and I'm hoping this year we'll see a first tenant break ground at Bluestone.

On the energy front, the department has been and continues to be involved in several energy related initiatives. Lincoln Electric being one of the largest with the new turbine that will go up on their campus this spring and it should be operational by June if everything goes as planned. Major effort to get them through the State, federal and even our own local approval process. Immediately following that we started working with Case Western Reserve University on their two turbines that will be located on the Sopko and Sons property to get that through the local approval process. They also plan to break ground this spring.

We administer the energy efficiency and conservation block grant that was \$196,000 grant we received from the federal government. We not only administer but do all the required reports to the Department of Energy. We're evidenced everyday if you ask anybody at City Hall on the solar project hearing all the noise up on the roof even during the winter months they're going full steam ahead. We took the lead in coordinating with the selection of OCS as the developer/provider for that system both here and at the Library. We're continuing to assist and monitor as that's installed along with the Public Service Dept.

The last thing on the energy front but probably a very important one is the First Suburbs Advanced Energy District. I'm now a member of the Board of that District along with all the other Development Directors from the First Suburb's communities. We are looking to see some first projects funded in 2011. It took this long to get all the paperwork filed with the State and get everything in place for that to be up and running. That's a financing mechanism for energy related improvements that any of our commercial or industrial businesses here in the city can take advantage of.

Shifting quickly just briefly and I know most of you are aware of this but I just want to touch on the highlights of the Waterfront Improvements plan. We've continued to take the lead in coordinating the work of JJR our waterfront consultant. They were retained again in 2010 and that work continues into the current year for their third phase of consulting and they're focusing on moving from planning and engineering to actual implementation. We successfully applied for and secured \$600,000 in grants with JJR's assistance from the Ohio Department of Natural Resources and those were for land acquisition improvements to the pass and trails at Sims Park and the expansion of the fishing pier.

We spent a significant amount of time and finally this is wrapping up soon in 2011, but in 2010 a lot of time on coordinating and negotiations on the purchase of the properties needed to actually implement the Waterfront Improvement Plan that includes the parcels north of Lake Shore Blvd., both the acquisition parcels and the ones being donated and the former St. Robert's Parish campus on the south side of the boulevard to connect the southern neighbors to the waterfront area.

Not surprisingly we also spent quite a bit of time with the Euclid Schools as they go forward with their Master Plan coordinating a design and plan review for the 4 new elementary schools. Also more recently in negotiating the land transfer to provide the city land the schools need for the construction of those elementary schools. That will be wrapping up and closing probably this month or early part of March at the latest.

Also you're aware we coordinated and took the lead in 2010 Census. We formed the Complete Count committee. We did all the coordination of all the local events with the representatives at the Census division and we census awareness and distributed census materials to try to get as much participation as possible to keep our numbers where they need to be hopefully.

Finally, last thing I wanted to highlight was our department while we didn't have as active a role, we certainly continue to work with the Coral Team on the Shore Cultural Centre and we also partnered with them and took the lead in securing full time volunteer through the Cleveland Executive Fellowship program that assisted with Board development and other activities, Cassandra Washington if you remember while she was here. It was necessary for the city to be a partner in that in order to secure that Fellow so we took the lead in assisting with the application and the supervision of that individual.

I just wanted to touch on three challenges that we face, not only in 2010 but going forward. They're fairly common sense challenges, first on being the economy. We don't have much control over that but because we're having a long, slow recovery, it does make it difficult for the private sector to have confidence in making major investments so that affects the work that we do and makes it more difficult to advance projects. Funding is the second category. Not only is it difficult, it is still difficult for the private

sector to borrow funds, but it has made it even more difficult for us in securing grant funds because of all the cuts at all the government levels which is where we're typically able to secure significant dollars for development projects.

Last, I guess I would call it capacity. Given the financial climate we're still in, it is difficult as a city to think about expanding our capacity from a staffing standpoint given the financial situation that we're in. We're limited in our ability to commit additional resources because they just aren't there to commit, we're already working pretty much at full capacity. Those are the general challenges that I see and I just wanted to, in closing touch on some of the things we'll highlight in 2011.

First and foremost we'll continue to focus on business retention, expansion and attraction. As we all know that's what's going to be necessary to continue to build the economic base of the community. Secondly we'll continue the coordination of all the major economic development projects and special studies that are underway. Certainly first and foremost is the Phase 3 of the lakefront with JJR, working toward actual implementation of the first round of capital improvements. The Downtown Plan we'll continue, the implementation in 2011. While Public Service will take the lead, we'll be coordinating with them on the three-quarters of a million dollars in funding we received from NOACA to do the rest of the engineering and design work needed for downtown. That will all be underway in 2011. We'll continue to assist as we can in helping to identify and encourage businesses to locate at Shore Cultural Centre to boost their lease revenue. Bluestone Business Park as I mentioned will be a continued focus to get first and hopefully second and third tenants at Bluestone. The energy projects are all continuing into 2011 so we'll still be monitoring all of those.

As far as new initiatives, the next new major initiative thanks to Council persons Jones, Scarniench and Gilliam is the Euclid Corridor Study. Those of you who participated in Downtown, you know that was a pretty major undertaking and we see the same level of effort taking place for the Euclid Corridor. I'm pleased to be able to announce tonight, not quite there yet, but the staff recommendation was favorable for full funding for the Euclid Avenue Corridor through NOACA. It still has to go to their transportation advisory committee and then the full board but certainly they take the staff recommendations very seriously so we're very optimistic that we'll be making an announcement in March hopefully for full funding of that project.

Other initiatives, goes without saying, because of the funding we've received from the federal government we'll continue to administer NSP1 & 3. Focusing on completing the rehab of the properties we've acquired and the demolition of not only the ones we already own but those we hope to acquire with the NSP 3 funds. We need to get a little more aggressive on the city's land bank program. We now have all the policies in place and we intend to work to do more advertising and announcements about the availability of those properties in 2011. We'll also continue the efforts of the foreclosure prevention and as Councilwoman Scarniench mentioned, the zoning code updates.

The last hand out that I provided we updated the chart that was distributed last year on the grant side. Councilman Van Ho asked us last year to do this and to keep it up to date. We've added all the grants from 2010 to that list. In 2010 we were successful in securing or assisting others to secure some pretty significant dollars that the new additions to the list are toward the bottom of the list and those are the lakefront grants with help from JJR, those are from ODNR. We took a pretty significant role in working with Lincoln to go after the grants for their turbine, both the State Grant and a county forgivable loan which in essence will become a grant. Those are listed on your chart.

We just recently received as a reimbursement the Clean Ohio Grant funds from last year, \$350,000 we had advanced money to buy the lakefront parcels out of our Endowment Fund and I believe it was just last week we received the reimbursement for that from the Clean Ohio Grant. With those new additions, we're up to \$12.4 million in capital grant dollars for all the major initiatives that we're involved in. If you look at the federal grant side with the new NSP funds we're up to a little over \$5 million, that's a combination of block, HOME, NSP 1, NSP 3 and the energy grant. I think it is pretty telling to see all of those numbers together in one place. With that I'll stop talking, take a break for my voice, and Bob will answer any questions.

President Holzheimer Gail – Thank you we appreciate the update. Any other questions from Council?

