

WORK SESSION
December 7, 2010

Mr. Ferrell called the meeting to order at 3:45 pm. Ms. Schaefer had advised those in attendance at the meeting that the Board would be in a very short executive session to discuss a legal matter prior to the Budget presentation.

Trustees Michael Printy, Timothy Coleman, and Jeffrey Ferrell answered the roll call.

Mr. Ferrell moved to go into executive session for legal issues. Mr. Printy seconded the motion. Roll call: Mr. Printy, yes; Mr. Coleman, yes; Mr. Ferrell, yes. Motion passed.

Mr. Coleman moved to return to regular session. Mr. Printy seconded the motion. Roll call: Mr. Printy, yes; Mr. Coleman, yes; Mr. Ferrell, yes. Motion passed.

Mr. Ferrell then reopened the public meeting. Cheryl Best-Wilke asked how they could re-open it if they had not opened it. Mr. Coleman explained that they had opened the meeting downstairs. Can you do that? Mr. Ferrell said that according to Mr. Coppeler it was okay.

Mr. Ferrell apologized for the delay, but they had an emergency matter they had to deal with and it was the only time they could meet with legal counsel.

The next Regular Session is December 14, 2010.

Mr. Coleman moved to approve the agenda as presented. Mr. Printy seconded the motion. All were in favor.

Mr. Ferrell then introduced Ken Fortney, Erie County Drainage Manager, to discuss storm water management. The Erie County Engineer's Office would like to enter into a partnership with the Township to fund the storm water technician position within the Erie Soil and Water District. This agreement will allow the Engineer's Office's contribution to be considered the same as other for grant funding. The amount that the Engineer will contribute will be the same as the other entities, initially \$10,000 per year.

Eric Dodrill, Perkins Highway Superintendent, gave an update of the complete program. Mr. Dodrill said that both John Coppeler and Gary Lickfelt have approved the agreements. Mr. Ferrell clarified that this would permit all the funds to be used as matching funds for grants. If the Engineer gave money directly to the Soil & Water District, it could not be used as matching funds.

Mr. Ferrell noted that the EPA had already cited Vermilion and that Erie County was behind the curve in the implementation. This would allow for all funds to be used as matching funds for grant funding.

Mr. Coleman noted that Mr. Dodrill has had this on his agenda for many years, even as he addressed us while he was still working for the Soil & Water District.

Mr. Ferrell wanted to know if this was something that had to be done today. Mr. Fortney said that their deadline was December 14th in order to process payment this year. The Board meets on the 14th. Mr. Lickfelt has said that there is nothing in the ORC code that says that they cannot do it. This was a unique situation. Mr. Ferrell said that if the Board took action, that would still permit review by the County Prosecutor.

WORK SESSION
December 7, 2010

Resolution #2010-0182
MEMORANDUM OF UNDERSTANDING WITH
ERIE COUNTY ENGINEER'S OFFICE

Mr. Ferrell moved to approve the memorandum of understanding with the Erie County Engineer's Office to form a partnership with Perkins Township in order to fund the storm water technician position with the Erie Soil & Water District. Mr. Coleman seconded the motion. Mr. Ferrell asked that the agreement be sent to the Prosecutor's Office for review. We would like something in writing that the County approves the agreement. Roll call: Mr. Printy, yes; Mr. Coleman, yes; Mr. Ferrell, yes. Resolution adopted.

Mr. Fortney asked if there would be a problem with getting an invoice by the 14th. Ms. Schaefer said that there would be no problem. Mr. Fortney will take it to the Prosecutor's Office.

Mr. Ferrell asked Mr. Fortney to thank Mr. Farschman, Erie County Engineer. Mr. Dodrill said that project has been in the works for five years. Mr. Printy noted that if the County does not do this, then each entity must. If they each put in a program each would develop a related cost. To share this expense county wide has some merit. Mr. Ferrell noted that it was the most efficient way of doing it.

Mr. Dodrill noted that the legislature requiring this went into effect in 2003. Larger counties employ someone in the Soil & Water Districts to help with this issue.

