

**Minutes of the Meeting of the Finance Committee
Held in the Council Chambers of the Municipal Building
On Saturday, November 11, 2023**

Ward 2 Council Member/Finance Committee Member Dennis McBride called the meeting to order at 8:04 A.M.

Finance Committee Members Present

Ward 2 Council Member Dennis McBride; Ward 3 Council Member Tony Moore

Finance Committee Member Absent

Chair, Council Member at Large Tammy Holtzmeier

Others in Attendance

Assistant Finance Director Beth Raicevich; Safety/Service Director Duane Streater; Ward 1 Council Member Jennifer Demaline; Council President Brian Fischer; Mayor Bryan Jensen; Ward 4 Council Member Scott Radcliffe; Council Member at Large Craig Witherspoon; Council Member Elect Michelle Patton; Council Member Elect Mary Berges; Finance Director Steve Presley

Discussion of the 2024 Budget

Mayor Jensen stated that, just to update everybody on Council, a few years back we changed the format of this budget meeting to just give an overview of the whole budget for this year. We try not to go by line items. If anyone from Council has a question or wants to go over a Department line item by line item we ask that they get hold of us this next week and we will gladly sit down with them and discuss their questions. We are not going to vote on the budget next week but it will be coming before Council for a vote on November 27th. There are going to be some things that are going to be missing in the overview today and Mr. Presley will tell you about those.

Mayor Jensen said that the Fire Dept. has something with the training tower that we have not put in there. We want them to come back before Council because we were not comfortable with the figures that came in and Council would need to put more money in it. So we did not just want to leave it in there; we want them to come back to Council. The Mayor continued that Senior Center Coordinator Carm Suydam mentioned to them late yesterday that she had some things that she was shorted on for this year for the Senior Center and she was talking about cutting back programs for the seniors which he did not think that anybody wants to do so we want her to come back in and have some discussion. Mr. Presley will discuss that with you. Also in Recreation, the Mayor said that they want to get some help for Recreation Coordinator Clare Harasimchuk. We talked about that with Council before but we have not put in any Class Specs so we do not have anything budgeted there so Ms. Harasimchuk is going to have to come back before Council to explain what she wants to do there and what we looked at from the Administration.

Mayor Jensen stated, as we have always said, we are always transparent. In Council's role as legislative, we want to make sure we give you as much information as you need so we can operate but if there is something that Council sees that you want to change for us in direction of how we do things through a legislative process that is fine. From the administrative standpoint we have always discussed with each of the Department Heads what they need for next year, with the idea that there is a budget that we have to follow.

Mayor Jensen said that a couple years back, a Council person wanted us to show where we saved money in each Department. As we said before, we do not give the Departments excess money to spend and then ask them to show us where they saved money. We try to go with a fair amount of what they are asking for within reason and then if they want to change things, to come back to Council. He always likes that Council can see where all the money is being spent. We just do not want different Departments to be able to spend money in different ways because there is excess money. We want them to come back to justify it to Council; usually they will justify it before the Administration first then if we think it warrants it, it will go before Council but we want Council to be able to make those decisions.

Mayor Jensen then said that he would let Mr. Presley give the overview and if anyone has questions, they could write them down and maybe we can talk about them at the end of the meeting or we can set up appointments to meet individually if there are a lot of questions someone has on certain things.

Mr. Presley stated that the first page in the packet is just an outline that they will follow this morning. Going through the major assumptions, which is the next page, municipal income tax was running about 8% ahead of the 2022 collection. The first advance we received in November, though, shows a significant dip, down 7.6% and as we have all seen, people are being laid off and so for 2024, we are taking a very conservative approach of a 3% increase in municipal income tax. We did budget 5% for 2023 and we are going to meet that but it certainly is not going to be that 8% level that we have been running at. So we will have to monitor that and we will go into a little more detail as we get into the labor portion of the presentation.

Mr. Presley said that, on the property tax, this is not a reappraisal year and so the property tax is pretty flat. There will be a little growth with new construction. The numbers that he has in the budget are based on what the County presents as far as the calculated property tax but understand with that calculated number, the tax never gets right on. You have delinquencies for prior years that may or may not be collected in the second half so it is a little bit of an estimate but the calculation is what is based on the County's numbers. Mr. Radcliffe asked how that compares to our 2023 budget and Mr. Presley said it is a little bit of a growth just because of new buildings. Mr. Radcliffe asked, just because of new structures? Mr. Presley answered that on the building permits we have seen a drop off on those just because residential construction is not as predominant. We are going to budget those at \$365,000. We do have some commercial buildings that may take place in 2024 so we will keep an eye on those. On a positive note, the motel tax is growing significantly from what we were looking at. The budget is \$530,000 but when you look at where we have been in past years compared to what is actually forecast for 2023, it is a pretty good growth. 50% of that goes in the General Fund and the other half goes in the Economic Development Fund.