Councilman Van Ho – If I just read this chart right you guys were responsible for getting about \$3 million in grants last year?

Asst. Director Gliha – Yes if you look at what was added in 2010 plus the continuing block grant, plus NSP 3 we're more in the order of about \$5 million right now. A lot of these other grants, some are complete, but some are ongoing. At any given time I would say the department is managing between \$5-10 million worth of various grants and projects.

Councilman Van Ho – Good job.

President Holzheimer Gail – Thank you Director Pietravoia and Asst. Director Gliha.

Mayor's Office

Mayor Cervenik – I'll start on page 17. 101-413-131, that is my office that consists of three full time employees including myself and one part time. As you know the receptionists positions have come under the Mayor's Office over the past few years. The major increase here is the increase in contract savings programs that my employees have achieved their 25 years and have taken advantage of the contract saving provisions provided by PERS. Total increase is 3.93%. Any questions on 413-131?

Seeing none, I'll ask Lisa to speak on page 32, which is our Non Departmental City-Wide Promotion.

Asst. Mayernik – Our promotional budget for 2011 is very similar as you can see from the previous year. The major expenses are a newsletter. Last year we were fortunate enough to union with a company that paid for our printing and our distribution of the newsletter and that lowered our cost considerably, unfortunately that's not the case this year, so we're back to where we were and we'll be paying for those costs. If you look at Professional Services, the majority of those costs are web host, our egov system, those types of services. As you move down you can see our mailing costs, printing costs. At the very end, Awards and Promotions which is basically the Neighborhood grant that we offer.

It is very similar to previous years and this year we do plan to expand some things. We hope to expand our website a little bit more. Last year we added on a photo gallery page, we added on a new residential information page. This year we're hoping to aid the Community Development Dept., Economic Development Dept. by having available spaces on our web page that will be commercial, industrial, office spaces that will be available. There's some other improvements to the website we'll be making. We'll be offering a playback of these meetings, Council and Committee meetings will be available, very similar to what the Library offers. You can go on, click on a specific meeting and watch the meeting as it was taped. It won't be live, it won't be streaming but it will be a taped presentation on our website. I'd be happy to answer any questions.

President Holzheimer Gail – Are you budgeting for two newsletters again?

Ms. Mayernik – We'll be budgeting two newsletters. This one coming out in Spring will be a little bit larger, we're hoping to have several pages geared toward rec programs for the summer to advertise and offer to our residents and businesses. Then we'll have another one coming out late summer, early fall.

Councilman Wojtila – Did the company we partnered with last year on the newsletter just drop out?

Ms. Mayernik – I think that attracting advertising dollars, everywhere right now is just a really hard thing to do. That was their struggle was getting advertisers. Not only here but just around the whole area they're having troubles in other communities, so yes.

Councilman Wojtila – They didn't want to do it any longer?

Ms. Mayernik – Correct.

Mayor Cervenik – Move onto Euclid Community Television page 73 & 74; I'll come back to page 56.

Ms. Mayernik – This is our revenues for our Community television page. The highlight of this page would be the transfer from the general fund. I don't know if the Mayor wanted to comment on that but it is similar again as in past years, our transfer in. The other revenues coming in are very minimum, there are studio usage which comes from two other cities that actually their Mayors use our studios to tape a show because they don't have that available in their cities and some of our sponsorship ads that we run on our bulletin board.

Councilwoman Scarniench – Ms. Mayernik, now that we don't have the other channel, the public access channel, has that actually saved us money?

Ms. Mayernik – It saved us money in that we have one less employee, due to lay offs. It is somewhat less work but taping the meetings are a big chore for Community television. It is the same amount of work to send back the signal. It is a little bit less upkeep, we don't have people coming in and using our studio as we had. Yes, there is some savings but not a huge amount.

Mayor Cervenik – We also would have had a second transmission charge put on us by Time Warner if we continued using that station.

Councilman Gilliam – This might be an operating question, but the possibility of trying to accrue more revenue, is it feasible for individuals to submit information that our staff could edit and we charge them a nominal fee as long as we're in charge of the editing? I don't want to use the word censorship but I say editing very honestly. I was wondering if it is possible to gain revenue that way? That may be an operations question and if you're not able to answer that, that's fine. I was just trying to determine whether or not if individuals were to submit their own compatible videos that our staff would be able to edit it, accrue revenue at a nominal fee and it would be as many hours, as far as recording. That's just a question I threw out there.

Ms. Mayernik – I'm not certain I understand your question fully. Are you saying videos we would show?

Councilman Gilliam – That we could potentially show to the community if it was for the good of the community. What I'm expressing and I know I talk fast so let me catch my breath. An individual may want to put something on for the good of the community and they maybe able to produce it themselves. If they submit it to the city and our staff still had the ability to edit that, we could charge for putting it on there potentially for that particular editing and still gain a nominal fee without using up a lot of hours of city time. I'm just wondering if that is a possibility?

Ms. Mayernik – That is not possible because that would be considered public access versus government access and we've got to go back to where we were. We are only permitted to show government events, meetings, city-sponsored events.

Mayor Cervenik – Any resident that has aspirations to do that does have the ability to provide that to Time Warner. Time Warner is still covered and must give the same courtesy to our residents for public access submissions. They will not be obviously played as regularly as we used to do on our own public access channel. But Time Warner must still honor the public access rules and regulations of the FCC and other organizations.

Councilman Gilliam – Thank you both.

Ms. Mayernik – Page 74, expenses of Community Television. The significant add on in this year's budget will just be adding on our videographer to a full time position. We had him at 32 hours last year. He has moved up to 40 hours. Thankfully he worked probably 40 hours most of the time last year without getting paid we're very fortunate to have him do that for us. In addition to operating the television studio downstairs, he also is our back end of our technical back end of our website. He does a lot of things on the website that we would have been paying RISK our host to do our web host. Thankfully he has the technical capabilities and talents to do that for us. He has helped us out tremendously.

Another add on in this area, a little bit is we've given him hopefully ability to take maybe a vacation or some time off. Since he's a one man show we have some professional services added on just in case we would need someone come in. We've had had him come in and do that already. Or if we need a two man video shot so we can hire someone to come in and assist him. Any questions?

Mayor Cervenik – The television franchise fee revenue in 2010 increased to \$587,000. I'm not sure what the Time Warner numbers are this year but we just received our check from AT&T U-Verse and it increased by 4.6% for the first quarter this year over last year. That's actually revenue source that I'd like to see increase and it is increasing.

Councilwoman Scarniench – Mayor, do you know how much of the city is covered by U-verse?

Mayor Cervenik – No I don't. I think it is a little more than half that is eligible for it. I don't know, the form they give us, I will check tomorrow and see if it does have the number of households.

Councilwoman Scarniench – I'm just curious about the areas. I know I can't get it yet and my son can't get it yet. I'm just wondering in the scope of things, how much of the city is actually covered?

Mayor Cervenik – I will find that out for you. I believe it is a little more than half. There's half that is served by one sub-station. The sub-station that is in Cleveland is the one that isn't serving the other portion of the city but I'll look on the sheet tomorrow and give them a call and get that number. The good thing is that has increased by 6.4% and to the best of my knowledge, just looking at the numbers through 2010, Time Warner's numbers are increasing as well. That will definitely help.

