

**CITY OF CLEVELAND
CALLED COUNCIL MEETING
2018-2019 BUDGET
JUNE 4, 2018
MINUTES**

CALLED COUNCIL MEETING

The Called Council Meeting of the Mayor and Council of the City of Cleveland was called to order by Mayor Shan Ash at 6:00 p.m.

COUNCIL PRESENT: Nan Bowen, Annie Sutton, Kevin Stanley, and Bradley Greene.

APPROVAL OF AGENDA

On motion by Annie Sutton, seconded by Bradley Greene, in favor – Nan Bowen and Kevin Stanley and carried unanimously, the Mayor and Council voted to approve the agenda for the June 4, 2018 Called Council Meeting. The purpose of the meeting is to conduct the first public hearing and consideration of the 2018-2019 budget.

2018/2019 BUDGET HEARING – 1ST CONSIDERATION

Mayor Ash asked Tom O'Bryant to discuss the proposed budget. Mr. O'Bryant discussed the budget changes, if applicable, for each department:

Administration

1. Slight hourly rate increase for administrative position
2. Increased engineering – to develop a plan for projects Talon/Oak Springs and streetscape.
3. Liability insurance is up.
4. Family Connections has requested another \$100 increase to the annual amount.

Shop

1. Salary reduced due to an employee retiring.

Police

1. The Mayor and Council approved a significant pay increase for the police department. We are tasked with looking for funding sources. Pay increase in salaries also means increases in payroll taxes and benefits.
2. Increase in computer software support due to an oversight on expenditures.

Court

No major changes

Fire Department

1. Increase in salaries due to hours worked
2. Repairs and supplies - increased

Streets

1. Increase in salary due to moving a higher wage employee to the department.
2. Build a storage barn for sand and street equipment – capital outlay

Sanitation

1. No major changes.

2018/2019 BUDGET HEARING – 1ST CONSIDERATION - continued

City Park

1. Slight increase in supplies and electricity
2. Insurance increased

General Fund Revenues

1. Slight increase in property tax due to new housing and construction. The digest may increase due to areas within the city not coded to the city. This has been corrected at the Tax Assessors Office.
2. Increase in franchise fees. Franchise fees are now broken down by the type of fee – gas, electric, cable, etc.
3. Increase in sales tax

Water

1. Includes a slight pay increase for administration position.
2. Engineering – to participate in the Talon/Oak Springs project. The utility department has always participated in the improvements of city hall.
3. Vacant position filled.

Sewer

1. Salaries up due to new certifications and vacant position filled.
2. Repairs and supplies are up to keep plant compliant with EPD.
3. GEFA loan - 129 N Sewer less than expected. We have been depositing the same amount as the higher rate loan. This will build a reserve to upgrade the plant.
4. GEFA loan – Truelove sewer – same

Water/Sewer Revenues

1. Water/sewer revenues are running about even. We will conduct in-house audits to determine all accounts are billed correctly.

Mayor Ash noted every line item with a costs difference from the previous budget year. The proposed 2018/2019 Cleveland Budget, with changes, as follows:

