

**NORTH RIDGEVILLE MUNICIPAL COUNCIL
MINUTES OF
SPECIAL MEETING APRIL 25, 2006**

CALL TO ORDER: 7:25 P.M.

President Arndt called the special meeting dated April 25, 2006 to order at 7:25 P.M. at the request of Mayor Gillock, Auditor Costin and Safety-Service Director Johnson.

ROLL CALL:

Present were Council Members Nancy Buescher, Dennis Boose, Richard Jaenke, Bernadine Butkowski, Gayle Manning and President of Council Ron Arndt. Also, present were Mayor David Gillock, Safety-Service Director Denny Johnson, Law Director Andrew Crites, Auditor Chris Costin, and Clerk of Council Chuck Norris.
Absent was Council Member Bob Olesen and Engineer Larry Griffith

READING OF NOTICE:

President Arndt: We have before us the first piece of legislation as it relates to T 67 to consider an ordinance for issuance of Bond Anticipation Notes for the acquisition of our motor vehicles and accessories. At this time I would entertain some conversation from our Safety-Service Director, Mr. Johnson.

SPECIAL MEETING:

Safety-Service Director Johnson: Thank you, Mr. President and thank you to all the Council Members for coming out on such short notice. Let me provide a brief explanation of what is actually happening here tonight. We had discussions relating to the authorization of the purchasing a number of vehicles, which six of these vehicles are police cruisers. The cruisers are only available from the state bid list at this point. The state bid list closes this Thursday, the 27th and doesn't reopen until they start bidding again in September, which will push the date when we will actually see these cruisers, into possibly next spring. The only way we are going to get these cars any time soon and at the current prices, is by acting before Thursday to purchase them off the state bid list. T 67 is Bond Anticipation Notes for funds to purchase those vehicles and the vehicles you will see at the regular Council meeting on Monday. Those vehicles are the vehicles that were discussed during appropriations.

President Arndt: Mr. Costin could you clarify?

Auditor Costin: I would like to expand on that a little bit. During appropriations we discussed the fact that we hadn't acquired vehicles for a few years, other than two years ago when we purchased five or six police cruisers. We had skipped a year and during the appropriations it was discussed and the acquisition of vehicles were approved. However, as I explained back then, we didn't appropriate it because we discussed either financing these vehicles through the issuance of BAN's or capitalized leases, whichever would become more favorable. Because, we don't have the financing in place, we couldn't appropriate it and I indicated that when we determined which route we would take in the future, we would issue the BAN legislation or the capitalized leases at the time we determined how we were going to finance those vehicles. As the Safety-Service Director just indicated, it was determined at the last minute, that for the police cruisers to be acquired on this year's bid list, the closing date was Thursday. Now, before we can issue a contract or purchase order to acquire those cars, we have to have financing in place. It doesn't

make any sense to issue the BAN's for just the 150,000 dollars and when I looked at the credit terms that we briefly discussed with Finance and Dennis, you may remember the interest rates just didn't make any sense. They were talking about something just short of seven percent, but we had to make the payments at the beginning of the term and then there were other fees attached, which made it too expensive. By virtue of the fact that we are also going to be issuing bonds this year, we'll issue these notes which represent the approximate cost of all the vehicles and have the monies in the bank available. At this next meeting, I am intending to have an amended appropriation ordinance to reflect the activity that we are talking about right now and we'll have the ability to order those cruisers Thursday, to meet the deadline with the passage of the legislation during the next meeting to allow for that. In subsequent meetings, we will have legislation for the other vehicles, but the financing will already be in place and accordingly, we will be able to get the cars as the information becomes available. Most of the cars, as I understand, we will have to go out and bid because we can't find them on the state bid list.

Safety-Service Director Johnson: Probably all of them.

Auditor Costin: I requested the legislation be written to authorize either the purchase or lease, which is pretty consistent to how we have done it in the past years. I can tell you that, economically, it will be less expensive for us to do the BAN's, roll it into the bonds and I intend to pay these off within the next three years from capital project monies. That is the exercise we are going through right now and what really perpetrated the suddenness is the fact that the police cruiser's state bid list expires Thursday. Hopefully, that explains it. These are the same six cruisers, at least the ones that are related to the request for 150,000 dollars, that were discussed during the appropriation meetings.

President Arndt: Just a question perhaps for either the Mayor or Mr. Johnson. What happens if we wait until the next opportunity for the bid list to open up in September?

Safety-Service Director Johnson: If we go with the current state bid list, we'll be purchasing the 2006 model year. Otherwise, we'll have to wait for that bid list to open up late this year or early next year, which will include the 2007 models and they will probably be more expensive.

President Arndt: That was why I questioned as to the expense.

Mayor Gillock: We'll have to wait almost a year to get the cars we need to replace the unsafe ones that we currently have. We would be getting a later model car and it will be a new contract, which I can assure you that it will cost us more money. That is the two down sides to this.

President Arndt: There is a real urgency to replace six bogus cars.

Safety-Service Director Johnson: There is one other factor. There is some competition out there right now on police cruisers. We could end up with the wrong kind of cars on the state bid list and we would have to set up all kinds of spare parts for another whole set of cars. Right now, the Crown Victorias are the models that are on this current bid list of cars. That is what we want. That is all we have had for a number of years. We have spare parts for them and we have junk cars sitting out there for parts. We are set to work with Crown Victorias and we don't want to take a chance on something else.