On the promotional end, I know a number of Council people have asked about doing some type of promotion program. I suggested we, as I've said a number of times during budget hearings, let's take a good look at how things are improving in the economy and maybe the appropriate council committee could speak about possibly doing some promotions. They really do reach out beyond our community.

What we do on Channel 20 is good, our residents see it, it is much more difficult to get promotional information beyond that into other communities. I'm going to work with Time Warner and hopefully we can get on their public access at least once or twice a year. Remember a few years ago they interviewed me on their program and I was the last Mayor to be interviewed on that program before it went out of business. I was on the TV talking about great things in Euclid for four months and it was for free. We have to try to do some nice things like that. At that point we talked about the lakefront and communities all through the Time Warner, northeastern Ohio got to see that. It is our goal, it is very important we inform our residents of what is going on. We've got to take that next step in getting beyond our boundaries and out into the rest of the communities so they understand all the good things that are happening here. We will want to look at that.

Councilwoman Minarik – Where are those franchise fees?

Mayor Cervenik – Under revenue page 8.

Councilwoman Minarik – That's the franchise tax?

Mayor Cervenik – Yes.

Councilwoman Minarik – That's split between the two, Time Warner and AT&T?

Mayor Cervenik – Yes, that's the combination of them all.

Councilman Van Ho – I'll ask my annual question. Have we looked at putting some type of public relations, I'll use the term firm, under contract to get the message out of the good things that are happening in this city? I think that we lack that amongst the other communities and people in this general region is to tell the good story.

Mayor Cervenik – The comments I just made about seeing how things go over the next few months and having the appropriate Council Committee discuss that could address that issue very sincerely. If the franchise fees continue to increase, if we see an increase in our admissions tax due to the Expo Center and some other small venues in this city increase, I would strongly suggest that money could be very well spent in doing some type of outside promotional program using professionals.

Councilman Van Ho – That would be very advisable.

Mayor Cervenik – I agree. Page 56. We covered page 56 earlier, it is the debt. The only other thing it could be is that it was always on there before for summer youth work programs. We have no money budgeted in particular for summer work programs other than the Recreation Dept., we do have temporary employees. Letitia Linker, our Human Resource Manager was very instrumental in getting thousands of hours of free work last year through various grant programs. She's working on that right now. There is no budgeted costs for us in here. It would be my hope that we can get at least 15-20 if not more workers, summer help, to help with the extra things we need during the summertime. Also, we've taken advantage of the YOU program. In past years they've painted all of our fire hydrants in one season, it would take us 4-5 years. They painted over 2,000 fire hydrants. The last two years they've been painting the house number addresses on the curbs so it is easier for emergency medical and other services to find the homes. We will continue to find ways to take advantage of the various grant programs and the employees they could bring to the city.

The last item I have to cover is your budget on page 15. There really wasn't much of a change. I had a question today about the \$500 increase in Other Professional Services. I simply put that in there to cover anything that may come up on your budget.

President Holzheimer Gail – That is microfilming. Over the next several years it was suggested that we budget a small amount each year rather than do it all at once to try to get caught up on some of the microfilming of old records.

Mayor Cervenik – Excellent because that year we had the situation where there was nothing budgeted in your budget and a number of council people wanted to attend a professional training program. If anyone wants to do that, that is your prerogative to add that into your budget now. Other than that, there's really no significant changes.

Finance Dept.

Director Brett – Page 18 & 19 with the Finance General Accounting. Reason for the increase in salaries of 4.56% is generally the 2% increase in the return of the work week to 40 hours from 39 hours. That comes up to about 4.6%. Obviously we will have some retirements this year but they are among, they're not as highly compensated individuals as they were last year. That actually will decrease from \$54,000 to \$34,000, as will contract savings program as there is not anyone at that point who is eligible who has elected to take that this year.

Longevity will decrease due to the departure of two individuals. Mandatory Medicare is going up by \$1,042. I was looking at that today, the only thing I could account for that is we've had some replacements of people who are pre-1986 hires. Prior to 1986 if you were hired you were not required to participate in Medicare. If you're hired after 1986 you're required to participate in Medicare at 1.45% of your gross earnings. That is what I attribute to that increase in addition to the increase in overall salaries. PERS tracks the increase in salaries. Training has been zeroed out at this time as has the car allowance. Audit costs are minimal, Other Professional Services, minimal. Collection services we look to increase that as we look to put some delinquent accounts receivables over to Weltman and Weinberg.

Printing and Binding, we're just anticipating more production in printed materials. Office supplies we've decreased and postage we've decreased. In the General Accounting have a decrease from last year of 1.51%.

Part of that is two people separated last year, three people, Audrey, Michael Slocum and my predecessor Jack Johnson. At this point Audrey has not been replaced yet and we have split between Human Resources and the Payroll Dept. Rosanne Evangelista also left and her duties have been split between HR and absorbed in Payroll. It is hoped that when HR gets an additional clerk, part-time clerk, that those will go back from payroll. Right now we haven't replaced Audrey, we haven't replaced Rosanne, we haven't replaced Mike Slocum, but we have replaced Jack Johnson. Those will be dampening the salaries and wages as we go through these pages. As we look to reconfigure the department, not to replace all of those persons, but to replace some of the positions with upgraded positions and eventually save money and get some much needed professional help in some areas that we don't have right now.

Tax Administration. The increase in salaries is mostly 2% and the extra hour. The other personnel costs will track that in a similar manner. Training has gone up slightly. A lot of that is Nick and some of his assistants, staff, going to Tax Administrator training. The Other Professional Services, we are looking at improving the software that we use for tax collection and perhaps upgrading to another product. Part of that will be covered under this line item here. Printing and binding, we foresee a little more increase in that due to whatever we need for forms and things like that to send out. Travel, slight increase mostly for Nick's travel to seminars. Membership, dues and licenses, probably one of those five year averages looking back, where it was \$43 in 2008 and it has just been around \$3740 over the last couple of years.

Councilman Gilliam – Sub-department 151 General Accounting. Collection services. We've been able to decrease that number over a period of years. That \$500 working with a collection agency firm, is that the entire fee we've paid or do we owe them additional money once they start collecting any revenue from past due accounts?

Director Brett – We will pay them a percentage of what they collect. It is a set rate. We've been increasing the use. I believe we recently switched to Weltman and we are doubling what we anticipated in 2010. We're looking to work with them a little more as we get used to working with them.

Councilman Gilliam – I was curious about that because it was only \$500 and you've got a steal.

Mayor Cervenik – It might be well to note here that City Council did pass legislation that the fees that are paid to collection agency are actually borne by the delinquent taxpayers to begin with as well. We will end up being made whole by turning these accounts over to collection agency.

Director Brett – Whatever you see in that line item should be more than returned by a factor of four such in the income tax receipts. That's hoped to be the case there.

Councilwoman Minarik – Director Brett, could you tell me how many full time, part time employees are in the Finance and Tax Administration Dept.?

Director Brett – 7 ½ in Tax and 8 ½ in Finance. Page 27 Administration. This is where we would look at adding some people and moving some people around. The upper part you see we've saved a lot of money. That's primarily due to the departure of Rosanne, this is where she was located for half of her services last year. Again, currently half of those, it has been rough but various duties have been split between payroll and HR. That amount is entirely removed so we have a negative \$31,000.

