

Finance Committee Meeting

August 15, 2024, 10:00 a.m. Village Hall

Present: Chairman Berger, Council Member Galicki, Fiscal Officer Romanowski

Visitor: Jerry Bock, Miller Dodson (Reserve Study)

The committee discussed what information Bock would need to conduct the Reserve Study. Galicki explained that historically the Village tended to approach projects with respect to the facilities and the physical plant by attacking immediate needs without a comprehensive plan that anticipated and prioritized the repair/replacement of all the facilities in the short and long term. From the study, the Village would like to see the current state of the physical plant, issues that the Village are facing with it, and the priorities the Village should be utilizing in the coming years to best use taxpayer dollars. Galicki referenced the Miller Dodson Reserve Study for Russell Township and said he viewed it as a tool to strategically look at the township's needs instead of throwing a dart or listening to the person who makes a better argument.

Bock needed to know how detailed the Village wanted the study to be. For example, regarding the interior of the buildings, he would typically provide a general number for renovation, lighting, furniture, and things that will be replaced at a certain time. He would provide a 10-year schedule for interior upgrades. Galicki clarified that Bock would be looking at structural issues, and Bock said he would take a general look at this. He is an architect by trade and will make recommendations if he sees anything troubling. Galicki hoped the study would also incorporate IT infrastructure needs.

Berger suggested using the Russell Township study as the template. He thought the study would not be exactly the way the Village wanted but felt it would serve as a roadmap that could be used to develop a financial plan for dealing with the Village's assets. The Fiscal Officer added that the Village set up two reserve funds with the County Auditor's Office. At the time, they did not know how much should be put aside yearly for large equipment and arbitrarily decided to put \$100,000 per year in the fund. Now, there is a lot of money sitting in the fund that could be used for other things, and she thought this study would help the Village plan properly. The Police Department has a regular schedule for replacing vehicles, but with the Service Department, the Village typically uses the vehicles until they are close to death. The Village needs to get them on a schedule.

Galicki provided Bock with the example of the donated drone vehicle which then needed protection from the weather, so the Village is building a garage for it at the Police Department. However, Galicki questioned the logic of building such a structure onto a building that might need to be replaced. Bock explained that during his study, he will provide lifespans of the buildings. Galicki also cited the situation where in the recent past, a portion of the service building roof was replaced with the rationale that the remainder of the roof was fine, but then within several years it was decided the entire roof needed replacing. He saw the need to standardize. Bock said he would develop a schedule for things like this. The Fiscal Officer asked about creating a cycle for computer equipment as well. Bock said he likes to provide a three-to-five-year budget for purchasing equipment rather than determining replacement of each individual computer in the Village. Berger added that ADP should provide the expected costs because the Village is limited in what it can buy by ADP due to concerns of foreign components, cyber warfare, etc. Bock said his report would just provide a number and a year.

Bock added that facility security will also be covered in his report. He provides a general number for plumbing and electrical. He will also examine the HVAC systems. Berger brought the elevator to Bock's attention for review. Bock reiterated that his main objective is to get what the Village physically has, but if the Village thinks it will need to build something new, he will need to know if he should include a budget for future expansion and wanted specifics. Berger referenced past discussions about building a consolidated facility, and the potential of needing a new Police Department, for example, and whether the Village should consider a separate building or consolidation. These are the types of questions the study should help answer. Bock advised that the Village will be provided a draft of the study that it can edit.

Regarding the Village roads, the Fiscal Officer explained that assessment of the roads is done by the Engineer. Although the main road through the Village is not the Village's responsibility, the traffic light is and was just replaced. Bock clarified that the Village wanted a single report and not divided by department. Berger suggested it be one report with sections. Bock asked about reserve funds and the Fiscal Officer said that Bock should start at zero and not count what is in the current Large Vehicle Reserve fund because this was arbitrarily determined.

The Fiscal Officer reminded the committee the Tax Budget Hearing will be Tuesday, August 19th. She did not anticipate any issues with high balances since the balances are lower projected than in the past. If there are any issues, it would be good to let them know that Miller Dodson has been hired for a reserve study, the salt structure being replace, and Bell Rd. east project. Typically, the Budget Commission reviews the Tax Budget before the hearing and will notify her of any problems. They did not indicate there were any significant issues.