Mr. Ferrell then turned the meeting over to Ms. Schaefer who gave the 2010 Projection of Carryover amount for all funds. Ms. Schaefer explained that as of 11-30-10 the encumbered cash balance was \$3,953,500. Remaining Salaries was \$593,800 and Fringes were \$231,600. Pending requisitions were \$120,800. After deduction the last three amounts from the unencumbered amount, the subtotal amount is \$3,007,200. Originally there were \$554,000 of Transfers Out of the General Funds to other Funds that have not been made to date because the cash was not needed. This is the first of a series of 'what ifs' or variables that still exist in the budget. There are also two Advances that need to be repaid: Police MDT for \$16,188 and FEMA for \$1.

The legislation that allows for Special Funds was passed in March 2003, ORC 5705.13. Ms. Schaefer explained that the various training sessions she attends, OTA conference, Local Government Services Conference, and UAN training, recommend the use of the special funds as a means to provide budget stabilization; to plan for future development; and to provide a mechanism for saving for future purchases without the need to remember to re-appropriate each year for those savings. So there are a number of Special Funds that could be created for Equipment, Buildings, & Severance. Ms. Schaefer noted that the Special Fund is limited to those expenditures of the original fund. So if the money was for Fire, it would still be for fire, road for road, etc.

Finally there is \$5,400 yet to be received from grants (MDT and FEMA). With these additions the projected Carryover is \$3,023,600. Other additional income for the month of December would increase this amount. It will also be increased if there are balances in the Salaries and Fringe account after we process three more payrolls. Any open purchase order that is closed out would also increase this amount.

Mr. Coleman asked if the department heads should be reviewing their open purchase orders. Ms. Schaefer said that they will be asked to do that this week. Mr. Coleman also asked if there was a cut off for purchasing in 2010. Ms. Schaefer said that November 26th was the cut off for submitting purchase orders for non-emergency items. Mr. Coleman asked how emergencies were defined. Ms. Schaefer was not able to give a definition for that.

WORK SESSION
December 7, 2010

Chief Myosky asked why the Board was insisting on implementing a program that has been in existence since 2003. Is there a greater return on investments that is in a savings account or Special Fund? Chief Myosky has a lot of questions. Mr. Coleman asked for one question at a time. Chief Myosky, referring to the amount that appears on his appropriation status report, wanted to know where the money taken from Fund 2192/2193 was going to be. Was it going to be in a savings account or an investment account, and who was going to manage it?

Mr. Coleman noted that the question on investments has nothing to do with the Budget Carryover projections. Ms. Schaefer agreed. Chief Myosky said that his appropriations status reports shows that he has investments of \$292,000. Under the Fiscal Officer's proposal now he will have almost \$600,000, but it is going to be in a fund and is not labeled as an investment. Ms. Schaefer again tried to explain that investments are a separate issue from this projection which includes both checking account and investments.

Chief Myosky said that the Fiscal Officer said the Trustees were leading the charge for the Special Funds. Ms. Schaefer said that the Board wanted to do this last year. Chief Myosky agreed that they had and that he had resisted. He resisted because no one had any answers. Mr. Coleman again noted that he was talking two different things. Mr. Coleman thought Chief Myosky was talking about putting the special funds in place, but that is not what he is talking about. He is talking about the investments.

Chief Myosky said that he was concerned about having money transferred from the 2192/2193 account into the 4000 accounts. Ms. Schaefer said that he will get reports for those funds just like he does now that shows the balances, both cash and investments. Chief Myosky said that he was confused himself.

Mr. Printy said that he knew that we would be talking about carryover balances. Mr. Coleman said that he did not think they would be talking about investment balances. Mr. Printy said that he did not realize that it would lead to an immediate conversation over special carryover accounts. He did not know that we would be discussing that although it is not an unknown subject to the Board because they have been talking about it all year.

Mr. Printy asked Ms. Schaefer if she was proposing to set up the special funds accounts. Ms. Schaefer said that she thought it was the goal of the Board to transfer any money not used this year into a special fund for equipment and severances. Mr. Printy again said that they had been talking about the special funds all year and wanted to know if now was the time to do this. Ms. Schaefer said that if they were going to do it with the funds remaining in the funds this year, it should be done before the end of the year.

Mr. Printy asked Mr. Ferrell if he wanted to take Ms. Schaefer's recommendation. Mr. Ferrell said he thought this was just a review of the status as we near the end of the year. Ms. Schaefer agreed that this was just a review, not a formal proposal.