Information Systems. We would like to move one of the payroll people Anita, actually she's in Information Systems right now and we'd like to move her back into Finance because she's basically doing payroll. That cost would also be moved back to Finance.

That would free up some cash to hire a network administrator and take some of the load off of Ms. Keller who has doing that and being the budget director at this time. The needs from IS standpoint grow exponentially not geometrically because to err is human but to really mess up you need a computer. We've just been finding to keep up with that, is putting to much of a burden on Ms. Keller and it is also hoped when we do bring in a Network Administrator that will free up some of our professional services that we have currently out where we contract Skoda Minotti to come in bring and do the stuff off-site to monitor the IS situation. That's not always the best system to have. I think you lose some continuity there. What we'd really like to do is get someone in here that can wrap their head around the system here and can actually start to train and fully utilize the computer systems that we have here. We have some very robust systems but it is a question of having someone who can bulldog it, look how to utilize the system to its full potential and then teach us non-techs how to use it effectively.

With those changes in mind, we would look at an increase of \$24,000 or 15.3% in the salaries and wages. Those would track, since Anita has longevity and would be moved over to Finance that longevity would be reduced. Everything else tracks and we would hope that we would be about \$5,000 increase in technical services in data processing. It is an increase but we would hope to get some savings in there as we integrate new employees.

Councilwoman Minarik – The budget you're showing us from page 18 and from page 27, have you figured these changes all into the budget, or this is all going to happen? This budget reflects all of that already?

Director Brett – Correct. Page 50. This is our Vital Statistics and I just want to note. They made a site visit, the Ohio Department of Health did to spot check or some kind of examination of the Vital Statistics Dept. and out of 91 possible points, our Vital Statistics Dept. with Judith Lovett scored a 91, 100%. She got a perfect score. That is something to know that she's doing a good job in that department.

Salaries and wages, 2% plus the one hour. Everything else tracking that down to automation in the State where you'll see a \$2200 increase, that's an increase that the State is passing onto the City of Euclid. That is critical in us being able to provide birth certificates to people who are born outside of the city. That's offset by revenue on page 11. The revenue on page 11 is about half-way down the page, 1908, Automation State, just before the second blue line. You've got a little bit of a lag here but any increase here is going to be offset eventually by increases in revenue. Again, Family Violence State is a slight increase there. For the most part everything is tracking the increases in salaries and benefits.

Councilwoman Scarniench – Does this now mean that I can come to the City of Euclid office and I can get a birth certificate for anywhere in the State?

Director Brett – That's correct.

Councilwoman Scarniench – Is that the same with a death certificate?

Director Brett – No, not yet, so don't die.

Councilwoman Scarniench – Not me, I'm just asking the question. Birth certificates, I think death certificates are down the line. Don't hold me to that. That was my understanding. Right now you can get birth certificates regardless of where you were born in the State. No more trips to 601 Lakeside.

Pages 56 & 57. As discussed before, Summer Youth Program would not be reflected in the budget at this time, it would be offset by grants. The other professional services and note rollovers have to do with the Lincoln special assessment and the Henn Mansion Shore notes that increase there, \$885,000 reflects the Special Assessments for street lighting. Other Professional services are actually the interest on those notes. That has gone up. That's with the addition of Henn Shore. The transfers we've already discussed from the revenue side. Increased to the Television fund reflects the increase from 32 hours to 40 hours for Matt. The increase to the Animal Shelter is basically to offset whatever their expenses exceed their revenues. I think it was planned to hire a part time attendant over there as well. We're minimizing the amount of transfers were possible. We expect there will be less needed in the retirees insurance Streets for the time being has been zeroed out. Self Insurance we're going to make a slight adjustment downward \$250,000 to see if it that's sufficient. Recreation Operating at this time reflects what we expect the gap will be between fees and recreation and what the actual expenditures will be.

Page 83-87. This is the Bond Retirement Fund. The revenues, Real Property Taxes, we see a significant decline. Part of that is because last year we got much more than we expected. You can see the budget last year was \$2.8 million and we almost got \$3 million. The budget last year was determined by what the County Budget commission sends us and we really don't have any choice but to use those

numbers. 2011 we're looking at the County Budget numbers. We put them in using number per number, we put those in. It is hoped that they're wrong again and we get a little closer than what we actually got in 2010. For the time being we're using Budget Commission numbers and they call for a 6.5% decrease.

Tangible Property Taxes, we shouldn't be getting any at all right now because it has been phased out. What we're receiving now are probably delinquencies from years past that are finally being collected. We're estimating that at \$2500 just based upon past experience and it would decline by half every year.

Commercial Activities Tax reflects a mis-allocation last year. We would normally be up to about \$291, but as you can see last year exceeded the estimate by \$92,000. The \$92,000 shouldn't have gone there in the first place so we have to reduce this year's by \$92,000. The good news is that we accidentally took it from General Fund last year so the General Fund is going to get the \$92,000 this year. It is an adjustment from a mis-allocation from last year.

Refunds and Reimbursements. Obviously we're not expecting many here. That would probably be reimbursements from a grant or something for debt service and you can see it declined significantly over the past, so that must be a debt service that's fallen off or something to that affect.

Special Assessments. We expect Tungsten to be at \$20,000, that tracks debt service on that particular debt. Special Assessment Heritage, that's 80% of the Heritage Drive debt. There was an agreement at some point in the past that the City would pick up 20% in the improvements, the company that got the improvements would pick up 20%. We get the full assessments but we'll be paying back more than that on the debt. That sixty we'll probably be paying back eighty. But we collect the special assessments on the entire improvement.

Unfortunately Interest Revenue, we're hoping that we get a little bit of an increase this year, but you can see we're operating at less than half we did in 2008, which has been the case throughout the funds for interests. The upside to that is we're able to borrow money at a much slower rate than we have in the past.

Rent, we expect a slight up tick in rents for all properties from last year, more along the lines of what we have in past years. The rent from the Culinary School should be \$7,000. Again that's a system for the \$28,350 the microwave towers and things like that.

Councilwoman Scarniench – How many more years do we have on the agreement with the Culinary School?

Director Frey – I'll pull the agreement and let you know. I don't know what the term was. I thought it was five with some renewal periods with it. I'll look.

Director Brett – Not Proceeds reflect the notes from last year plus what we brought over from the Permanent Improvement Fund of \$1,950,000. We'll have \$4,290,000 of notes to retire this year or roll over.

Other Professional Services is debt service on bonds, \$2,416,000. Other Professional Services includes the roll over of principle on the notes of \$4,290,000. Other Professional Services under bonds is the interest payments on the outstanding bonds of \$1,017,531. The note interest and this is where you see the converse side of the interest, \$53,000 on outstanding notes of \$4,290,000. That's where we get the positive side of the low interest rates.

Page 86 is half my salary and benefits. Split my salary and benefits between General Fund and General Bond Retirement Fund. Retirement separation pay is zeroed out is the Contract Savings Program, Longevity and the other ones just show modest increases tied to the salaries.

Auditor and Treasurer fees, we must, based upon the information from the County Auditor's that what we've used as our figure. Advertising for delinquency, that's a rolling average. Property Tax administrative fees, those are anticipated to be much less this year and audit costs is a portion of the audit that they use for the overall audit for the city finances. They're contained in non-departmental, for the rest, you'll see that it is much larger than \$3,600.

