

VILLAGE OF CUYAHOGA HEIGHTS

COUNCIL MEETING

March 11, 2009

Mayor Bacci had everyone stand to say the Pledge of Allegiance and asked everyone to turn off cell phones.

Mayor Bacci called the meeting to order. Clerk Biro called the roll. Those present were Marilyn Duszynski, Ralph Faragone, Lois Henley, Irma Schab, Frank Schoeffler and George Suhy. Also present were Police Chief Doug Pallini, Fire Chief Lee Zmija, Service Director Scott Waldemarson, Treasurer John Traffis, Law Director Jonathan Greenberg, Building Commissioner Norm Casini and Engineer Paul Dey.

Clerk Biro presented the minutes of February 11, 2009 Council Meeting. Mr. Faragone moved, seconded by Mr. Schoeffler that the minutes be accepted as read and placed on file. All voting aye, none opposed; motion carried.

COMMUNICATIONS:

From Mayor Bacci and Paul Dey, Village Engineer:

Letters to various village officials and residents of East 49th Street regarding the construction of a 6" low pressure gas main under the west sidewalk on East 49th Street in the Village of Cuyahoga Heights.

From Mayor Bacci:

A proclamation expressing our appreciation of The Silver Star Families of America that help our wounded Armed Forces members and declaring May 1st "Silver Star Banner Day".

From Mayor Bacci:

A letter to Coach Al Martin congratulating him on the success of the Cuyahoga Heights' Girls Varsity Basketball team.

From Mayor Bacci:

A letter to resident, Bryan Jones, for placing first in the Ohio Athletic Committee's Junior High wrestling district competition.

Mrs. Henley moved, seconded by Mrs. Schab to accept the communications as read and place them on file. All voting aye, none opposed; motion carried.

PERMITS:

Mr. Suhy moved, seconded by Ms. Duszynski to approve a non-residential building - occupancy request for Gateway Warehouse, Inc. at 4400 East 71st Street in the Village of Cuyahoga Heights to be used for receiving, storage and shipping of various products. All voting aye, none opposed; motion carried.

PERMITS (cont.):

Ms. Duszynski moved, seconded by Mrs. Henley to approve an occupancy permit at 6551 Grant Avenue in the Village of Cuyahoga Heights for Maxxum Group. They are utilizing this space for storage and distribution. All voting aye, none opposed; motion carried.

PURCHASES:

Mr. Schoeffler moved, seconded by Mr. Suhy to approve the purchase from Johnson Controls for the annual maintenance contract for the control section of the heating & cooling system for the Police Station. (\$4,780.00) All voting aye, none opposed; motion carried.

FINANCIAL REPORTS:

January, 2009

Mr. Faragone moved, seconded by Mrs. Schab as prepared and placed on file. All voting aye, none opposed; motion carried.

LEGISLATION:

Mrs. Schab moved, seconded by Ms. Duszynski to instruct the Clerk to group the pay resolutions for reading and adoption. All voting aye, none opposed; motion carried.

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|-------------------------|--------------------------------------|
| RESOLUTION NO.: 2009-37 | GENERAL PAYROLL 11-0904 \$180,763.61 |
| RESOLUTION NO.: 2009-38 | GENERAL PAYROLL 11-0905 \$226,288.07 |
| RESOLUTION NO.: 2009-39 | SALARY PAYROLL 22-0903 \$13,452.42 |
| | CLOTHING MAINT. ALLOWANCE \$2,800.00 |
| RESOLUTION NO.: 2009-40 | SALARY PAYROLL 22-0904 \$13,785.75 |
| RESOLUTION NO.: 2009-41 | GENERAL BILLS \$29,617.02 |
| | (#38559 - #38567) |
| RESOLUTION NO.: 2009-42 | GENERAL BILLS \$63,284.06 |
| | (#38568 - #38589) |

Mrs. Schab moved, seconded by Ms. Duszynski that the rules be suspended and the Resolution be placed on its third and final reading. All voting aye, none opposed; motion carried. The Resolution was passed by the same vote.

LEGISLATION: (cont.):

ORDINANCE NO.: 2009-43

AN ORDINANCE AUTHORIZING THE MAYOR AND THE CLERK TO PARTICIPATE IN OHIO DEPARTMENT OF TRANSPORTATION (ODOT) COOPERATIVE PURCHASING PROGRAM FOR SODIUM CHLORIDE (ROCK SALT) CONTRACT 18.