| 2018-2019 BUDGET | | | | | |
|------------------------------|------------------------------|------------------|------------------|--------------------------|-------------------------|
| GENERAL FUND REVENUES | | | | | |
| | Account Title | 2017-2018 | 2018-2019 | difference \$ | difference % |
| | current yr prop tax | \$447,170.00 | \$536,966.00 | \$89,796.00 | 20.08% |
| | vehicle ad valorem tax | \$8,500.00 | \$7,100.00 | -\$1,400.00 | -16.47% |
| | TAVT (new veh tax) | \$100,000.00 | \$110,000.00 | \$10,000.00 | 0.00% |
| | mobile home tax | \$400.00 | \$500.00 | \$100.00 | 25.00% |
| | Intangible recording tax | \$1,000.00 | \$1,500.00 | \$500.00 | 50.00% |
| | prior yr tax - personal | \$500.00 | \$500.00 | \$0.00 | 0.00% |
| | real estate transfer tax | \$1,100.00 | \$1,500.00 | \$400.00 | 36.36% |
| | franchise tax/electric | \$260,000.00 | \$195,000.00 | -\$65,000.00 | -25.00% |
| | franchise tax/gas | \$0.00 | \$1,000.00 | \$1,000.00 | 0.00% |
| | franchise tax/Cable | \$0.00 | \$21,600.00 | \$21,600.00 | 0.00% |
| | franchise tax/telephone | \$0.00 | \$14,400.00 | \$14,400.00 | 0.00% |
| | sales tax | \$850,000.00 | \$905,000.00 | \$55,000.00 | 6.47% |
| | beer/wine excise tax | \$180,000.00 | \$165,000.00 | -\$15,000.00 | -9.09% |
| | distilled spirits excise tax | \$0.00 | \$3,670.00 | \$3,670.00 | 100.00% |
| | premiums tax | \$200,000.00 | \$230,000.00 | \$30,000.00 | 15.00% |
| | occupational tax | \$75,000.00 | \$80,000.00 | \$5,000.00 | 6.67% |
| | beer/wine permit | \$50,000.00 | \$60,000.00 | \$10,000.00 | 16.67% |
| | building permits | \$25,000.00 | \$28,000.00 | \$3,000.00 | 12.00% |
| | Certificate of Occupancy | \$2,000.00 | \$2,100.00 | \$100.00 | 5.00% |
| | plan review | | \$5,000.00 | \$5,000.00 | 0.00% |
| | LMIG - streets | | \$49,000.00 | \$49,000.00 | 0.00% |
| | sanitation collections | \$337,000.00 | \$340,000.00 | \$3,000.00 | 0.89% |
| | finer | \$53,000.00 | \$57,000.00 | \$4,000.00 | 7.55% |
| | police dept misc income | \$25,000.00 | \$50,000.00 | \$25,000.00 | 100.00% |
| | City Park Brick Program | | \$500.00 | \$500.00 | 0.00% |

| | | | | | |
|--|--------------|--------------|--------------|------------|-------|
| | fund reserve | \$316,665.00 | \$320,955.00 | \$4,290.00 | 1.35% |
|--|--------------|--------------|--------------|------------|-------|

| ADMINISTRATION | | | | | |
|-----------------------|-------------------------|------------------|------------------|----------------------|---------------------|
| | Account Title | 2017-2018 | 2018-2019 | difference \$ | difference % |
| | Salaries | \$ 336,490.00 | \$ 326,540.00 | \$ (9,950.00) | -2.96% |
| | Overtime | \$ 500.00 | \$ 1,165.00 | \$ 665.00 | 133.00% |
| | Payroll Taxes - Fica/MC | \$ 24,490.00 | \$ 25,070.00 | \$ 580.00 | 2.37% |
| | Retirement | \$ 30,570.00 | \$ 32,770.00 | \$ 2,200.00 | 7.20% |
| | Workers Comp | \$ 8,520.00 | \$ 16,000.00 | \$ 7,480.00 | 87.79% |
| | Employee Bonds | \$ 350.00 | \$ 450.00 | \$ 100.00 | 28.57% |
| | Credit/Debit Fees | \$ 1,700.00 | \$ 1,500.00 | \$ (200.00) | -13.33% |
| | Engineering Services | \$ 30,000.00 | \$ 80,000.00 | \$ 50,000.00 | 166.67% |
| | Legal Services | \$ 20,000.00 | \$ 15,000.00 | \$ (5,000.00) | -25.00% |
| | Liability Insurance | \$ 22,000.00 | \$ 28,415.00 | \$ 6,415.00 | 29.16% |
| | Advertising | \$ 8,500.00 | \$ 6,000.00 | \$ (2,500.00) | -29.41% |
| | Dues | \$ 4,500.00 | \$ 5,500.00 | \$ 1,000.00 | 22.22% |
| | Flowers/Memorials | \$ 700.00 | \$ 500.00 | \$ (200.00) | -28.57% |
| | Family Connections | \$ 5,200.00 | \$ 5,300.00 | \$ 100.00 | 1.92% |
| | Zoning board | \$ 2,800.00 | \$ 3,300.00 | \$ 500.00 | 17.86% |
| | Supplies | \$ 12,000.00 | \$ 14,000.00 | \$ 2,000.00 | 16.67% |
| | Postage | \$ 2,700.00 | \$ 2,500.00 | \$ (200.00) | -7.41% |