Other Professional Services include fiscal agents which are probably have a note coming up that we're going to refinance a note. We will have set up an escrow account at a bank where the proceeds from the note issuance will go until it is fully retired. We will have to pay for the bank and other issuance costs. Outside legal services are for Calfee, Halter and Taylor to do our legal opinions on note and bond issues. Other Professional Services are underwriting fees.

Pages 30-32. A lot has already been covered. Much of this, training has been zeroed out and then you get into some fixed items that we don't have much control over but we can estimate fairly accurately. Unemployment because of the duration of the unemployed from 2010 basically expiring will expect that to drop significantly by \$52,000. Workmen's Comp, every city and municipality in the State of Ohio is getting a rebate. In addition, Ms. Linker and I both attend the Cleveland Safety Council meetings once a month and as long as one of us gets ten of them out of a year, we get an additional 2%. By doing that we can save considerable dollars and we continue to do that. I don't quite know what the formula is for election expense but this is a year where city is having elections but not the Governor or the President.

We have to pay the bulk. Auditor and Treasurer fees, \$6,000 in the bond retirement didn't cover everything, here's where the rest of it seems to be, \$61,000. Same with our auditors costs, these are the people that come in and audit our financial statements. Other professional services, I have a list of those that we can go over in a minute so I can show you what has been in that in the past. The rest are not significantly different on any from last year's actual expenses.

On the following page, the number that will stand out is \$131,900 under Refunds and Reimbursements. That is from the incentive grants some of which have expired which is good news for us because it means that we'll get those income taxes unencumbered from those companies that we've provided incentive grants to over the years.

Professional Services over last year the largest component by far was the bank charges and we may look to making that a separate line item. We pay for bank charges once a year so it is more convenient. We have a number of accounts and with interest rates as low as they are, it is almost impossible to maintain the balances necessary to offset the fees. That's how they basically go.

Recycling bins were taken out of this line item last year, \$61,000. Then after that, mailing of trash bills for 16,000, curb painting services for \$83,000; productive portfolio is our investment consultants and they were \$7,450 and I'm sure they returned more in margin interest through their expertise than that cost. After that it drops down to below \$7500 for things like Honeywell Energy Guaranty Audit Phase II; Euclid Creek Watershed Coordinator, our share of that, then you're below \$4,500. Those are the main components of that particular line item.

Councilman Langman – In 2010 we had thought we were going to spend \$255,000 approximately under other professional services and we actually spent much, much less than that including if I heard Director Brett correctly, a good portion of the cost of the bins. So what changed on that line item from what we projected to spend to what we actually spent? Other Professional Services 1931.

President Holzheimer Gail – You're looking at the difference from the budget, \$255,000 was budgeted, we actually spent \$187,000.

Mayor Cervenik – It is quite obvious that amount was over budgeted in 2010. We did not spend what was budgeted and we try not to spend what was budgeted. I can go back into my notes for 2010 in formulating that number and see what we had in there and let you know.

Councilman Langman – Did I hear correctly Director Brett that we took \$61,000 as far as the bin purchase and that was part of that line item?

Director Brett - \$61,000.

Councilman Langman – Where was the rest of that bin cost taken from?

Mayor Cervenik – The was under Other Professional Services or Supplies from the Engineering Dept. That was money that was budgeted for other items that we did not spend, which is, as I mentioned many times, we spend approximately last year even with those additions, approximately \$1 million less than we had budgeted. I don't know we'll achieve quite that million dollars less in the 2011 budget but I'm certain we will not spend everything that is in this budget tonight if we continue to work hard as we have.

Director Brett – The next page is a good portion of the Non-Departmental is the city department health care. Best thing to do there is to refer to Appendix B in the back worksheets, which has the allocation by fund of projected healthcare costs for 2011. Essentially what we're looking at there is an increase of 9% over the year and that's a conservative estimate. That's mostly in administration costs and the medical care will come in as it does. 9.18% is what we've estimated as an increase over last year's expenditures. Last year we're almost \$150,000 under budget. Even increasing by 9%, when you start to roll that over a number of years, it is more like a 4-5% increase over the average.

The rest are based on what we've looked at claims revenue up to this point. If you see vision insurance increases by 15%, that's based upon what utilization was on vision last year. COBRA is based upon the number of people we have on COBRA and that's a low dollar amount anyway. We've already covered city wide promotion with the Mayor's budget.

Councilwoman Minarik – On Appendix B, projected healthcare costs, the different unions have different agreements, don't they? It seems like the second batch, all the single person plans are \$100 a month. All the family plans are \$125 a month. Don't different unions have different agreements that pay more or less or are they all the same?

Director Frey – The healthcare provided for all the city employees with the exception of the AFSCME covered group is the same. The monthly contributions and the co-pays are the same. The difference with AFSCME is they are covered for the medical is still the same as all the other city workers, but they have a separate dental and vision and hearing plan that is not, we make a monthly contribution for that plan and then they're covered under the AFSCME plan for that portion. Otherwise the medical healthcare coverage is identical for all city employees.

Councilwoman Scarniench – I just want to make sure that I have everything that we talked about. We are going to add the cost for one housing inspector?

Mayor Cervenik – Yes.

Councilwoman Scarniench – We will add the part-time contracted maintenance server for the shelter?

Mayor Cervenik – I will include it. I'm going to need six of you to say yes when we present it but that is our intention to make those changes, yes.

Councilwoman Scarniench – We will add \$1408 for juvenile diversion?

Mayor Cervenik – Yes.

Councilwoman Scarniench – We already talked about the \$5,000 for the code. Last thing and I don't know why I didn't catch it before, page 91 Waste Water Treatment, there is no dollar amount under Other supplies, is that really what it is supposed to be zero?

Mayor Cervenik – It is due to reclassification. I will check with Mr. Hall. Mr. Hall is very confident that this is adequate for the moment. I think he reclassified some items.

Councilman Van Ho – What is the budget now in Service Dept. to cover leaves and snowplowing? I want to make sure that we have enough in there because I've gotten a lot of complaints and there's still even leaves in my own yard.

Mayor Cervenik – As I emailed and I don't know if you received it late this afternoon, we had approximately \$77,000 in overtime budgeted in both 220 Street Maintenance and 512 Creeks & Sewers. We increased that by \$15,000. No specific amount is designated just for leaf or for overtime or for floods or anything else we may have. We have increased our overtime to cover those instances by \$15,000. Yes I know there may still be some leaves out on the street. We had 8 very heavy rains during our pick up time. Every day of rain puts us two days back. That's 16 days and on top of that Mother Nature decided to snow on us a little bit. I will tell you that I have received virtually no complaints on snow plowing this season since we combined the departments together and they've been working very flexible, very efficient schedule. I even got a compliment the other day at the AARP meeting that the gentleman said, I can't believe the other day in the middle of the snow, somebody came down my street and picked up all the leaves. We are still picking them up too. There are years this happens and there's not a whole lot I can do about it. As I've said before, the good Lord has given me one day where I can make sure it is sunny from 7:00 AM until Noon and that's Memorial Day. So far my seven years as Mayor I've been successful but I can't control the rest of the year.

Councilman Van Ho – Can you have Randy go to the same church you do?

