

RUSSELL FIRE-RESCUE STATION

MAY 27, 2016

This was a special meeting held for the purpose of budget preparation and to discuss the current and future financial status of the Township. Trustees Gary Gabram, Justin Madden, and Jim Mueller were present. Also present was Fiscal Officer Charles Walder.

The meeting was called to order at 9:04 A.M.

FIRE DEPARTMENT: Mr. Walder presented data from the Geauga County Auditor's office indicating that the Russell Fire Department is under-funded, ranking 11th in the County for levy monies generated. He pointed out that the department will face difficulties with its budget due to high call volumes, increased training needs, higher operational costs, and the state-mandated replacement of certain capital and operational items. In the past, Chief Frazier has halted purchasing capital expenditures to offset his operating costs, but will need to purchase new capital equipment now as the cost to maintain the outdated equipment is very high. Mr. Gabram indicated that the front-line pumper is over 23 years old, with the second-line pumper even older. Mr. Madden explained that the equipment has been used in full, well beyond its life expectancy, and that the effectiveness of the department will decrease if the capital equipment is not replaced.

Mr. Walder explained the anomaly of the Affordable Care Act greatly impacting the Fire Department's operations as they are primarily a part-time department. Under the Affordable Care Act provisions, part-time employees must work less than an average of 30 hours per week during the look-back period or the Township must provide health insurance. Therefore, there is difficulty in scheduling employees as each employee's hours have to be carefully monitored so not to breach the 30 hours. With the nature of on-call hours and unpredictable emergencies, it is growing much more difficult to staff a part-time department. Additionally, the state mandates that part-time employees cannot exceed 1500 hours in one calendar year. If they are over, the Township is also responsible for providing health insurance. Mr. Frazier is looking to convert the Fire Department into a small full-time department so that the employees can be scheduled a full 40-hours, work overtime if necessary in emergencies, and create a more predictable salary structure for the department. The conversion will likely be implemented after the Fire Station Bond money stops collection.

The Fire Department is currently running a 5-year \$2.67 million-dollar deficit and needs an additional \$752,000.00 cash requirement as per the reserve study. Currently, two levies are up for consideration for the department, a 1.2 mill levy from 1987 and a 2 mill levy from 1989. The levies are outdated and only generate 1.53 effective mills combined. Mr. Mueller stated that he would favor replacing the current levies over running a new levy; Mr. Walder informed the Board that a replacement levy would not change the levy language and would yield slightly less than 1.75 mills. He also indicated that this would take the department to the year 2019 when the bond money stops collecting. However, he stated that a new levy may be beneficial for the tax payers as he would ask for 1.75 mill, which would generate approximately \$420,000, roughly the amount of money that is needed to erase the deficit (as long as the 1987 and 1989 levies are continued) but at a lower cost to the tax payer. If the replacement levies are run, the tax payer would lose the rollback reduction from the state. If the 1987 and 1989 levies are continued as is and an additional 1.75 mill levy is passed, the tax payer would reap the benefit of the state paying a portion of the money on the 1987 and 1989 levies. The Board discussed the implications of running the additional new levy and the worry of it failing versus running the two replacement levies and having

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more opportunity for at least one to pass. Mr. Mueller inquired whether a tax anticipation note could be used if there was an emergency expenditure and the department did not have enough resources. Mr. Walder explained that it could be used as well as financing the capital equipment, but extreme discipline would be necessary.

MOTION: *Mr. Mueller made the motion to run two replacement levies, replacing the 1987 levy and the 1989 levy, on the November 2016 ballot. Mr. Gabram seconded the motion and it passed unanimously.*

ROAD DEPARTMENT: Mr. Walder reported that the Road Department absorbed more burden with less money since 2012; the department took on the old Maintenance Department job functions, plowed County roads in addition to their normal routes, and saw no net change in personnel. Despite this, the department was able to generate \$888,628 in savings on operations and maintenance since 2012.

Mr. Walder explained that capital expenses need to be factored into the Road Department's planning and budgeting. He indicated that except for 1 truck, the department's entire fleet is outdated and needs to be replaced; a standardized schedule of replacement, similar to the schedules used by Police and Fire, needs to be created and followed for the Road Department vehicles. Mr. Walder also indicated that the \$1 million dollar County Line Road resurfacing project is coming up in 2017/2018.

The Road Department is running a 5-year \$2.86 million dollar deficit, with an additional \$1.1 million in cash requirements as per the reserve study. Mr. Walder estimated that the OPWC may provide a \$500,000 grant towards the County Line resurfacing project and anticipates generating \$645,000.00 from the 2.75 mill levy in 2020. After factoring these in, and removing building improvement capital from the budget, Mr. Walder anticipates that the department will face a \$1.47 million-dollar deficit through 2020. He reported that the current 1.8 mill 5-year levy is not permitted to be used for budgeting since renewal is not guaranteed and it is not a continuing levy; he recommended letting the 1.8 mill levy from 1976 expire if a new 1.4 mil continuous levy is passed which will create a stable and more predictable budget for the department.

MOTION: *Mr. Mueller made the motion to run a 1.4 mill continuing levy for the Road Department on the November 2016 ballot. Mr. Gabram seconded the motion and it passed unanimously.*

Mr. Mueller made the motion, contingent upon passing the 1.4 mill continuing levy in the November 2016 election, to abstain from pursuing renewal of the 1976 1.8 mill 5-year levy. Mr. Gabram seconded the motion and it passed unanimously.

CEMETERY: The discussion of a possible cemetery levy was tabled.

ZONING: *Mr. Mueller made the motion to approve the purchase of a laptop computer in lieu of an IPAD, not to exceed the cost of the IPAD as previously approved at the meeting on May 4, 2016. Mr. Gabram seconded the motion and it passed unanimously.*

EXECUTIVE SESSION: *Mr. Gabram made the motion to move into executive session to consider the appointment and compensation of public employees and to consider the discipline of a public official pursuant to ORC 121.22 (G) (1). Mr.*

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Mueller seconded the motion and it passed unanimously.

The meeting moved into executive session at 10:12 A.M.

Mr. Gabram made the motion to return to regular session. Mr. Mueller seconded the motion and it passed unanimously.

The meeting moved into regular session at 10:52 A.M.

MOTION: *Mr. Gabram made the motion to grant a 2% wage adjustment to non-bargaining unit employees to match the current wage agreement of the bargaining unit employees, with the intent of maintaining parity among departments and including the current C.O.L.A., effective July 1, 2016. Mr. Mueller seconded the motion and it passed unanimously.*

ADJOURNMENT: *Mr. Gabram made the motion to adjourn. Mr. Mueller seconded and it passed unanimously.*

The meeting was adjourned at 10:56 A.M.

Justin Madden, Chairman

Charles Walder, Fiscal Officer

Recorded by: B. Milite