The Village is applying to participate in ODOT's cooperative salt purchasing program for the 2009/2010 season.

Mrs. Henley moved, seconded by Mr. Suhy that the rules be suspended and the Ordinance be placed on its third and final reading. All voting aye, none opposed; motion carried. The Ordinance was passed by the same vote.

ORDINANCE NO.: 2009-44

AN ORDINANCE TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE VILLAGE OF CUYAHOGA HEIGHTS, STATE OF OHIO, DURING THE PERIOD ENDING DECEMBER 31, 2009

Mrs. Schab moved, seconded by Mr. Faragone that the rules be suspended and the Ordinance be placed on its third and final reading. All voting aye, none opposed; motion carried. The Ordinance was passed by the same vote.

OTHER BUSINESS: None at this time.

MAYOR AND COUNCIL REPORTS:

Mayor Bacci mentioned that a line item budget was prepared with as close to a 10 per cent budget cuts throughout the departments. Mayor Bacci stated that the Village of Cuyahoga Heights is finding itself with an insurmountable deficit for 2009. He continued by stating that we are not broke, we still have monies in our general fund and capital improvements fund and we still have monies for the note on our Police Department. He has sat down with Council to review our budget; we had a special budget meeting last Wednesday, a meeting on Monday with a consultant, and another Special Budget Meeting yesterday. Today, he sat down with Fire Chief Zmija and President of Local 72, Ricky Bacci, and talked about layoffs that are going to be imminent. He also met with Police Chief Pallini and Lieutenant John Rieger in reference to the same also with Head Dispatcher Barb Cash and Service Director Scott Waldemarson regarding the same. Mayor Bacci said that he is not happy with the situation, these people are not only employees of the Village of Cuyahoga Heights, and they are also his friends. Mayor Bacci stated that they will do everything they can along with the Unions to lower the bar that they have set in order to save as many if not all of these layoffs.

MRS. HENLEY:

Mrs. Henley had nothing to say at this time.

MRS. SCHAB:

Mrs. Schab had nothing to say at this time.

MR. SCHOEFFLER:

Mr. Schoeffler had nothing to say at this time.

MR. SUHY:

Mr. Suhy had nothing to say at this time.

MS. DUSZYNSKI:

Ms. Duszynski had nothing to say at this time.

MR. FARAGONE:

Mr. Faragone mentioned that the house on East 71st Street was torn down and Mr. Brian Henry has submitted plans to Mr. Casini to build a new house on the property.

CHIEF PALLINI:

Chief Pallini stated that it there may be a possibility of applying for a grant to retain the officers. Chief Pallini also stated that he will do everything he can to make that happen.

MR. PAUL DEY:

Mr. Dey said that the gas company is proceeding with the gas main replacement on East 49th Street and should be completed by the end of April. Mr. Dey also said in May they will be starting with another gas main at Canal Road and coming up to Southerly Sewer District. That part will be in the street and be completed at the end of the year.

Mr. Dey reported on the meeting he had with Burgess and Niple the consultants that the Boyas firm hired regarding the Nicky Blvd. landfill and the erosion problems. They have a tentative agreement worked out with the EPA and will submit their concept plans to the EPA for approval. Mr. Dey stated they will restore as much as they can to the slopes behind those houses as part of the project, but the EPA will not let them put in a pipe, they want an open ditch or half pipe installed. Mr. Dey said they should hear something shortly from the EPA. Mayor Bacci asked if that will help retain any of the area behind the homes. Mr. Dey replied that they will be allowed to fill in some of the area.

COMMENTS FROM THE AUDIENCE:

MR. ROBERT UNGER:

Mr. Robert Unger asked what our revenue is projected for this year compared to last year and how much money do we have in the General Fund. Mayor Bacci replied that we have approximately 3.7 million dollars in which 3.5 is encumbered to the Police Station, but it doesn't mean we can't utilize money out of the capital improvements, but it takes some lateral movements between the various Village funds. Mr. Unger asked about the interest earned on the note. Clerk Biro replied that when we first got the money from the bank for 4 million dollars, out of that check the contractors were paid, one year later we owed 4 million dollars to the bank two days before that note came due we went out to the investors for a note of 3.5 million dollars. Clerk Biro said that the interest we made on that 4 million helped pay off the first initial \$500,000 of that note. The note is now at 3.5 million, it does not mean we have 3.5 million dollars in the bank, two days before that note comes due in October they will go out to the market and find investors to assist us in paying the debt. At this time Council is in discussion with financial people whether or not it would be advantageous for the Village to pay off that note, continue it on the note basis or bond it out.