Mayor Cervenik – There are a lot of circumstances this year that caused problems with the leaf pick up and we firmly believe with the additional \$15,000 we'll be okay.

Councilman Van Ho – I'm not trying to find fault with anybody. I just want to see that it doesn't happen again next year.

Mayor Cervenik – Along with those changes there's also going to be a temporary \$600,000 transfer to Creeks & Sewers so we can continue that work to make up for the sewer levy.

Councilwoman Minarik – To confirm that because you had mentioned that before about the Creeks & Sewer transfer. But the expenditures don't reflect that because you expect to put that back into the general fund, is that how I heard it the last time?

Mayor Cervenik – It is not reflected in the budget yet. I purposely left that out just so you could see the full effect of what's being done. The legislation will have that temporary transfer included in page 57.

Councilwoman Minarik – The second question related to the email we received about the bonds. Can you explain that to me again? The financing of the bonds from the general fund as opposed to capital, that whole paragraph.

Mayor Cervenik – We're at a point and although we do save as Director Brett said interest expense when interest rates are down, we also experience a \$220,000 or so in real estate taxes. We are one of the few communities and Mr. Bauccho has been telling this to me since I've been on city council in 1989 that we're one of the few communities that really don't have an annual line item to supplement our bond retirement fund and the capital works that we do. We started doing that a few years back when we determined to fund improvements in the Henn Mansion which is operated by a non-profit entity and when we decided to spend money at Shore Cultural Centre, that is being operated by a private entity and is being used by non-profits. We do now have some of our capital expenditures reflect in the general fund.

In order to continue doing the improvements that we feel are necessary and normally that's \$2-\$2.2 million a year in street improvements, vehicles and things like that, we will probably reach a negative fund balance sometime in the next 5-6 years. We don't want to see that happen. There will have to be some transfer from the general fund to supplement cash balance to debt service.

In my email I mentioned as we've talked about the jail at that committee meeting where Council said let's just pay it off in five years. In my meeting with Mr. Bauccho, if we went to 10 or 15 years on the \$3 million debt service the jail would need and we took all of the savings or maybe 80% of the savings in the general fund and put that into the bond retirement fund, that would not only pay off the debt service of the, I hate to call it improvements of the jail, but the renovations at the jail, to make it more efficient. It would also provide for the supplement from the general fund to the bond retirement fund without affecting any of the services we provide now. We would simply take the savings from the jail reconfiguration and use that to supplement our bond retirement fund that will allow us to continue to do major improvements in this community. So that we don't say, we don't want to spend the money on the jail. What we're really saying is, spending the money, renovating the jail and making it tremendously more efficient to the tune of \$600,000-\$900,000 plus revenues that we may receive can actually allow this community to do much, much more on the capital side than we're going to be able to do.

Councilwoman Minarik – Okay so for now you wanted to start doing this transfer from the general fund to the debt retirement this year in 2011?

Mayor Cervenik – No ma'am. The jail would be open and operating in 2013.

Councilwoman Minarik – You don't want to do that from the general fund until you have your jail built, is that what you're saying?

Mayor Cervenik – That would be my funding source rather than deplete our, not deplete, but rather reduce our cash balance in the general fund now, once those improvements are made and our expenditures have fallen by \$600,000-\$800,000 we would use that savings one, to pay off the debt service and the balance would be used to supplement an increase in the cash balance of the bond retirement fund therefore its ability to pay off debt in other things we're doing. Lakefront development for instance, it would be a wonderful thing if we could speed up our lakefront development because we made our correctional facility more efficient. That would be a wonderful result of that.

Councilwoman Minarik – Forgive me, I'm a little foggy tonight. You're not going to transfer anything from the general fund to pay down the debt service this year? That statement was related to, if and when a new jail is approved, it will be funded by the loan will be paid from the general fund.

Mayor Cervenik – The savings in the general fund from increased efficiency of the dormitory-style.

Councilwoman Minarik – So we're not touching the general fund for any debt right now.

Mayor Cervenik – Other than what we went over tonight on page 56. If it was determined not to do the improvements necessary to make the jail more efficient and generate a cost savings of \$600,000-\$800,000 then I would be proposing, if we weren't going to do that, I would probably propose that we start transferring at least by 2012 \$250,000-\$300,000 a year into the bond retirement fund because of the long term plans that we have and most notably the lakefront development but also the long term plans that Council has adopted for the strategic plan for Shore Cultural Centre. That's all going to be capital money.

Councilwoman Minarik – So is the break wall.

Mayor Cervenik – We need to look at that and Mr. Bauccho is going to go back and re-evaluate some things, he has some timing. The Lincoln loan that we have on here will more than likely we will propose will either be refunded. The savings is, originally we felt was 10, I think it is now closer to \$17,000-\$18,000 a year. Little things like that all do make a difference. We have the Heritage Park assessment that may or may not make sense to refund and he's going to look a little bit further into that. He also assured me that this year, as long as he knows there's a commitment in the future to supplement a bond retirement fund, we can do our normal \$2-\$2.2-\$2.4 million capital program this year. How that's always come about is we borrow short term notes for \$2-\$2.2-\$2.4 million knowing that's the debt service we're paying. What we're reducing our debt by in the bond retirement fund, so we're even. He says we're perfectly able to do that again this year.

Councilwoman Minarik – The property values are dropping. The property taxes we're collecting is also dropping.

Mayor Cervenik – That's why we're discussing the infusion of cash from the general fund and hopefully the operations of the jail in the bond retirement.

Councilwoman Minarik – I just thought I would ask that question, I was concerned because the property values dropping and I thought I had been assured that the revenue stream would remain the same from property taxes. But now you're saying it has dropped and so to keep that balance of the \$2-\$2.5 million that we pay off, refinance.

Mayor Cervenik – It never came from my mouth that the revenue stream from real estate taxes would not decrease. I watch each and every year the decrease. I've also watched the decrease in the interest income and although it is partially offset by the interest expense, not dollar for dollar. Those are the reasons we need to do that.

Councilwoman Minarik – We're going to maintain how much we borrow every year knowing that we pay that much down.

Mayor Cervenik – Give or take.

Councilwoman Minarik – But because we're not getting as much in property tax and we still want to borrow the same amount, we're now going to fund it from the general fund, make up the difference.

Mayor Cervenik – Not this year.

Councilwoman Minarik – Starting in 2012.

Mayor Cervenik – Probably 2012, more than likely when we achieve the savings from the operations of the jail in 2013. Obviously when Mr. Bauccho was through with his total examination we may say that we should start in 2012 and that may be the prudent thing to do. With the failure of the sewer levy, with the uncertainty of some of the things that maybe happening down in Columbus, I don't think it would be wise for us to begin that in 2011.

The other option we have is in 2012, 2013, 2014, is to possibly reduce the capital improvements that we do. But if you look at our long term plan that Council has adopted for both the lakefront development and the Shore Strategic Plan, something has got to give. We have to look at that.