Mr. Presley noted that the TIF has been growing. We see a little bit of a reduction in 2023 because of some Board of Revision decline that we get notified of after the fact. We did collect Bendix property tax in 2023 and will go through that further, but that is going to have to be refunded in 2024 to make Bendix whole to go through the terms of the agreement with Bendix as far as the 9% abatement.

Mr. Presley stated that the Water and Sewer Fund did not have any increase in rates in 2023. They were looking at a September 1st initiation but instead went out to do a water and sewer rate study. The modeling for that is really impressive. He and the Mayor are working on the rates currently and expect to come back to Council looking at rate increase projections for January 1, 2024. We think they are going to be pretty modest in comparison to some other years.

Mr. Presley said that there is a slight growth of 5.46% in total revenue from all sources.

Mr. Presley said, looking at the expense categories: For Salary and Wages, there is a 3% increase on average; the bargaining units are all at 3%. Someone asked who is negotiating now and Mr. Presley said the Police; they are budgeted at 3% for 2024 and we will see if that matches up with what is negotiated.

Mr. Presley said, for Capital Outlay, and we will go through that, the increase is pretty significant at almost \$6.1 million dollars, the majority of that being for road projects. For Debt Service, we are continuing to pay down a lot of the debt as was discussed last year at this time. There are no more \$250,000 lease payments due on the Stadium so the recommendation there is to take those lease payments and put them into a sinking fund for repair and maintenance of that facility.

Mr. Presley continued that also under that Wages/Compensation budget: for personnel increases, we are looking at 4 new employees in 2024, 2 in the Fire Dept. and 2 additional full-time laborers in Streets/Stormwater Depts. to help work on some of those creek issues and stormwater and detention and flow, etc. In the Police Dept. last year, they were authorized to go up 3 individuals throughout the duration of the year with retirements. We are still down 2 employees at this point, so we are trying to fill those at the same time as we get additional retirements. And then in the additional part-time employees, there will be 2 School Resource Officers which will be reimbursed by the Board of Education and then 3 additional part-time laborers in the Parks Dept. for next year.

Mr. Presley said that on the health insurance side, we are negotiating with Medical Mutual. They were originally looking at a 13% increase, so we went out to get some comparable quotes, went back to them showing some of the results and they came down to a 5% increase for 2024. We did have two health care meetings in the past 10 days where the bargaining units have accepted that and we are attempting to put in an optional plan to go to a high deductible HSA. The reason for that is it does save the City some money but more importantly, there has been a push from the employees to look at a low-cost option for those that are healthy and do not use their health care a lot. And under the high deductible, the City would be refunding full premiums but the employee would have a \$3,200 single deductible or \$6,400 family deductible. The thought being to take those premiums that they otherwise would pay under the traditional plan and start funneling those into the HSA so if they do have the claims, they are using that money to pay the deductibles that they have elected in that current plan. We have to work on some language because the contract did say that for any health care plan offered by the City the sharing is 80/20 but the HSA plan would not cost the City any more money than the traditional plan which is why it would be a zero premium for them. So if we can work out that language, the HSA will be offered. Mr. Radcliffe asked Mr. Presley if he thought that could be effective on January 1st? Mr. Presley said, yes, hopefully this week we get the language with the bargaining units and it could be as simple as an MOU. He is terming it an optional plan because it is not being negotiated with the bargaining units. We say this is it; you have your plan that is required by the contracts and we are going to maintain that plan. This is a full option that if you so want to go into a high deductible plan that is fine. Mr. McBride felt that they may want to just briefly go into Executive Session later in the meeting to discuss some of this.

Mr. Presley added that under health care, there is no increase for the vision coverage; dental coverage has a 4.4% increase. You see on there that we have 105 employees on family coverage, 33 on single, and then 23 waivers who have their health care through their spouse.

Mr. Presley stated that Pensions are maintaining at the 14% for OPERS, Fire is at 24% and Police is at 19.5%. We have to keep an eye on that; there is legislation down in Columbus that potentially could take OPERS up to 18% for the employer, the Fire would remain at 24% and the Police would go to 24%, so from 19.5% to 24%. Those are significant dollars but thankfully not as much as the 26.5% that was originally

forecast for the Police and Fire. But just going from 19.5% to 24% is significant money and would require additional transfers out of the General Fund into the Police Pension.