Clerk Biro stated that the Village has a debt of 3.5 million dollars. Mr. Unger asked how much we have in the Capital Fund. Clerk Biro replied 3.2 million. Mayor Bacci said that the Village is not broke. Clerk Biro also said that there is only 8 million to go around in all our funds, general, special revenue, capital, and trust and agency funds. Mr. Unger asked what is the projected number for the revenue for this year opposed to last year. Clerk Biro replied we are down 10 per cent in projective revenues and the city income tax which makes up 83 per cent of our revenue. Clerk Biro said that she is currently working with Regional Income Tax Agency to project what we are to receive based on their data. What we have heard since Mittal Steel layoff notification, we projected 7.2 million in wages and possibly losing an additional \$400,000.00. This layoff plus the jobs we lost at Alcoa, Nook, Charter Steel, Gibraltar Steel, North American and various other companies or reducing their payroll also reduces our withholding tax revenue.

Mayor Bacci stated that the Village has been for several years taking small portions out of its savings to pay our general fund obligations. Mayor Bacci also stated that the 22,000 employees that came through our Village over the past 30 years are now reduced to less than 8,000 and the Village cannot continue to operate at the level we have been.

Mayor Bacci said that no one is being laid off tomorrow; we don't even have a day on when we are going to lay off, if they have to be laid off at all. He believes that our unions will stand up for their union brothers and do whatever we need to do to make sure they have a job.

Mayor Bacci said he that he is not happy about any of this, and said that he had great plans for this community and great things for Council and for the people of this town but he hit a brick wall and he is not happy about it.

MR. RENATO CONTIPELLI:

Mr. Contipelli asked what type of structured buy out did Council offer. Mayor Bacci replied that it is the same one that Council offered in 2001. Council is checking to see what it would cost to go from a 3 year in PERS to five year buyout. Council is still discussing this. Mayor Bacci stated PERS for 3 years is currently in Legislation plus one year salary, sick time and vacation for the Police and Fire. Mayor Bacci stated that the problem with success of the Police & Fire buyout is the Drop Program. Mayor Bacci explained the program and that when the Police and Firemen get three years in they start to see the dividends and three years to eight years is their most lucrative years, so if they leave at 3 years for example they stand to lose a lot of money that this program provides. Mayor Bacci stated that this program is going to be a community killer. Mayor Bacci also stated that the Police and Fire Pension have done this to try and discourage retirement because there were so many police and firemen that would get their 25 years in and retire early. This was draining the pension system so they came up with the Drop Program. Mayor Bacci said that he has talked to some of the effected firemen and wanted to know what the Mayor could come up with for them.

Mr. Contipelli asked Mayor Bacci about the projected lay offs and asked if the Mayor was going to try and balance the budget for one year. Mayor Bacci replied no. Mayor Bacci stated that if we were to exercise the layoffs tomorrow; for example, we would have an estimate that would put us at approximately 1.5 million dollars in savings. We will then have approximately an \$800,000.00 deficit. We want to curb that deficit in September when we re-negotiate our health care. Mayor Bacci said that he has asked Council to stand behind him in to save at least \$500,000 because the health care is currently projected at 1.3 million dollars for 2009. So if we can get \$500,000.00 off of that we are looking \$300,000.00 deficit. Mayor Bacci stated that the Police, Fire and the Dispatchers are looking at what they can do in concessions.

Mr. Contipelli asked Mayor Bacci if it were wise to pay off the Police Station at this point in time, because of something like this happening now. Mayor Bacci said that if the Police Station were to be paid off now there would be nothing left in the General Fund or the Capital Improvements and you are just one catastrophe away from this Village going down. Mr. Contipelli stated that he feels it would be wise to pay this bond off in the fifteen years in the original plan. Mayor Bacci stated that the bonding out in twenty years has been discussed, they have talked to a consultant in reference to what is the best course of action, paying it off, going for another note or going to bond. Mayor Bacci said that they are looking at a cost of \$50,000.00 to \$60,000.00 to set up the bond. Mayor Bacci also said that will encumber in our real estate tax revenues. That money would immediately go to the County; we would never see any real estate tax and the bond interest payment would be at \$300,000.00 a year or better. Mayor Bacci said that Council is still discussing this matter.