Councilwoman Minarik – Part of the reason I'm concerned is because I don't know how we're going to make up that \$500,000 in the sewer. You talked about putting onto the operations in the sewer bills to recoup it. I don't know if that's going to be possible. I'm concerned about that. Then as Councilwoman Scarniench said the there's a housing inspector, kennel person, juvenile diversion program. I'm still concerned about the local government funds. I know that we collect a check every month so we're good for the first six months, that's part of the current budget. But some from July through December, that's about a million to a million and a half we should be normally getting. I am concerned that with the State facing the deficit its facing, we should at least consider they may cut us 10% and that's another \$100,000 or so? I'm just concerned that we're approving a budget and it maybe in terms of the amendments that we know are going to come back to us throughout the year, it maybe close to a million dollars more in expenses than this budget shows. That's my concern. \$500,000 for the streets and sewers. Figure \$500,000 in amendments that are going to come back to us, they typically do. Figure \$150,000 less in local government and then the 2 positions of housing inspector and kennel. I'm just wondering if we're not close to a million or two million. Then if the state does reinstitute that SB 22, we could lose another \$700,000 in prisoner revenue. I'm just concerned about the expenditures we've got showing here. That's all. Thank you.

Mayor Cervenik – It is our understanding that even though the State is on a fiscal budget, that any decreases in the local government fund would not be felt by the city until 2012. There's already some backing off of total elimination of the Estate taxes; not to mention there's at least a nine month lead time between the money we get there. So I'm very confident what we presented to you is a good solid budget.

As to whether we can transfer into the 512 account to do the EPA mandated work that needs to be done. I will tell you that we have no choice but to do so because the US EPA is going to make us do that work and twice as much work.

Councilwoman Minarik – I thought that \$500,000 when it first was rejected by the voters, I thought the emails we were receiving said how those gentlemen cleaned out our clogged sewer lines, it paid for the truck, it did all of that stuff. How does that tie into the operations?
Maybe we should have a Service Committee meeting so we can get all this explained instead of taking up the time tonight, that might be good.

Director Frey – I would like if I could just give you a real quick answer and you're right, you'll get much more detail in the next several weeks. Maintenance is a component of the long term control plan and it is a component of any consent decree. It is not just plant operation and capital improvements in both the plant and the collection system, it is also the maintenance of the collection system. That's where that component comes in. The cleaning out is the maintenance as a big part of that, a prong of that whole overall consent plan.

Mayor Cervenik – As those same individuals that are doing the maintenance that the Director just described, are doing the maintenance, they also will come out and snake the sewer if your basement is flooded. But that funding is not coming, never came from the two mil sewer levy. That funding came from the Streets Dept. 512 and 220, those employees interchange their responsibilities. It is not like, okay just because they're in 512, they come out and snake the sewer. That doesn't mean it is getting paid for out of the two mil, it's not. The storm sewer maintenance, the maintenance of our whole sewer system internally, that's what is being paid for from the two mil sewer levy. That money was transferred into Creeks and Sewers.

Councilman Wojtila – I would like to propose that we eliminate the \$30,000 that we were discussing for the study on the payroll. We've added some costs and I would like to see that cost eliminated. Study as part of the consolidated compensation package, we talked about evaluating all positions, \$25,000. That would be my thoughts because I share the concerns, we've added, that's one area I would like to see a subtraction.

Councilman Langman – Mr. Mayor, can we have Mr. Bauccho come give us an update on our bond retirement fund? We had one several years ago I think it would be helpful to hear first hand where we are at, what we can do, possibly limitations on what we can do. I think that would be helpful.

Mayor Cervenik – If you read my email that was my intention. I would imagine that would happen within the next 30 days.

Councilman Langman – That would be fine. To my colleagues comment about the compensation matters, I think we should move ahead with that. We haven't done it in so long that it is time, ten years is long enough to wait. I don't think that's a tremendous expense. There are still many items to be discussed going forward, outside of this budget. We have fees, taxes and so forth to discuss going forward. See whether those will be extended or not and at what levels to extend them. There are many items on the table, but we have to have a budget. Hopefully we can move forward with the document in front of us. Madame Chair, I'll pose the question to you, what are we going to do next?

President Holzheimer Gail – We will certainly continue, I would expect that we will have a budget, if not the next Council Meeting the first in March based on our conversations?

Mayor Cervenik – We would like to have it at the meeting of the 22nd and present it with the changes that were mentioned.

President Holzheimer Gail – Certainly the plan would be to continue to have regular Executive & Finance committee meetings. We do need to have discussions about the fees. We committed the to garbage fee for two years, this is the second year. We can't wait until the end of the year to decide what to do with that, how we would supplement that.

Mayor Cervenik – That decision is going to have to be made before City council leaves in June for recess on both the street lighting and garbage fees. I will tell you that without those we will not survive 2011 in our present form.

President Holzheimer Gail – They're already being paid for 2011, so the impact wouldn't be until 2012.

Mayor Cervenik – That is correct, however the vote from Council that they're not going to extend them, it will be tremendous wholesale cuts made in 2011. I can't wait until 2012 because we're talking good chunks of money, well over \$2 million.

President Holzheimer Gail – We have to have those discussions. We still do need to discuss and approve the capital budget. That will be another, probably our first Executive Finance Committee meeting in March we could go over the capital budget.

Mayor Cervenik – We would like to do the capital budget the first Wednesday of the month in March. Is there a meeting already?

President Holzheimer Gail – There is a City Growth meeting.

Mayor Cervenik – The following Monday would be fine.

President Holzheimer Gail – We'll get a date. We do need to have the Service Committee Meeting to talk about the Waste Water Treatment, Maximus, that needs to happen too. I guess, from Council's perspective do we need more meetings on this particular budget? Is this enough to go forward? A budget is a budget. It can always be amended given if we decide we need to make changes along the way that's why we will have regular meetings, we will watch the spending and we will watch what is coming in and can certainly make adjustments as needed. I think we've got enough to make a decision on this particular budget with some changes that are recommended and we'll continue to discuss the capital and we need to get moving very quickly on the long term plan and make that decision so we know.

Councilwoman Scarniench – Just one other question, when you go to the operating transfers out. I really have a problem that we're raising the recreation operating and giving them another \$50,000. We've cut the Directors position. I would really and that would probably take into what Councilman Wojtila says is an offshoot, being to pay for that. They can always come back but I would really like to see what Mr. Stephens comes up with a good recreation plan before we give them any more money.

President Holzheimer Gail – That would require changes in the operating in order to pass it.

Mayor Cervenik – When this budget was first presented to me as far as Recreation goes, that transfer was real close to \$400,000 and we trimmed it down considerably. I think there are some savings that can be achieved throughout the year so that the possibility of that full \$50,000 additional being spent will not be spent. But the budget you have before you does reflect the changes in the positions. It does reflect some increases in programming. I am very concerned at the moment of going back through that budget and reducing some of the programs, especially our summer programs that are going to be taking place. Do to the fact that we've got to find, we've got to provide things for our children to do. I think this budget covers that and that account for some of the increase in the transfer. The Recreation Operating is suffering from the same thing that we're discussing with the bond retirement fund. They're funded under real estate taxes, they're funded under CAT taxes that are declining. That is the major reason, it is more of a drop in revenue rather than an increase in expenditures that the transfer has to go up.