Eric Dodrill offered the following comments. He understood his instructions from the Board to be to review the Paving Trust account to be moved into a special fund so that it would be locked for paving and would not be reappropriated for other things. Was that the correct understanding? The Board agreed that it was. The second was park development for the same reason. Mr. Coleman said that part of the reason for this was because of a past problem with a grant for the park development. It was put in with general money and they lost track of how much was left. He believes that Ms. Schaefer was instrumental in researching what was received and what was spent for this. Ms. Schaefer said that while the resolution was adopted to use the money for park development, it was in the General Fund and when it was not used in the first use the

WORK SESSION

December 7, 2010

amount, because it was not in a separate fund, it just became part of the rollover and was just appropriated the next.

Mr. Ferrell agreed that the money should be in a special fund. For instance the \$10,000 that Mr. Dodrill just received for the dump truck should go from the General Fund to a Special Fund. Mr. Ferrell said that if a set amount was put into the Paving account each year, then after a set time a large paving project could be done.

Mr. Coleman said that it would make the long range planning easier. Ms. Schaefer said that the \$10,000 received by the dump truck did go into the Road & Bridge Fund, but that she agrees that this would be something that should be transferred to a special fund.

Ms. Schaefer noted that she had forgotten to make the additional transfer from the General Fund to the Capital Project – Township Complex for the additional Estate Taxes. So there would be additional funds.

Cheryl Best-Wilke wanted to know if the amount in Park Development included the loan payments. Ms. Schaefer explained that these payments were in the Debt Service Fund. We paid for the land when we purchased it. Now we are making the loan payments.

Ms. Wilke wanted to know which funds the Highway would use to purchase a truck. Ms. Schaefer said it could be one of a number of funds – Road & Bridge, Gas Tax, Motor Vehicle, and Permissive Motor Vehicle. Ms. Wilke then said if he were looking in the future, he would move some money now into one of the special funds for the purchase of new equipment. Ms. Schaefer agreed. The term used is to designate the money for the specific purchase of the piece of equipment.

Mr. Printy reminded Chief Myosky of a recent meeting where he talked about not being able to buy and pay for a squad this year and he was thinking about putting it into an account. Was he talking about one of these capital savings accounts? Chief Myosky said that funds were set aside for the purchase of a squad. Bids were not sent out or received until the third quarter of this year. Funds are available for the purchase this year. The next large purchase would be a pump. The amount appears as a line item on his appropriations status. When he talked about rolling this over into the same account, he assumed that they were talking about an investment balance that is reflected on the appropriation status.

Chief Myosky did explain that he had submitted a requisition for the purchase of the squad chassis. Ms. Schaefer explained that this was submitted in December and is not reflected on this report.

Ms. Wilke asked what the Public Works was for. Ms. Schaefer explained that this was the Issue II paving project.

Mr. Printy asked if all the special funds were in the 4000 series. Ms. Schaefer said that the Capital funds were the 4000s. Mr. Printy then asked if the balances of the 2903 and 2905 funds should also be moved to a Capital Account. Ms. Schaefer said no. These accounts along with 9003 were the accounts that were not recorded as they are now and are the subject of a legal opinion to move a majority of each account to the General Fund.

Mr. Printy asked if we were proposing to transfer all the projected carryover to special funds or will some of it roll over within each fund. Ms. Schaefer said there would still be a carryover in each fund that would be available in addition to new money for appropriation in 2010. Ms. Schaefer said that the special funds are normally not spent the next year. There are like a savings plan for a long-term purchase. It will take a number

WORK SESSION

December 7, 2010

of years to accumulate enough money to do a paving program or purchase an expensive piece of equipment.

Mr. Printy also noted that we have severance accounts. Money not spent this year would also go into a special fund for future severances. Ms. Schaefer said that would be correct. The goal is to be proactive instead of reactive.

Mr. Ferrell asked Chief Myosky if he had a question. Chief Myosky said that he would wait until they had the next budget meeting.

Ms. Wilke said regarding the money in the designated accounts, she assumed that they would be co-mingled in order to obtain the best rate of return. Ms. Schaefer said that was correct, they are pooled investments. Regarding the interest on those account, Ms. Wilke wanted to know if it was pro-rated based on the amount of funds in the account. Ms. Schaefer explained that there are regulations as to which accounts get interest (Gas Tax, Motor Vehicle, and Permissive Motor Vehicle). Anything other than those goes to the General Fund. In addition the Fire Department funds (2192, 2193, EMS grant, FEMA) are given credit for interest earned on those accounts, but the amount is in the General Fund. How is this then spent on the Fire Department? Is it transferred to the Fire Fund? No, it is spent directly from the General Fund for fire department purposes.