Mr. Presley said that Worker's Compensation is doing well; there is actually a reduction in the rates for 2024. Budgeted premiums are just under \$225,000 for all of the employees. Mrs. Demaline asked what rating program we are in and Mr. Presley said that we are in a retrospective plan. Mrs. Demaline asked if it was a group or an individual and Mr. Presley said he believed it was a group. He added, and then there are the compensated absences for individuals who are retiring.

Mayor Jensen said to Mr. McBride that he did not think that they needed to go into Executive Session on the health insurance. We are going to see where the group is first. We just want to be sensitive; we do not want any grievances so if there is an issue, we will hold off until next year. He does not think there is anything that would warrant going into Executive Session to discuss.

Mr. Presley stated that the next two pages of the presentation are an overview of the employees by Department, full-time and part-time. The part-time is just a two for one; there are no hour calculations. He cannot say that for every two part-time employees it equals a full-time. It may not be that but for purposes of this demonstration, it is calculated that way. On the bottom of page 2 you will see that the average age of the City's employees is 44 years and 2 months and the average tenure is 11 years and 2 months.

Mr. Presley stated that the next stack of pages which says, "2024 Funds Budget", goes through all of the funds of the City showing the estimated beginning fund balance, the budgeted revenue, budgeted expenditures and estimated 12-31-23 fund balance. He will update this and get it back out to Council right after the first of the year. In general, those beginning fund balances go up because as the Mayor indicated, the Departments do not use their entire budget. Not that we over-budget them but if they do not need it, they generally are not out there looking to spend it. And we look at the purchase orders between now and the end of the year; he will call it "budget available purchasing" not based necessarily on need and he tends to hold off on those. In the next couple years we will have to keep an eye on some of these funds just because of increased personnel. One that comes to mind is the Police Dept. if they do get to full staffing because of the increased cost and then the annual 3% raises and the cost of health care. Right now we are transferring \$2 million dollars from General Fund into the Police Dept. annually so that is the first one to come to mind. Is it sustainable at its current levels or will we have to increase that \$2 million dollars from the General Fund?

Mr. Presley said, but otherwise, the rest of the funds are pretty good other than as the Mayor mentioned, the Senior programs. We will have to sit down with the Senior Center Coordinator, Carm Suydam, this week to see if there are any adjustments needed. She had the need for additional part-time help wages this year just because of some things going on with the full-time employees there. We will probably have to have a reappropriation to get her some additional money for those part-time hours. Mayor Jensen said, and as everybody realizes, most of that increase is in the transportation part of it. We use a lot of part-time people for the transportation. That is one we want to come back before Council but he does not think that Council wants to reduce any of the activities for the seniors.

Mr. Presley pointed out that the next page goes through the year to date income tax collection compared to last year. Through October, we are up 8.58% as he indicated earlier but he does not see that holding. He thinks we will be somewhere around 6.5% or 7% by the end of the year. The big increase is the 14% in withholding; that is employers in the City withholding payroll for their employees. Net profits, which is very unpredictable, is right around 6% and then the individual income taxes - those residents who are

working outside the City, are staying pretty much right on track. They are 1.8% ahead of last year. And so, depending on what happens overall with the economy and the individuals who are working within the City, that 14% could be reduced going forward. As he indicated we are at 3% growth for 2024. The next page goes into income tax collections month by month in comparisons all the way back to 2017. And it shows the 2024 budget and total collection of \$29,627,420. So that just goes through and shows the historical collections month by month in a little greater detail and gives you comparison to the past.

Mayor Jensen said that Council will remember that with the Bendix deal, we will have to give a refund back to them that will come out of the income tax, so that will still put us within the 3%. Mr. Presley added, and as he mentioned, Bendix received a property tax bill that they paid in 2023 but that is going to be deducted from the City's TIF.

Mr. Presley noted that the next page shows an allocation of the municipal income tax dollars going to the different programs – Safety, Parks & Rec and the General Fund.

Mr. Presley stated that the next page is the Property Taxes. This is based off from calculations from the County – 100% collections for 2024. This page is updated from what was sent out to Council last week because thankfully, on Tuesday, the Parks and Rec levy was renewed by a wide margin, 3 to 1, and so that \$375,000 on the sheet could have been a zero had the voters voted against the levy renewal. Mr. Presley said that the next time we have a look at these is going to be 2025 when we should look at going out for renewals for the Police levy, the 2 mill there and the .5 mill for Fire. Those expire in 2026 and we can go out one year earlier.

