

BUDGET COMMITTEE

Minutes of the Budget Hearing Meeting of February 11, 2023 at 8:00am

Present: Committee Chair Monica Koudela, Council Members, Bob Patton, Patrick Mohorcic, Natalie Antosh, Theresa Bisbee, David Phares, Charlie Malta, Mayor Mike Vanni, Finance Director Cheryl Benedict

Meeting called to order at 8:03 am

Mayor Vanni indicated that the General Fund has a healthy carryover to 2023, but it is “artificial” due to funds received through the CARES Act and ARPA. In 2018 the city asked for a tax increase which was denied, and luckily, we have been able to sustain, but not forever. The Sewer Fund is in trouble and a rate increase is expected again in 2023 and 2024. Contract negotiations will begin in 2024 which will increase expenses. There has been prior discussion about a fire study to see if remaining part-time is feasible. It would be nice to have funds available for economic development, and possibly move city hall and have a trail by the lake.

Finance Director Benedict indicated that we currently have the highest and healthiest General Fund and that is due to CARES Act money, property values/tax increase, and income tax increase. As always, Cheryl has estimated conservatively because it is not guaranteed that these increases will sustain. Property values have increased about 16%, increasing property tax revenue and more people working from home has increased the income tax. There were also several one-time revenues, including the Lakeland Blvd settlement, lease vehicle profits, and increases to the local Government Fund. The General Fund split for the fire department will remain the same for 2023. The budget proposes a decrease to capital improvement by \$1.3 million. The total budget is 51% wages and benefits.

The General Fund budget is comprised of 76.6% for wages and benefits. Something to keep in mind that 2027 will have an extra pay period, which would be upwards of an additional \$200k. Workers compensation costs have increased since 2020 and the higher rates are expected for two more years.

9:05 am

Cheryl went through each of the Special Revenue Funds. Most of the funds are in a good position. The Street Lighting Fund may need to be adjusted at tax budget time. More money will be needed to proceed with the Vine Street Corridor Project.

9:43 am

The Sewer Revenue Fund is not in a good place. 2022 required a \$50k advance from the General Fund and has not yet been moved back. Additionally, 2023 will require an advance of \$280k. Although the city has increased the resident sewer rates, it has not been enough. Euclid increased the rates by 25% in 2023 and additional increases are expected. The 2023 increase will cost the city an additional \$500k. With the additional costs, there is no money left for projects.

9:47 am

The city does not have any major debt. Debt includes some notes, bonds, and 0% OPWC loans. Also, police and fire have some capital leases with a 2023 principal payment totaling \$218k.

Capital outlay for 2023 includes payroll software upgrade, Manry parking lot repaving, sewer lateral repairs, the road program, two cameras to replace loop detectors, a mini camera for the sewer department, and replacing light pole at Shoreland Crossings. Additionally, it is planned for the E. 327th Sanitary Sewer Rehab Project and Fairway Storm Sewer Replacement Project to be completed, hopefully with OPWC funds and county ARPA funds.

10:05 am Building Department

Sean Brennan provided an overview of the department budget. No major changes to the prior budget. A second lease vehicle is planned to be added and getting rid of one of the older vehicles. The department took over the CRA and adjusted the office hours. Ideally, it would be nice to have an additional full-time employee to replace the part-time employee.

10:35 am Service Department

Todd Shannon provided an overview of the department budget. 2022 showed a profit with the lease vehicles, although that is not expected again. New vehicles are currently unavailable and have a long wait time. The currently leased vehicles might be kept for an additional year. During 2022, leaves were able to be dumped at Kurtz Bros for no charge, saving \$4k that GreenVision was charging. Ohio now requires official training before a person is eligible to test for a CDL. Due to this requirement, the budget needs funds to pay for this training. If an employee is reimbursed, they are required to stay with Willowick for an amount of time or will be required to repay the city. The AED's throughout the city will be replaced. For the first time in about 6 years there are plans to have holiday lights up. There will be a retirement in the sewer department, and a replacement will be needed. Hiring people is one of the biggest challenges for the department.

11:45 am Police Department

Brian Turner and Rob Daubemire provided an overview of the department budget. There will be 3 retirements in the department. It is the hope that their replacements can be hired and trained prior to the retirement for a smooth transition. It has been difficult to hire qualified candidates. Previously a part-time position was approved for court duties and prisoner transportation. That should be happening sometime in March and should decrease overtime for full-time officers. It was budgeted to update the range in 2022 but was postponed to 2023. There are plans to order two new cruisers for 2024.

1:05 pm Fire Department

Bill Malovrh provided an overview of the department budget. He would like to make changes to the department structure by adding an assistant chief and removing a captain. The assistant chief would assist with the administrative and management duties of the chief, including applying for grants. The chief is working on a turnout gear replacement schedule and has also applied for a \$48k grant for gear. The station has seen some improvements, but still needs updating. It is planned to add locks on the doors between the garage and the station. A new engine is expected in March 2024. Shift coverage has increased the last few months, but there should be a study to determine if the department should make a change in structure.

1:52 pm Recreation Department/Senior Center

Julie Kless provided an overview of the department budget. Pool employees will receive an increase in pay. More guards will be required to have WSI certification. Additionally, the city will need to comply with different pool testing. It is expected that camp participation will increase, and off-site field trips will resume. The department will be adding a leased vehicle. The Manry parking lot is still original from 2000 and will be repaved this year. The department has been struggling with disrespect from the kids but

hopes it will improve and may need some assistance from the police department. The senior center will be removing the attendant position increasing the pay rate to the assistant.

2:35 pm Miscellaneous
Discussion of all the departments.

Meeting adjourned at 3:12 pm

Respectfully Submitted by



Monica Koudela, Chairwoman
Budget Committee