Mr. Ferrell asked Ms. Schaefer if this was what she wanted to accomplish. She said that she was just giving an end of the year projection. Does the Board want to transfer the additional money received in Estate Tax to Capital Projects?

Kathy Mueller, Patten Tract, asked about the ODNR grant. She noted that there was no amount in it. Ms. Schaefer said that was a grant and we spent it. She wanted to know if we were going to apply again. Mr. Dodrill said that it was going to be done on a County basis. He also noted that the next property was accumulating some tires.

Resolution #2010-0181

SUPPLEMENTAL APPROPRIATIONS – POLICE DEPARTMENT

Mr. Coleman moved to adopt the following supplement appropriations:

1000-210-211 PERS	\$23,108.00
1000-210-420-0013 Fuel	(10,000.00)
1000-210-190-0001 FT Salaries	(3,000.00)
1000-210-190-0002 PT Salaries	(5,108.00)
1000-210-190-0003 Overtime	(5,000.00)

Mr. Printy seconded the motion. Ms. Schaefer said that part of the problem was due to the amounts put into Special Details. All of the money was put into Salaries, instead of part in OPERS and Medical. The rest was part of the budgetary process. When the budget was put together, this amount was one of the accounts that was intentionally decreased in order to balance the budget. Roll call: Mr. Printy, yes; Mr. Coleman, yes; Mr. Ferrell, yes. Resolution was adopted.

NOTICES:

There will be a zoning hearing for a piece of property on Hayes Avenue at the meeting of December 14th.

There will be a Records Commission meeting on December 14, 2010 at 3:30 pm. A notice has been sent to each department asking for any new series of records and a list of anything to be disposed of per the retention schedule.

PUBLIC COMMENT

Ms. Wilke asked for an update on the electric and gas aggregation problems. Ms. Schaefer said the electric program was an opt out program. The gas was a selection

WORK SESSION

December 7, 2010

program. The original deadline was September 24th, but when Ms. Schaefer called regarding her own service, they are still taking new customers. The rate, however, was higher than her company.

Ms. Wilke also wanted to know the status of the Policy Manual. Mr. Printy said it was still a work in progress, but he is working on it.

Ms. Schaefer noted that the agenda was on the website this time. Also she has posted the monthly fund summary reports and is seeking comments regarding it. She also has the revenue and appropriations summary reports that could be posted.

Mr. Ferrell noted that the State is seeking input as to what the Township spends Estate Tax and Local Government funds for.

Mr. Ferrell noted that the schools are ready for us to move things. The agreement is being drafted and will be sent to Mr. Coppeler for review.

Mr. Ouriel asked one of the Trustees to call Mr. Coppeler so that he could ask him some questions on speakerphone. Mr. Ferrell said that Mr. Ouriel could contact him after the meeting. When he asked for his cell phone number, Mr. Ferrell said that he would call him and have him call Mr. Ouriel. Andy then asked for the Board to explain what was going on when he came in when he came in to the meeting at quarter after four. He said that he came in and there were no Trustees and he did not know what was going on. Mr. Coleman said that prior to the meeting, the Board had come up to notify those there the Board would be up shortly. Ms. Schaefer said that she came up shortly before four to notify the audience that the Board was in executive session and would be up as soon as possible. Mr. Ferrell said that they had to have an emergency session regarding a legal issue. Mr. Coppeler needed to have an answer by Wednesday morning and this was the only time that the Board could meet with him.

Andy said that he needed to be notified of the secret meetings that were going on. Mr. Ferrell said that there was no secret meeting. According to Mr. Coppeler, they were authorized to have the meeting. If Mr. Ouriel has a problem with it, discuss it with him. If Mr. Coppeler had been available after the meeting, they would have discussed it after the meeting. Mr. Ouriel asked Ms. Schaefer what she did. Ms. Schaefer said that she came up shortly before four and notified those that were there that the Board was in an executive session and would be up as soon as they could.

With no further business to be conducted, the meeting was adjourned at 5:45 pm.

Jeffrey Ferrell, Chairman

Diane Schaefer, Fiscal Officer