Mr. Presley said that the next page is the motel collections and thankfully that is a percentage that continues to increase as their rates go up. That is split 50% between General Fund and 50% Economic Development Fund. Mrs. Demaline asked about the eclipse in regard to motels and Mayor Jensen said it is hard for us to budget that but we are told that everywhere is sold out and the rates have already increased. Someone asked about the safety forces for the eclipse. Mr. Presley said that we will have some overtime there and we have already had meetings looking at needs of the safety forces and also some of the things that will be one-time things such as port-a-johns, etc. so we will come up with a budget relative to that. One of the Police officers is heading that effort so when we get final numbers for all of the expenses relating to that, we will bring it back to Council. Safety/Service Director Duane Streater added that the City is well into the planning stages from the City services standpoint but it is not in the plans to open up our parks for any camping or overnight things like that. There is a predicted influx into Lorain County of 800,000 people based on the Tennessee event.

Mr. Presley stated that next in the presentation is a memo from former Finance Director Bill Logan relative to the TIF for the year and summarizes how we got the revenue for the TIF. We did have the increase in collections of \$560,000 but understand that \$795,000 has to be refunded to Bendix so the TIF actually had a reduction in revenue last year because of Board of Revision changes. So we have \$795,000 that has to be refunded and then the actual Bendix CRA abatement of the \$795,000 so in the end we are probably looking at \$10,380,000 in net revenue which will be a reduction from what we saw in 2023. There is some construction in progress but generally that is not taxable until the completion date. Anything that gets completed in 2023 can go on the books but anything that is started in 2024 will not take effect until it is completed which will probably be tax revenue in 2025.

Mr. Presley stated that the next three pages just show the forecast for the TIF. It is static as of today but any new development or changes or transfers of property that increase the value, we then change the forecast not only for the first year but in subsequent years. We will stay on top of this, looking for

properties to change over especially over there on Nagel Road where a lot of it is residential that is in a TIF right now but cannot be applied.

Mr. Presley said, so those are your main revenue sources. He said he was as concerned as they were relative to the income tax just because employers are starting to lay off. Banks are laying off significantly; even the Federal Reserve is laying off staff. The other thing, if they have noticed, is that housing sales are not happening as quickly as they have been and you are actually seeing asking prices being reduced several times from where they initially appeared on Zillow or any of the other real estate sites.

Mr. Presley pointed out the pages for Capital Outlay. In the Building Dept., we are trying a lease program for vehicles through Enterprise Fleet Management. It is not a fixed duration lease but is a lease program where you pay monthly costs. They will keep an eye on the market value as a resale so as they depreciate the vehicles and look at what the market is paying, the City can actually have a net gain on those vehicles rather than just selling them off because of the cheaper price we get through the State bid. And so we are trying this program with three vehicles in Building to see how it works. It is not going to be applicable to every Dept. because of changeover costs. It is not anything that would ever work in the Police Dept. relative to their vehicles because you are \$10,000 in changeover just to get those Tahoes in service by the time you put in all of the safety equipment, the lights, the gun racks, the radios, etc. So in the Police Dept. it would not work changing those over every three years. Mrs. Demaline asked if this was a new agreement that we are going into with Enterprise or have we been doing that? Mr. Presley answered, this is a new agreement.

Mrs. Demaline said because she remembered that last year we leased a van for the Senior Center; was that through Enterprise? Mr. Presley said, no, that was done before he got here and that would be one that would be a good one to do. Mrs. Demaline said, so with Enterprise, we could get even better pricing than with the State bid? Mr. Presley responded, depending on the vehicles it is very comparable. Mrs. Demaline asked what vehicles we are leasing and Mr. Presley said we will be leasing full size Chevy pickup trucks which when you turn around market-wise every landscaper, construction company, etc. would love them because they are perfect vehicles for them. They are often too expensive for them to buy new so they look at the secondary market so we will see how that works. Mrs. Demaline asked about the program for other vehicles and Mr. Presley said it depends on the Dept. Maybe the Safety Director's vehicle would be a good one or some of those where you are not putting a lot of extra equipment into it.

Mr. Presley stated that the total Capital Improvements budget for Information Technology is \$250,000. There are four major projects listed for 2024.