I would ask that we leave it as is for the time being and see what savings we can achieve through operations and collaborations. As you know many of you are coming on March 1st, one of the goals of our meeting with the various pastors and congregations and churches in the City of Euclid is we know they have programs and they're doing programs for members of their congregation, members of their church. We're going to see if we can't find a way to expand their programs and reduce our cost but use our assistance. That could significantly save more than that. The goal is to find positive things for our children to do, supervised things and not just sports things, recreational things. I really would ask your indulgence to leave that \$50,000 in there for now. As I've said many times through the budget hearings, we are going to sit down in mid-May, look really, really hard at where we are percentage-wise, present to Council any changes we feel can be made, show you what reductions we have, places we may have over-budgeted so that we can one: present you with a budget amendment before you leave on your break. Hopefully that budget amendment will be zero affect, we will be able to say we can reduce over here and add where we need it here. So that we can get through the rest of the year this way. Recreation is really important right now.

Councilwoman Scarniench – I understand that and it is just something to think about. Over the past 8-9 years it has been brought up, not only by me but other people and even by Recreation Department about the swimming pools. If you take Cleveland out of the equation I don't think there's any suburb that has the swimming pools that we do. The fact is there is going to be some major repairs that have to be done. We've got a wonderful pool at Memorial, the kids like to use it. They need to use that. We really need to look at the use of the pools before we start spending major money to repair them. I hope you will look at that and we'll talk about it in May.

Mayor Cervenik – We do have one pool and Councilman in Ward 1 understands we have one pool in his ward that needs significant improvements. Not only the pool but the pool building and other items and we do have to examine that. The bottom line is of the \$170,000 a year it costs to operate our five pools, only about \$25,000 of that is the cost of operating the four neighborhood pools. The major expense, if we really want to save major money, is Memorial Pool and I would not entertain closing Memorial Pool. The damage done by closing the neighborhood pools to save \$20,000-\$22,000 I'm not sure, I think I'd try to find something else in this blue and white book to cut first.

Councilman Gilliam – Just a couple of quick comments in regards to the budget. I know on the 26th I was out of town and I requested some information for the justification for the increases in the Human Resources dept. I still have those questions and I would like for them to be answered. I believe Director Frey was to respond back. In addition to that, Councilman Wojtila made a very valid point about reducing the salary compensation analysis. We do have some significant expenses that we have to maintain. At the January 26th meeting the Chief of Police talked about new hires as well due to the DROP program and a number of individuals retiring. I don't see this budget as being excessive but I also have some concerns about variations in budget amendments in the future and I think that a more conservative approach, if we were to cut \$10,000 from HR plus the \$25,000 that Councilman Wojtila stated, that could be used for a variety of different supports within the actual budget. Such as, potentially a pool because Ward 1 doesn't have many resources, so I'm going to argue about that without starting a war. Number two, we're looking at other issues regarding housing. We're also looking at streets and sewers. I know that I might be a little slighted but I've had a lot of conversation with the Streets & Sewers dept., they would love to have more manpower. They would love to be able to do certain things that they feel they're sort of handicapped by the loss of staffing and they understand the reasons why. Maybe an entry level person with that money could help out. In addition we are looking at YOU workers to potentially come to the city but if that program is not there, at a nominal cost we could take that money and use it for individuals to work all of these city parks and city streets for a nominal part time fee and I'm sure any high school kid or college kid would be interested in doing that.

I don't have a lot of issues with this budget, but I would like to see some things reworked in regards to Councilman Wojtila's comment and also the HR department. Those are my statements. I will wait for your response. Thank you.

President Holzheimer Gail – Let's go out to the public, residents if you have questions about what we discussed in the budget this evening?

Mr. Christopher Litwinowicz – 21970 Morris Ave. The kids should recall you for even saying that Ms. Scarniench.

President Holzheimer Gail – Excuse me, Mr. Litwinowicz that's out of order. You can ask a question, you can state your opinion on what we've discussed this evening. No personal comments please.

Mr. Litwinowicz – It is. How long have we been discussing this? The administration proposed the budget. You represent one-eighth of this community. These comments are not professional for our city. If I could take five minutes now, then I can discuss this properly.

Seniors. Most valuable taxpayer of this community. The longest taxpayer of this city. Thirty-eight million dollars, I don't care how much money we have to spend throughout this year, they get it. Mayor's Office. What your Mayor just presented to you is what he needs and soon to tell I'll be doing the same thing. Council, you discussed what you want for four years, two years, eight years. But right now you got your budget. Recreation is what the education of our school district is. We already approved this City Council and you was on the board, so much money Mr. Law Director. How much was allocated last year for the Memorial Park? You want to save money, we build a brick building for our kids to have somewhere to go to. We would have to pay gas, what does the city pay for gas right now? We do it for the Shore Cultural Centre. We've just got to do that, serious and we won't have to be talking about cutting \$50,000 to someone that sat here and worked so hard for these kids and I bet you if this man wanted to run for Mayor he could take it over. It is not about him running for Mayor and I took that over.

President Holzheimer Gail – Mr. Litwinowicz, could you keep your comments to the budget.

Mr. Litwinowicz – It is to the budget. It is about what she commented on. If I'm out of order, she's out of order because she shouldn't have talked about the Rec.

President Holzheimer Gail – You can ask a question or give a comment about the budget please.

Mr. Litwinowicz – This is discussion. That's her opportunity, this is my opportunity for discussion. That's what she did. Non-departmental. I seriously wish for all 8 members plus the President after this budget is amended by the Council that there's \$30,000 to purchase fireworks in less than a month. It is part of the budget. It is part of the budget. Finance. Instead of screaming at the man and saying you want something cut, congratulate the man. The Finance Director, thank you. That man probably put more hours into this budget than you looking at it over a month. You had months.

President Holzheimer Gail – Mr. Litwinowicz, if you would please ask a question. This is the last time I'm going to call you out of order, you're going to lose your chance to speak. Ask a question.

Mr. Litwinowicz – The question is, the money is allocated for this and I just wish that the Council amends this budget without no and move forward and with the jail situation we need to spend the money to fix the problems. My last comment about the pools, those are just mistakes and they break. Concrete breaks, chips, those are finances that have to be spent. What about the revenue that everybody pays for? We're not free like Cleveland. Thank you.
Happy Valentine's Day.

President Holzheimer Gail – That completes our public comments. Any final comments or questions from Council?

Councilman Langman – Point of clarification, will we move this budget back or we will wait for the amended budget and consider that one at the next meeting?

President Holzheimer Gail – We don't have the budget in its draft form in committee, correct? The budget will be presented as legislation on the 22nd.

Councilman Langman – Very good, thank you.

Councilwoman Minarik – Just a point of clarification, we are not having fireworks this year, correct?

Mayor Cervenik – It is not included in the budget.

President Holzheimer Gail – Any other final tweaking or questions that people have I would suggest giving the Mayor or Director Brett a call. I believe Council already approved that salary analysis, did we not, through legislation? That already has been approved, it would need six council members, five council members, it would need legislation to amend that or recall that.

Mayor Cervenik – Or you could eliminate the funding and then I wouldn't be able to do it.

President Holzheimer Gail – But it already has been approved.

Mayor Cervenik - We haven't actually started, not really just the groundwork.

President Holzheimer Gail – If people are interested you would need to sponsor legislation or remove the funding from here. Seeing no further questions, thank you to the Finance Dept. Kathy and Carol, thanks for your assistance in being here through the budget hearings. With that I will take a motion to adjourn.

Councilwoman Minarik moved to adjourn. Councilman Gilliam seconded. Yeas: Unanimous.

Meeting adjourned.