| SHOP | | | | | |
|-------------|-------------------------|------------------|------------------|------------------------|---------------------|
| | Account Title | 2017-2018 | 2018-2019 | difference \$\$ | difference % |
| | Salaries | \$ 54,460.00 | \$ 30,640.00 | \$ (23,820.00) | -43.74% |
| | Overtime | \$ 195.00 | \$ 510.00 | \$ 315.00 | 161.54% |
| | Payroll Taxes - Fica/MC | \$ 4,370.00 | \$ 2,230.00 | \$ (2,140.00) | -48.97% |
| | Retirement | \$ 5,465.00 | \$ 2,915.00 | \$ (2,550.00) | -46.66% |
| | Workers Comp | \$ 1,095.00 | \$ 625.00 | \$ (470.00) | -42.92% |
| | Clothing Allowance | \$ 770.00 | \$ 815.00 | \$ 45.00 | 5.84% |
| | Telephone | \$ 2,800.00 | \$ 2,500.00 | \$ (300.00) | -10.71% |
| | Supplies | \$ 5,500.00 | \$ 7,000.00 | \$ 1,500.00 | 27.27% |

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|--|----------|-------------|-------------|-----------|--------|
| | Heat/Gas | \$ 1,000.00 | \$ 1,350.00 | \$ 350.00 | 35.00% |
|--|----------|-------------|-------------|-----------|--------|

| POLICE | | | | | |
|---------------|-------------------------|------------------|------------------|------------------------|---------------------|
| | Account Title | 2017-2018 | 2018-2019 | difference \$\$ | difference % |
| | Salaries | \$ 795,842.00 | \$ 935,174.00 | \$ 139,332.00 | 17.51% |
| | Payroll Taxes - Fica/MC | \$ 79,585.00 | \$ 93,517.00 | \$ 13,932.00 | 17.51% |
| | Retirement | \$ 79,585.00 | \$ 93,517.00 | \$ 13,932.00 | 17.51% |
| | Health Insurance | \$ 101,184.00 | \$ 107,508.00 | \$ 6,324.00 | 6.25% |
| | Life Insurance | \$ 734.00 | \$ 750.00 | \$ 16.00 | 2.18% |
| | Employee Training | \$ 3,200.00 | \$ 4,000.00 | \$ 800.00 | 25.00% |
| | Clothing Allowance | \$ 7,000.00 | \$ 8,000.00 | \$ 1,000.00 | 14.29% |
| | Maintenance/copier | \$ 2,200.00 | \$ 3,000.00 | \$ 800.00 | 36.36% |
| | Maintenance/police | \$ 1,500.00 | \$ 1,000.00 | \$ (500.00) | -33.33% |
| | Supplies | \$ 58,500.00 | \$ 32,815.00 | \$ (25,685.00) | -43.91% |
| | Capital outlays | \$ 28,000.00 | \$ 56,000.00 | \$ 28,000.00 | 100.00% |

| City Court 432900 | | | | | |
|--------------------------|-------------------------|------------------|------------------|------------------------|---------------------|
| | Account Title | 2017-2018 | 2017-2018 | difference \$\$ | difference % |
| | Salaries | \$ 45,110.00 | \$ 46,700.00 | \$ 1,590.00 | 3.52% |
| | Overtime | \$ 2,550.00 | \$ 2,645.00 | \$ 95.00 | 3.73% |
| | Payroll Taxes - Fica/MC | \$ 3,810.00 | \$ 3,780.00 | \$ (30.00) | -0.79% |
| | Retirement | \$ 4,770.00 | \$ 4,935.00 | \$ 165.00 | 3.46% |
| | Workers Comp | \$ 1,115.00 | \$ 695.00 | \$ (420.00) | -37.67% |
| | Telephone | \$ 600.00 | \$ 250.00 | \$ (350.00) | -58.33% |
| | Dues | \$ 15.00 | \$ 100.00 | \$ 85.00 | 566.67% |