Mr. Presley pointed out some of the projects that the Electrician/Traffic Engineer is looking at. The stainless steel cabinets are very expensive but you have to have one at every intersection for the program for the traffic lights otherwise water gets into them and you are ruining all of those controls.

Mr. Presley stated that for the Fire Dept., there is a new command vehicle, some machinery and equipment. Understand that we ordered that ambulance for the Fire Department so the Chief cannot be spending the normal \$400,000 which was his annual budget because the ambulance is going to take a big chunk over the next couple years. Mr. McBride asked when the ambulance is due and Mr. Streater said they are projecting two years. We just ordered it this year so there is about a two-year lead time.

Mr. Presley said for the Streets Dept., there are two new pickups with plows. Mrs. Demaline asked if Mr. Presley was purchasing those and not doing the lease with Enterprise? Mr. Presley answered that we are purchasing those just because when you put the plows on them, you do tend to beat them up a little more

market-wise; they do not have as high a value. He added that he is just putting his feet in the water on that Enterprise program; he does not want to jump in totally on that. He wants to see how it works in Building Dept. and if it works well there then maybe we will try it on test vehicles in the other Departments. Maybe on some of the administrative vehicles in the Fire Dept., such as the Chief's vehicle, or maybe a command vehicle that does not have that kind of a changeover cost. Those may be ones that would fit. But not the specialty vehicles. Mr. Radcliffe asked if the two pickups with the plows are replacements or are they two new pickups for the new employees and Mr. Streator said that they are replacements as the old ones are over 15 years old. Mr. Radcliffe asked if it is the same for the command vehicle for the Fire Dept. How old is that? Mr. Streator said that is at least 10 years old. And we are going with a different system, too, as far as the response of having a single vehicle with the person in charge of the shift out ahead of it rather than being in one of the fire trucks.

Mr. Radcliffe then asked if the Police Dept. was getting at least 10 years out of the Tahoes and Mr. Streator said, yes, at least 10 years out of most of our Tahoes; there are close to 150,000 miles on them. Our experience with them has been pretty positive over the years.

Mr. Presley stated that on the next page is the Senior Center lease for the van, a new pickup truck for Parks & Rec, the Capital Improvement Fund 401 and that is the ARPA money. He asked Mr. Streator if he had that and Mr. Streator said, yes, for the Police Dept. building there are a couple items. The flooring in many parts of that building have to be replaced and we also have an issue with the fire suppression system in there. We need to change around some of the plumbing to make it so that it can be tested properly. Mr. Presley stated that Fund 401 is the ARPA money and out of that for the buildings would be restrooms at the pavilion at Eagle Point, interior lighting at Avon Isle and then lighting a patio at the Community Center. The machinery and equipment is sort of misnamed. That would be either for additional equipment at Every Child's Playground or the new surface there instead of mulch so that anyone in wheelchairs or anyone who has difficulty walking would have a better surface to be able to use the playground. The thought process is that we will put in the equipment that we ordered this year that is going to come in next year and see if there is room or not for additional equipment and then make the determination as to whether we put in more equipment there or put in the new surfacing. Mayor Jensen said that we have the new section where we will put in the new surfacing as we go, see how that looks and then see if there is more use on the other section that would warrant putting the surfacing in or put in a new section of play area. We kind of want to see where we are going. Mr. McBride was saying before that the surface was important so we want to be able to say this next year we put the new piece in. If it works really well and seems like maybe the surface is more important we will have the money to put that in.

Mr. Presley said that the next fund is the Traxler Property. We would like to pave what was put in as a temporary parking lot there and then also look at that bridge there. We do not know how it was constructed or the weight limits on it so we would have to look at putting in a bridge over the ravine to be able to get into the property. Though he does recall Streets Supt. Tim Loeser saying that there is an entrance off the other side to get into the property. Mr. Streator said, yes, there is an entrance off from Centennial and one off from Stoney Ridge. The bridge that is in question is the bridge that crosses French Creek between the two areas. The parking lot that was created to access the rest of the property is across that bridge. Mrs. Demaline asked if the property was accessible to the public yet and Mr. Streator said, no, we are still needing to create some paths back there so we make it safe for everyone. And then where the entrance will be on Centennial, we need to cut that in. The Traxlers have given us access to the driveway that was always there but that is not our property. So our project this winter is to create a driveway through there. Mr. McBride said that he was assuming that the entrance on Centennial will not be the main entrance. Mayor Jensen said, no, Mr. Loeser has an engineer looking at the bridge because

what we would like to do is use that mainly for a walking bridge but also for some of our utility vehicles to use if they had to get back there but we want to make sure that it is safe before we use it. Mr. Radcliffe asked if there were going to be stairs coming down from the parking lot or will people have to walk along Stoney Ridge to the main driveway? Mayor Jensen said there is going to be a path; we want to put some stone there so people can walk down safely but not steps.