Mr. Contipelli asked if the warning signs were here last year in the Village as far as the economy for this Village. Mayor Bacci replied no, our mills could not produce enough steel. We were running off the hook. Charter hired a complete third shift just to keep up which they have since laid off. Mayor Bacci said that the third quarter into the fourth quarter, everyone was doing business as usual or better. Mr. Contipelli agreed with the Mayor and stated that no one saw this coming. Mr. Contipelli asked about grant money. Chief Pallini explained that the police officers

have to leave before any consideration. Mayor Bacci also stated that he wants people to know that we have a serious problem and we are going to handle it appropriately.

Mr. Unger asked Mayor Bacci if there will be a lay off. Mayor Bacci replied that lay offs are eminent pending what happens with our departments. Mr. Unger asked Mayor Bacci that if next year the mill opens and Alcoa brings back their employees and our revenue increases is the plan to bring the people back. Mayor Bacci replied yes, but we may never have a fire department of 27 and 17 in the police department. The Service Department is at 9 right now plus 10 to 12 part timers on a regular basis, we will see none of that until we get back to the way things were several years ago. Mayor Bacci said that our current fire fighters for example will be brought back in any fashion we can get them back, but if one retires the original plan was to reduce the fire by 4, same thing in the Police Department. We will utilize in the future if Council allows him part time personnel from other communities as those communities hire our employees.

Mr. Unger said that since we are cutting back on employees what other cuts can we expect to see in the future. Mayor Bacci asked Mr. Unger for an example. Mr. Unger stated the rebates. Mayor Bacci replied that currently Clerk Biro is getting .4 per cent on our money from Star Ohio that will not generate the interest needed for the rebate. Mayor Bacci said that you will not receive the rebate in the future if things continue going the way they are. Mayor Bacci said the opening of the pool is still being discussed by Council. Mr. Unger asked about Silverlode. Mayor Bacci replied that Council agreed to terminate their agreement. Mayor Bacci said that the Fire and Police Chiefs were advised to leave the village vehicles at the station and to bring in their personal vehicles.

Clerk Biro said that they are also discussing the health care. We are currently self insured planed and are looking into a fully insured standard plan which will hope to bring a savings of \$500,000.00. The current plan is up for renewal September 1, 2009.

Mayor Bacci and the Clerk discussed other items that have been considered cutting.

Mr. Contipelli asked Mayor Bacci if they go through with laying off the Village's safety forces, can he assure this Village that the safety will be not be compromised in response time. Mayor Bacci replied that we can operate safely and if our forces are out on another run we will call for mutual aid. Our personnel we will take care of our residents.

Mayor Bacci said that is a trick question and the first time our services are compromised he'll be the one to be hung out to dry, so no way is he going to say our services will stay the same, but our police and firemen are professionals and our departments will manage and rely on one another in a different way than was done in the past.

MRS. SHIREEN MITCHELL:

Mrs. Mitchell stated that it's time that Cuyahoga Heights realizes that the perfect little place that they live in can still be the perfect place if everyone pulls together and does what they have to do. Mrs. Mitchell also stated that everyone has been treated good in this Village for many years, everyone has received many services and favors and now maybe its time to give back. Mrs.

Mitchell thanked the Mayor and Council for their honesty and is sure that they will do what they have to do.

MRS. LEA BACCI:

Mrs. Bacci expressed her concerns over the safety of the Village and was happy to see the Council and the Department Heads working together to find solutions during this time of uncertainty. Mrs. Bacci commended the Police and Firemen for the job they are doing and feels sympathy for their situation. Mrs. Bacci also understands if Council wants to cut back on other activities such as the pool, the summer fest, youth committee and other programs, but she hopes they would let the residents know soon so they can plan for other summer activities.

Mr. Unger agreed with Lea and said you can't take everything away from the residents and the kids. Mayor Bacci stated that Council wants to do whatever is fiscally responsible but they also don't want to take away from the residents of the Village.

WHEREFORE, there being no further business before this Council, Mrs. Henley moved, seconded by Ms. Duszynski that the Council Meeting be adjourned. All voting aye, none opposed; motion carried.

Passed: April 8, 2009

ATTEST:

Mayor

Clerk of Council