| Fire Department 435000 | | | | | |
|-------------------------------|---------------------------|------------------|------------------|----------------------|---------------------|
| | Account Title | 2017-2018 | 2018-2019 | difference \$ | difference % |
| | Salaries | \$ 225,000.00 | \$ 245,000.00 | \$ 20,000.00 | 8.89% |
| | Payroll Taxes | \$ 15,000.00 | \$ 18,800.00 | \$ 3,800.00 | 25.33% |
| | Workers Comp | \$ 5,800.00 | \$ 7,000.00 | \$ 1,200.00 | 20.69% |
| | Computer Software Support | \$ 2,000.00 | \$ 3,500.00 | \$ 1,500.00 | 0.00% |

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| | Repairs | \$ 18,500.00 | \$ 20,000.00 | \$ 1,500.00 | 8.11% |
| | Maintenance/Labor | \$ 4,200.00 | \$ 5,200.00 | \$ 1,000.00 | 23.81% |
| | Liability Insurance | \$ 3,300.00 | \$ 9,500.00 | \$ 6,200.00 | 187.88% |
| | Telephone | \$ 1,500.00 | \$ 1,000.00 | \$ (500.00) | -33.33% |
| | Supplies | \$ 25,000.00 | \$ 25,500.00 | \$ 500.00 | 2.00% |
| | Gasoline | \$ 9,500.00 | \$ 9,000.00 | \$ (500.00) | -5.26% |
| | Heat | \$ 1,250.00 | \$ 1,200.00 | \$ (50.00) | -4.00% |
| | Postage | \$ 100.00 | \$ 50.00 | \$ (50.00) | -50.00% |

| STREETS | | | | | |
|----------------|-------------------------|------------------|------------------|------------------------|---------------------|
| | Account Title | 2017-2018 | 2017-2018 | difference \$\$ | difference % |
| | Salaries | \$ 27,670.00 | \$ 32,915.00 | \$ 5,245.00 | 18.96% |
| | Overtime | \$ 980.00 | \$ 1,165.00 | \$ 185.00 | 18.88% |
| | Payroll Taxes - Fica/MC | \$ 2,290.00 | \$ 2,610.00 | \$ 320.00 | 13.97% |
| | Retirement | \$ 2,865.00 | \$ 3,410.00 | \$ 545.00 | 19.02% |
| | Workers Comp | \$ 1,700.00 | \$ 1,200.00 | \$ (500.00) | -29.41% |
| | Employee Training | \$ 300.00 | \$ 150.00 | \$ (150.00) | -50.00% |
| | Clothing allowance | \$ 780.00 | \$ 815.00 | \$ 35.00 | 4.49% |
| | Gasoline | \$ 3,000.00 | \$ 3,255.00 | \$ 255.00 | 8.50% |

| SANITATION | | | | | |
|-------------------|-------------------------|------------------|------------------|----------------------|---------------------|
| | Account Title | 2017-2018 | 2018-2019 | difference \$ | difference % |
| | Salaries | \$ 92,050.00 | \$ 94,110.00 | \$ 2,060.00 | 2.24% |
| | Overtime | \$ 6,515.00 | \$ 6,195.00 | \$ (320.00) | -4.91% |
| | Payroll Taxes - Fica/MC | \$ 7,885.00 | \$ 7,675.00 | \$ (210.00) | -2.66% |
| | Retirement | \$ 9,855.00 | \$ 10,030.00 | \$ 175.00 | 1.78% |
| | Workers Comp | \$ 1,970.00 | \$ 2,480.00 | \$ 510.00 | 25.89% |
| | Telephone | \$ 350.00 | \$ 1,000.00 | \$ 650.00 | 185.71% |
| | Electricity | \$ 1,800.00 | \$ 1,550.00 | \$ (250.00) | -13.89% |