Mr. Presley stated that for Fund 409, the 2024 Road Improvements Fund, the areas that are being done are listed and also the engineer's estimate of construction and engineering and inspection for each of those. He wanted to point out that it is the intention to do the City Hall parking lot next year. Mr. McBride asked if the paving being done in Northgate finishes up Northgate and Mr. Presley said, yes. Mr. McBride stated that the smoking gun for water infiltration is under one of the streets that was just resurfaced. Mayor Jensen said we are doing that right now before we would get started on some of that; we went out to bid but it was a little over so we will be back to Council on that. Mr. Radcliffe asked if we are budgeting additional funds in road repair for the sewer grates on some of the roads that we did this summer. People were really appreciative of cul-de-sacs and sections of the roads that were replaced but there are dropping sewer grates there. Mayor Jensen said that we plan on doing the same amount that we did last year in terms of those repairs. We may come back to Council once we know if it is greater or less than but we are planning on doing that work. And we were out doing catch basins also this year. The one thing that Council will notice is that our Road Program is up substantially more than it has been in the past. And that is because during COVID we had cut back certain things and now we are trying to make sure we catch up. We are also trying to implement a program so Council will be able to see where our Road Program will continue. Riegelsberger Road is one that is not ready for next year coming up but the following year we will need to do that; also, the other side of Schwartz Road will need to be done. The Mayor said that he thought that we are in a really good place and that the credit all has to go to Council in terms of pushing to make sure we catch back up, such as Mr. McBride's concern over in Northgate. Also, because of the contingency money on certain things, we will probably be coming back to Council again with little additions where we can do that where the money has not been used up.

Mr. Presley stated that \$500,000 is allocated in Sidewalks Fund 412. That \$500,000 is not just for concrete but also for the engineering work that goes into that. Mr. Moore asked if that \$500,000 includes the grant for Rt. 83 and Mr. Presley said that does not include Rt. 83. Mr. Moore then asked if we are including some in there for Rt. 83 and Mr. Presley said that we were looking at Rt. 83 but that is engineering for the sidewalks over one of the culverts and he thought that project is set for 2025. Mayor Jensen said that there is a line item here that is Rt. 83 pedestrian improvement. Mrs. Demaline asked Mr. Presley if he knew what we budgeted in expense in 2023 on the sidewalk program and Mr. Presley said, we budgeted \$500,000. Mrs. Demaline asked if he could find out what we spent. Mr. McBride said this is a tougher one, just like we make developers run sewers for their development. That whole area down Avon Road is cut off. We ran a sewer down there but the developer should have put a sidewalk in too. Anywhere where there is a subdivision kind of off by itself, cut off, they buy the land, they run a sewer. Maybe sidewalks are something like a sewer to require of a developer. Mayor Jensen said that the developer ran it in their section of the development but they would not run it say down Nagel Road down to the development. Mr. Streater said, or like running from that project all the way to Rt. 83 in front of existing houses; is that what you are saying, Mr. McBride? Mr. McBride answered, yes. Mayor Jensen stated so you are talking about making the developers run sidewalks to connect to existing sidewalks.

Mr. Presley stated that the State Route 83 and 254 intersection project is with engineering getting ready for that widening project. We are making some funds available because that has been on/off. The Mayor is having more meetings with the State on that so we are trying to stay ahead of that one.

Mr. Presley said that the Detroit Road Widening listing is engineering for the potential addition of the school entrance, making an intersection over there at the high school. Mr. McBride asked when the Rt. 83 and Detroit Road intersection project will go forward? Is that 2024 or 2025? Mayor Jensen said that it starts next year in terms of some exterior parts such as telephone poles, etc. and then it starts in earnest in 2025. Mr. McBride noted, so that will miss the eclipse.

Mr. Presley noted the Chester Road culvert over by Pettiti's to put a real culvert under the roadway to help alleviate the storm water. Mayor Jensen added that it will be a box culvert. Mr. Radcliffe asked, so that when Chester Road is widened, it will not have to be done again, is that right? Mayor Jensen said it is going to be in anticipation of Chester Road being five lanes. Mr. Presley said that there is some grant money that is included in that but that is the engineer's estimate of that culvert. Also, Mr. Presley mentioned that the listing for the Rt. 83 Pedestrian Improvements is a separate engineering work to get started for that grant in 2025.