Berger verified the salt structure is now in the 2025 budget. The Fiscal Officer explained that because of the balances, she was only able to put \$550,000 in the budget for it. Hopefully the year-end balances will be higher than anticipated so that amendments can be made in January once the balances are certified. Berger advised that in the original budget, there was a proposal from the Street Department to replace the one-ton truck, which was deferred because of the salt structure. Berger clarified it was originally on the schedule for 2024. If the salt structure will be in 2025. He asked if the one-ton truck should be purchased this year since it is on the schedule. The Fiscal Officer said this was up to Council since it is in the Large Equipment Reserve Fund. Berger's concern was that there was also a salt truck on the schedule for 2026. Berger said the one ton is the smaller truck but will still be \$100,000. The Fiscal Officer explained that the salt structure is estimated at \$775,000. She was only able to put \$550,000 in the Tax Budget because of the balances. Since then, the budget had been amended for the park restroom. She felt it would be wise to just wait until the Village has an actual number for the salt structure since it could come in higher and must be replaced. Berger noted that the Engineer had been authorized to get the drawings so the Village could obtain a hard number quote. They could wait, but his concern is that if they keep backing these things up, there could be a problem with equipment that is not operational or be overloading 2026 if a salt truck also needs to be replaced. The salt truck will be at least in the \$160,000 range. Galicki wondered about the condition of the truck but acknowledged that they would not want to push too many expenses down the pike. Berger said the replacement schedule provided for the one-ton truck to be replaced this year, and the backhoe next year. The FO asked who put this schedule together, and Berger said it was the Street Commissioner. FO said considering the reserve study was literally getting started that day, and would provide a schedule for replacement, her recommendation was to wait until the study results were received. Additionally, knowing that the salt structure will be more than what is currently in the budget and the

Village will also be paving Bell Rd. east next year, it would make sense to wait for the study results. Additionally, there is a new Street Commissioner coming in and he should be allowed to weigh in on any proposed replacement schedule. Galicki shared the Fiscal Officer's concern about the potential costs of the salt structure. The Fiscal Officer added her concern for the cost of Bell Rd. east paving project because prices had skyrocketed since the estimates were provided several years ago. Furthermore, the project must be done in 2025 because that is when the funding will be provided. These are two very large projects and she cautioned it could go bad. Berger concluded that the recommendation of the Finance Committee is to wait until there are better numbers on the salt structure and the Village has the results of the Reserve Study. Berger added that there was not an issue of availability of a truck, so this was not a factor. To his knowledge, the current truck has no issues, so pushing it off six months to a year should not be a problem. However, he wanted to try to maintain the salt truck schedule if possible and not push any of the trucks beyond 20 years.

Galicki asked if funding-wise the Fiscal Officer saw anything for the remainder of this year for which the Village would have trouble covering costs. The Fiscal Officer did not think so. She spoke to the Engineer about completing the Central Retention Basin work and the Bell Rd. east culverts, and he assured her they would be done prior to yearend.

Berger reviewed the Income Tax collection and thought he misspoke at the Council meeting. The Village is actually ahead \$63,000 year to date through July and thought he quoted a higher number. He thought by the end of the year, it would be about \$130,000 ahead of last year. The Fiscal Officer addressed the ongoing issue of the State potentially taking over income tax collections and noted that it is unclear whether the Village would have the authority to review the tax returns and she questioned how they would know if the State was properly taking the money in. Will there be a fee associated with it? She felt it was better for the Village to control it on its own, but every three to four years the State starts the discussion again.

Berger relayed that in the Streets Committee and the Public Utilities Committee meetings, it was revealed that the City of Solon received a letter from the county stating that it was now going to charge the city for maintenance of their share of Route 422. The bill was for \$80,000. They sent a similar notice to Orange Village for Route 422 and Highway 271. The state and county appear to be making an effort to charge the local municipalities for the maintenance of the state roads. For the Village, it is Chillicothe Rd. The push back is that they will take over maintenance of 422 after the state brings it up to state standards. Chillicothe Rd. was discussed by the committees in that there are problems with the paving that was done last year. Currently, the state gives the Village money for salting and cleaning parts of Chillicothe Rd. The Fiscal Officer clarified that the Village gets money from the state for motor vehicle and license plate tax. A certain percentage of it can go into the Village's Street Maintenance fund. 7.5% must go in the State Highway Fund so that if the state ever came to the Village claiming it owes the state money for taking care of the road, the Village could give it to them. The Village used it for replacing the traffic light and justified it by the fact that the Village salts the intersection.

Galicki addressed a request by the Police Chief for administrative help. Galicki proposed that since the Village would already be advertising for a part-time administrative assistant, perhaps it could be a shared position. The Chief wanted a dedicated administrative assistant and is proposing six hours three days a week at \$18 - \$20 per hour. Berger suggested the Safety Committee develop a job description and submit it to HR to determine how to best fill the need. If there is a need, his inclination is to figure out how to combine that need with the one in

Administration for one person for a designated number of hours a week. Galicki concurred and questioned whether two part-time administrative assistants were really needed. Sharing the duties would be a compromise. Berger offered that HR would put the matter on the agenda. There was discussion about determining the job requirements so as to effectively advertise for it as well as budgetary considerations.

Berger adjourned the meeting at 10:54 a.m.