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|------------------|--------------------------|------------------|------------------|------------------------|---------------------|
| City Park | | | | | |
| | Account Title | 2017-2018 | 2018-2019 | difference \$\$ | difference % |
| | Property lease insurance | \$ 2,600.00 | \$ 3,100.00 | \$ 500.00 | 19.23% |
| | Supplies | \$ 3,000.00 | \$ 5,700.00 | \$ 2,700.00 | 90.00% |
| | Electricity | \$ 4,500.00 | \$ 3,000.00 | \$ (1,500.00) | -33.33% |

| | | | | | |
|---------------------------------|----------------------|------------------|------------------|------------------------|--|
| WATER/SEWER REVENUE FUND | | | | | |
| | Account Title | 2017-2018 | 2018-2019 | difference \$\$ | |
| | Water Revenue | \$ 930,000.00 | \$ 948,000.00 | \$ 18,000.00 | |
| | Retained Earnings | \$ 228,380.00 | \$ 233,755.00 | \$ 5,375.00 | |

| | | | | | |
|--------------|---------------------------|------------------|------------------|------------------------|---------------------|
| WATER | | | | | |
| | Account Title | 2017-2018 | 2018-2019 | difference \$\$ | difference % |
| | Salaries | \$ 277,295.00 | \$ 286,570.00 | \$ 9,275.00 | 3.34% |
| | Overtime | \$ 19,790.00 | \$ 27,045.00 | \$ 7,255.00 | 36.66% |
| | Payroll Taxes - Fica/MC | \$ 23,770.00 | \$ 24,000.00 | \$ 230.00 | 0.97% |
| | Retirement | \$ 29,700.00 | \$ 31,365.00 | \$ 1,665.00 | 5.61% |
| | Pension Plan Expense | \$ 1,800.00 | \$ 2,260.00 | \$ 460.00 | 25.56% |
| | Workers Comp | \$ 7,000.00 | \$ 9,000.00 | \$ 2,000.00 | 28.57% |
| | Med Service - Employee | \$ 200.00 | \$ 300.00 | \$ 100.00 | 50.00% |
| | Clothing Allowance | \$ 4,000.00 | \$ 4,900.00 | \$ 900.00 | 22.50% |
| | Credit/Debit Fees | \$ 14,000.00 | \$ 9,500.00 | \$(4,500.00) | -32.14% |
| | Computer software support | \$ 45,000.00 | \$ 36,000.00 | \$(9,000.00) | -20.00% |
| | Maintenance/labor | \$ 2,000.00 | \$ 2,500.00 | \$ 500.00 | 25.00% |
| | Liability Insurance | \$ 55,000.00 | \$ 60,500.00 | \$ 5,500.00 | 10.00% |
| | Supplies | \$ 23,000.00 | \$ 32,300.00 | \$ 9,300.00 | 40.43% |

| | | | | | |
|--|--------------------|---------------|---------------|----------------|---------|
| | Electricity | \$ 78,000.00 | \$ 70,000.00 | \$ (8,000.00) | -10.26% |
| | Water | \$ 185,000.00 | \$ 165,000.00 | \$ (20,000.00) | -10.81% |
| | New line materials | \$ 55,000.00 | \$ 15,000.00 | \$ (40,000.00) | -72.73% |
| | Equipment | \$ 15,000.00 | \$ 80,000.00 | \$ 65,000.00 | 433.33% |

