

## VILLAGE OF CUYAHOGA HEIGHTS

**SPECIAL COUNCIL WORKSHOP**

**MARCH 20, 2013**

**ROLL CALL: BIRO, BLOAM, CONTIPELLI, DUSZYNSKI, FARAGONE, HARRIS  
ALSO PRESENT WERE SERVICE DIRECTOR SCOTT  
WALDERMARSON, VILLAGE ENGINEER TODD SCIANO, AND  
BUILDING COMMISSIONER NORM CASINI**

### **ISSUE 1: DISCUSSION AND DECISION OF CAPITAL PROJECTS**

The Mayor asked the Clerk to read a statement that he sent to all the Council members.

As you have requested, I have reviewed everyone's priority list taken from the presentation of February 6, 2013. Each of you chose projects from the 5 year outlook and this list is confirmation that your choices (and mine) are consistent to our wants and needs.

After meeting with the Engineer, the Service Director, and the Building Commissioner, we were able to come up with an estimated cost of these prioritized projects.

I believe the most prudent fiscal route is to "note" out these costs to allow our cash on hand to remain more easily accessible. As we continually preach, our rainy day funds are needed for a rainy day.

Our approach must be careful and guarded. My concerns throughout our entire budgetary process for 2013 include unknown future health care costs, financial obligations under SAFER Grant (2013-2014) and payroll increases over the next few years. None of these issues are insurmountable but they all must be considered in the deliberation process. We need to balance our upcoming budgets in 2013-2015 to get to the other side of our timely payout of the annual \$500K Police Station note payback.

We can't lose sight of the fact that when we finish the Police Station payback in 2015, that payment amount will be replaced by new liabilities, once again, specifically raises and healthcare, as well as the payment of a new note.

The Mayor started the discussion with asking if there were any questions relating to any of the projects. He gave a brief synopsis of all the costs for the projects chosen. The first being the E.71<sup>st</sup> Street project. He stated that the only way we are going to get these projects done is to note out the projects. Ms. Duszynski stated we have to decide if we are going to go forward with the note or not. The Mayor stated that you had a meeting and picked these projects. Then he asked Council, how do you wish to fund these projects? Ms. Duszynski said she is not a borrower, and is not comfortable borrowing all this money. She questioned whether these are

needs or wants, Mr. Contipelli stated that he feels these are needs. Ms. Harris also stated that she had reservations about borrowing. She doesn't feel that any of these projects need to be done at this time. The Mayor stated that some of these projects are already queued up and ready to go. The things you haven't made a decision on are E.71<sup>st</sup> Street, the Fire Department project, and the Village Hall restoration.

Ms. Harris questioned the fact that we are spending more in our budget than we plan to take in for revenue. The Mayor explained that this was planned last year to use the extra money in the General Fund to transfer to other accounts. When the opportunity came up to utilize the Electric Welder property, we chose to take another \$250,000.00 to pay off the building and use it for the Firemen's Credit Union project. If we go through with these projects, the Clerk and I have made it clear to all of the department heads that the budget will be very tight, and they will have to stay on budget.

There was a lengthy discussion on moving forward with borrowing, and the need to get these projects done. The Mayor stated that if we don't do these projects, in the next one or two years, we will have more projects that need to be done, and the interest rate at this time is low, and a good time to borrow. Mr. Contipelli questioned the Clerk on the cost of borrowing, and whether or not we could consolidate the note from the Police Station with this new note for the projects. The Clerk said that this is something we will look into when Council decides what projects they want to move forward with. The Mayor stated that if we use our current funds to do the projects, we will exhaust all of our Funds, and it will take many years to replenish them. So if we are going to do any of these projects, we need to note them. The Clerk was asked what he thought of noting the projects. Mr. Unger stated that the Mayor and he went through the process of determining that we could absorb the cost of the note into the future budgets, but if there were any other costs above the budgets, it would then come out of the General Fund and lower the rainy day fund of 1.75 million. He also stated that it was the decision of Council whether they want to move forward with these projects, not his. He reiterated that if you are going to move forward with these projects, you must borrow the money for them and note them out. The Mayor stated that we are not in the business to make money. We are not in the business to save money, and we should be putting tax dollars back into the community. He mentioned the SAFER Grant, and how we saved the money to go forward with being able to afford the last year of the grant. We are responsible with our money. Mr. Unger restated that we are not going to get a revenue windfall; we will bring in approximately 9 million dollars per year in our General Fund for the next couple of years. If you decide to do the note, you will have a very tight budget moving forward, and any emergency purchases will come out of the General Fund.

Ms. Duszynski again rested that she is not comfortable in borrowing at this time. The Mayor stated that if you don't do these projects now, you will not get any more money in the future, the revenue will stay the same, and the roads will just get worse. Mr. Bloam stated that these are projects that need to be done now, not put off for later. The Mayor reminded Council that we have overlooked these projects for a long time, and we don't address them when we should.

Mr. Contipelli noted that we spent thousands of dollars on engineering and drawings for many of these projects already, and we should move forward. A long discussion occurred about whether we should borrow the money or not, and the different projects themselves.

A discussion occurred about the different projects, E.71<sup>st</sup> Street resurfacing, Harvard Road Hill, Bacci Park ADA compliant bathrooms, Firehouse renovation, and Town Hall renovation. It was decided that the Village Hall ramp and the I-77 Gateway landscaping would be taken out of different funds, and these projects would not be included in the note.

During a discussion with Mr. Sciano, our Village Engineer, he stated that these projects are needed at this time. Our roads are disintegrating, and we need to move on these projects. If we don't, we will have bigger headaches and more expenses in the future. His recommendation is to move forward with all of the projects. If we wait, it will cost us much more in the future.

After pooling Council on the decision to move forward with borrowing the money for the projects, Council unanimously agreed to let the Mayor and Clerk move forward with noting all the projects up to 3 million dollars.

Mr. Contipelli made the motion, seconded by Ms. Duszynski to adjourn. All in favor none opposed. Motion carried.

Meeting adjourned at 8:45 PM.