Mr. Presley stated that the Utilities Department has the purchase of three vehicles and then they have some waterlines and laterals that they are looking to replace. Mayor Jensen said that is for the laterals in Northgate to make sure there is not infiltration.

Mr. Presley stated, as the Mayor said, the Roads Program is pretty aggressive but you are trying to get caught up with some of the things that had not been done. As part of that Roads Program, \$2 million will come as a transfer from General Fund and then we will look at notes, \$2 million dollars on that, the thought being that with some of the projects that are coming up, one in three years, one in four years, we will continue to accumulate note issuances on those.

Mrs. Demaline stated that she was looking at the purchase of 9 new vehicles plus 5 leased vehicles for 2024 and she asked if that was normal to purchase or lease that many vehicles. Mr. Presley said that he would say that the five vehicles every year for the Police Dept. is going to be the norm and also he would think it is pretty normal for the others. Mrs. Demaline asked, but is that what we have normally done for the others? Mayor Jensen responded, no, maybe every couple of years you may see something like that. We have some vehicles in our fleet that are maybe 15 years old so we are replacing them right now. You may see only one or two next year. Mr. Presley stated that with the leased vehicles, that program for the Building Dept., normally you might buy one new vehicle but because we are going with that Enterprise all of a sudden it is three and they will sell off those other vehicles to help fund the initial lease of the three vehicles so it is a little different scenario because of that. Mrs. Demaline stated that it seems like a lot for one year. Mayor Jensen noted and now we have added more officers. Mr. Presley said, and there are not only police cruisers but you have the administrative vehicles. Mayor Jensen stated there is the one negative and positive where you see more vehicles in the Police is because we allow police officers within the City to take their vehicle home. Before it used to be that you had one vehicle for two officers so we have to look at how many officers we allow to take vehicles home. It is good because within the neighborhood, those police vehicles are sitting out and also when they are on a call, they go right directly to their vehicle; they do not have to drive into the station to go on a call.

Mr. Presley pointed out the page for Fund 424, the outstanding debt. This page lists the total outstanding debt principal-wise and the year of maturity for each of those projects. The only debt we would be looking to take on for 2024 is going to be a note to help fund the \$4.2 million dollar Street Improvements. For the outstanding debt, the one item to point out is that for the lease on the Stadium that \$250,000 annual payment is done in 2023. As he indicated earlier in the meeting, the recommendation would be to take any lease payment and put it into a sinking fund for improvements and maintenance of that facility. Mr.

Radcliffe asked what else has come off the outstanding debt in the last year and Mr. Presley said roughly \$3 million dollars is just annual note payments.

Mr. Radcliffe asked if there was anything to pay down quicker and Mr. Presley answered, not at this point. Mayor Jensen said, not right now at the interest rate that we have on those bonds. Mr. McBride said that it would be nice to see what the rates are. Mr. Presley said that net interest cost varies year by year but he could put down the net interest. Mr. Radcliffe said, but we should still be better than the current rate so it is nice to see that. Mr. Presley stated that the latest issue was 2022. Mr. Radcliffe said that it would be nice to let everybody know that our interest rates are really low compared to the current rates. Mr. Presley said that he could update that and, if anything, that is why we would look at notes the next couple years so we are not locking ourselves into high rates. Mr. Radcliffe said, yes, just roll for a year and see what happens. Mayor Jensen said if we have a surplus that is where we would take them. We would pay off that note; we would not do the bond because the interest rate on that bond is so good. Instead of paying the bond down early, do not take the note into a bond, pay it off.

Mrs. Demaline asked, going back to Capital Outlay, is there anything that is planned for Parks & Rec besides a vehicle? Mayor Jensen said that for Parks & Rec, more things are being done in the parks now and that is why we would like an assistant for the Recreation Coordinator to help put all the activities together. Mrs. Demaline asked what projects are planned for the parks and Mayor Jensen said that we have more playgrounds and pavilions going in at our different parks and more activities being scheduled for the parks. The Mayor said that we are looking at two pavilions, more playground equipment, possibly two bathrooms, one at Eagle Point and also one for the youth football/softball area. They also need some expansion of storage space. Mrs. Demaline asked about the scoreboards at Veterans Park and Mr. Streater said that those are all up and running. Mr. McBride asked if cameras have been installed and the Mayor said that there are cameras everywhere we have put in new things, like all the bathrooms have cameras. Each construction has its own camera set that goes with it.