| SEWER | | | | | |
|--------------|-----------------------------|------------------|------------------|------------------------|---------------------|
| | Account Title | 2017-2018 | 2018-2019 | difference \$\$ | difference % |
| | Salaries | \$ 218,020.00 | \$ 236,910.00 | \$ 18,890.00 | 8.66% |
| | Overtime | \$ 12,215.00 | \$ 6,655.00 | \$ (5,560.00) | -45.52% |
| | Payroll Taxes - Fica/MC | \$ 18,420.00 | \$ 20,260.00 | \$ 1,840.00 | 9.99% |
| | Retirement | \$ 23,025.00 | \$ 26,700.00 | \$ 3,675.00 | 15.96% |
| | Workers Comp | \$ 5,190.00 | \$ 5,200.00 | \$ 10.00 | 0.19% |
| | Employee Training | \$ 300.00 | \$ 600.00 | \$ 300.00 | 100.00% |
| | Med Service - Employee | \$ 250.00 | \$ 300.00 | \$ 50.00 | 20.00% |
| | Clothing Allowance | \$ 4,000.00 | \$ 4,110.00 | \$ 110.00 | 2.75% |
| | Legal Services | \$ 10,000.00 | \$ 5,000.00 | \$ (5,000.00) | -50.00% |
| | Contract svc-Prison workers | \$ 15,000.00 | \$ 15,000.00 | \$ - | 0.00% |
| | Repairs | \$ 20,000.00 | \$ 30,000.00 | \$ 10,000.00 | 50.00% |
| | Maintenance/labor | \$ 2,500.00 | \$ 4,900.00 | \$ 2,400.00 | 96.00% |
| | Telephone | \$ 5,500.00 | \$ 3,700.00 | \$ (1,800.00) | -32.73% |
| | Supplies | \$ 60,000.00 | \$ 80,000.00 | \$ 20,000.00 | 33.33% |
| | Tires | \$ 600.00 | \$ 1,000.00 | \$ 400.00 | 66.67% |
| | Electricity | \$ 125,000.00 | \$ 140,000.00 | \$ 15,000.00 | 12.00% |
| | Postage | \$ 1,500.00 | \$ 2,000.00 | \$ 500.00 | 33.33% |
| | 129 N Sewer - GEFA | \$ 87,230.00 | \$ 29,105.00 | \$ (58,125.00) | -66.63% |

Dean Dyer, WRWH Radio, asked why the budget noted a decrease in beer/wine excise tax. Mr. O'Bryant explained sales have leveled out and shows a reduction in sales.

Mr. O'Bryant explained approximately \$240,000 of the increase in the budget is due to personnel and the other line items are very lean.

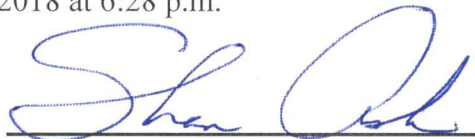
Bradley Greene advised the council to look at the fund balance and determine the need for a millage increase. Mr. Greene is not advocating a millage increase, but if needed, would like to increase in small increments.

Mr. Greene thanked the department heads in an excellent job in preparing the budget and being as conservative as possible

2018/2019 BUDGET HEARING – 1ST CONSIDERATION – continued

On motion by Bradley Greene, seconded by Nan Bowen, in favor – Annie Sutton and Kevin Stanley, and carried unanimously, the Mayor and Council voted to approve the first consideration of the 2018/2019 Budget Hearing.

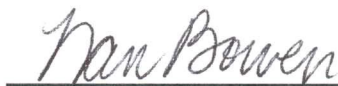
On motion by Annie Sutton, seconded by Nan Bowen, in favor – Kevin Stanley and Bradley Greene, and carried unanimously, the Mayor and Council voted to adjourn the Called Council Meeting of June 4, 2018 at 6:28 p.m.



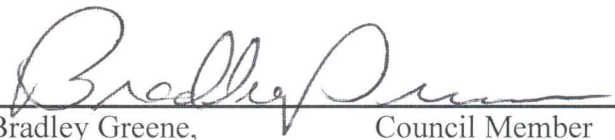
Shan Ash, Mayor



Kevin Stanley, Council Member




Nan Bowen, Council Member



Bradley Greene, Council Member



Annie Sutton, Council Member

ATTEST: 

Connie Tracas, City Clerk