Mr. Presley said that next in the presentation are the charts to show you the summary of debt outstanding, and the debt repayment source through 2039 updated as a result of making principal payments in 2023. Mr. Radcliffe asked how our debt rating is right now and Mr. Presley said, still solid. He believed that it was AA-1; nothing has changed. Mayor Jensen added that they do an annual update and the City's overall fund balances are pretty solid. Our fear is still when it comes down to the retirement in terms of what is going to happen with that. We are on the hook for it even though we do not have anything to do with it. Mr. Radcliffe said that is OPERS, Police and Fire. Mayor Jensen said it is huge because we do not control it or have anything to do with it but they still hang it over the head the City that we will be responsible if something were to happen.

Mr. Presley said the last page then is just the funds transfers. General Fund is pretty much the same. Dollar transfers are a little higher than some of the Capital Improvement funds for 2024, getting the money in there for the engineering for the SR 83 sidewalk fund, and the Traxler fund for the bridge in the parking lot. The other thing that he will look at in December is if any reappropriations are needed just for individual funds. Depending on how fund balances look overall he may look to start transferring funds into Capital Improvement projects that we will have upcoming in the next two or three years so that we do not have to issue notes. For the SR 83 and Detroit Road intersection project we will probably transfer half a million dollars into that at the end of this year and next year another half a million dollars so we do not have to go borrow sometime in 2025 or 2026. So we will try to start funding some of those projects now.

Mr. Presley asked if there were any questions and Mr. Moore asked if there will be a line item for the Tree Commission. Mr. Presley said, yes, the Tree Commission is in there; it is at the bottom of the detail page that was emailed out. Mr. Moore said that if the money that is set aside is not spent on trees, it can be used for branch or leaf pick-up. Mr. Streater said that we are tracking our costs for that through the Street Dept. Mr. Moore asked if there was a possibility where we could budget for education or training classes for Streets & Rec concerning tree care. Ms. Berges said that she saw in the current budget \$3,500 for Parks for training and \$330 for expense so it looks like there is already money in the budget; we just have to identify what kind of training. And then with Streets, it is pretty comparable - \$3,000 for training and \$500 spent year to date. Mr. Streater said that they did some training last year with City Arborist Rick Varga as far as all of our employees in Streets. There are not huge costs to that but there are opportunities out there to train some of our employees further if he is given that information. Streets Supt. Tim Loeser would be more than happy to do that. Mayor Jensen added, and we have in all our budgets slight amounts of money set aside to do other things that are smaller, such as training or something that comes up unexpectedly. We do not want to make it significant but we always have some money set aside.

Ms. Berges said that there is a Repair and Maintenance Fund for the Mayor but she noticed that zero dollars were allocated to that budget and she thought that with recent events, maybe there should be a small amount put in that fund but the Mayor felt that we do not need any money there.

Mr. Presley stated that he believed that is all that we have for this meeting; we have nothing more to go through. Again, if anyone has specific questions to a Department, reach out to the Mayor and himself and we can then set up a meeting with that Dept Head. The next step would be for he and Ms. Raicevich to put these figures into an appropriations ordinance, put it out and have three readings. The last reading would be on December 18th which is the last meeting of the year. Mr. Fischer said that the plan is to double up on Council meetings and be done by the 18th, depending on who is going to be available and what we have left to pass.

Mayor Jensen said he would like to do two readings on the budget ordinance and Mr. Presley said that he was comfortable with that. The Mayor said that he did not think Council is going to have an issue but we do not want anybody to think that we are trying to push it through. We have never come under question before because it is so thorough. And then also, we talked about looking at a burn tower for the Fire Dept., and making some adjustments there. We are going to want the Fire Chief to come in and explain to Council what he is looking at so Council is aware of what is going on. Mr. Radcliffe asked what is involved with the burn tower. Mr. Streater explained that it is a training tower and will be on the back of the existing building of the Fire Station. It will not give the ability to burn which we are still planning that for the Schneider Court property. But this tower will give them opportunities to do some training right there at the Station. It is much different than the original plan from a number of years ago where there would be two different towers, one you could burn in and one basically a shell of a building that they could train on. Mayor Jensen said, and that is why the Chief is coming to explain that to you to make sure we are all on the same page and that Council is in favor of doing both projects.

Mr. McBride adjourned the meeting at 9:30 A.M.

Respectfully submitted by Gail Hayden, Assistant Clerk of Council