President Arndt: Even though I sat in the appropriation meetings, please provide me with some examples on what is meant by other vehicles.

Mayor Gillock: We have three utility cars.

Safety-Service Director Johnson: There are two Explorers for the Fire Department. There are six

Taurus's and one Explorer besides the cruisers for the Police Department.

President Arndt: That is besides the cruisers? There are six cruisers and another six police cars?

Safety-Service Director Johnson: The five Taurus's will replace the Detective's vehicles and the Ford Explorer, I can't tell you off the top of my head what that one is for. There will be four Ford Focus's for the Utilities Department. It was three Taurus's, but they found they could get four Ford Focus's for the same money. Jim has been off for a week or so and I haven't been able to go over it with him. There are five Ford Focus's for the Building Department and there are Five Ford Escapes listed for the Engineering Department.

Council Member Boose: Mr. President, could we have a list of those vehicles before the next regular meeting? Also, I am very much in favor of this. However, I am hearing some contradictory information tonight from when it was presented at appropriations. In fact, I am reading from the capital expenditure comments from the Police Department as it says, due to the late placement of an order, the vendor has advised that no 2006 models will likely be available and that the 2007 models will be provided in place at the same cost and I am not hearing that here tonight.

Safety-Service Director Johnson: Not for Police cruisers.

Council Member Boose: It says that under Police cruisers.

Safety-Service Director Johnson: The Police Chief was the one that did all the research on this and I don't know anything about that. Where is that information from?

Council Member Boose: It is from the 2006 appropriation worksheets dated February 7 under six, 2006 Crown Victoria Police Interceptors at 21,257 dollars each, less the 3,250 trade in allowance.

Safety-Service Director Johnson: Does it say what company?

Council Member Boose: No, it just says due to the late placing of an order, the vendor has advised that no 2006 models will likely be available and that the 2007 model will be provided in place at the same cost with the projected delivery date of October 2006.

Safety-Service Director Johnson: I'll trade you documents. Can I get a copy of that?

Council Member Boose: Sure. Also, T 68 is for 150,000 dollars and if you total the six per this price list and the six other vehicles, the cost will be 131,000 dollars.

Safety-Service Director Johnson: The difference is the Utility vehicles, which are coming out of enterprise funds and not the general fund.

Auditor Costin: That is a different issue. We typically write the ordinance not to exceed as opposed to if we were to use a closer number and used to approximate, we would be in the same place. They are going to get the vehicles off the state bid list. What has to be added to it are the accessories, which include the light bars and other things, which were categorized in a couple different places. Interesting though, I do remember the same comment by the Police Chief and I don't remember whether he said if we didn't order them by a certain date or if he said that 2007 are just being available. I do remember the same comment and I'll check my notes. I doubt that the 2007s are even available yet as they don't come out until August.

Council Member Boose: Finally, what happens to T 67 if what adds up tonight and next Monday, doesn't add up to 450? Does that cause a problem? Do we borrow more money than what we need in BAN's?

Auditor Costin: What we had to do is the Safety-Service Director, during this fire drill, went

back to the Department Heads and had them get as close of a number as they could. The number actually comes out to 428,006 dollars and we round it down. What I did do, if you remember, which you may not, I allowed for a partial down payment in case we went with the option to lease. Accordingly, there is a little cushion in there that we would have available. The cars on the state bid list are going to be what they are. The issue is going to be when we go back and bid the other cars. We do have a cushion in there in the capital projects for the lease payment that we will not have to make. If in fact, that money is available and some other contingency doesn't rear its head, then what I will do when we go to BAN's is I will pay that money down. When we go to bonds I will take that 100,000 dollars and knock it off the amount that we will bond as though we made a payment this year. That is my intention right now. The issue is really going to be when we bid the other vehicles, because we had hoped originally to get those off the state bid list and the Administration had indicated that they aren't available, so we will have to bid them. When he was describing the cars, I think he meant to say Ford Escapes are comparable, because you can't bid a Ford Escape, you have to bid something comparable.

Safety-Service Director Johnson: The bid specifications will be written to cover their needs. This is what they feel fits their needs.

Council Member Boose: Thank you.

President Arndt: Any other conversation.

Auditor Costin: I might add though, that other legislation will be forth coming by subject matter. I think in the case of the Fire Chief, he wanted one vehicle that is under 25,000 dollars, which was appropriated because it is coming from the ambulance fund. He doesn't need legislation. However, when we get to Engineering and Building, the aggregate of those vehicles will be over 25,000 dollars and it will require Council legislation for each of those other groups of vehicles before we are allowed to buy them, which is why we are going through all of this tonight.

President Arndt: Anything else? Is there a motion?

moved by Boose, seconded by Buescher to suspend By-Laws tonight to give T 67 its first reading

President Arndt: Is there any discussion? All those in favor signify by yes. All those opposed by no. Any abstentions?

Yes, 6 No, 0

T 67-2006 AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF
4258-2006 \$425,000 NOTES, IN ANTICIPATION OF THE ISSUANCE OF BONDS, FOR
 THE PURPOSE OF ACQUIRING MOTOR VEHICLES AND RELATED
 EQUIPMENT FOR VARIOUS DEPARTMENTS OF THE CITY.

First Reading

moved by Boose, seconded by Buescher to dispense with the second and third readings tonight on T 67

President Arndt: Is there any discussion? All those in favor signify by yes. All those opposed by no. Any abstentions?

Yes, 6 No, 0

moved by Boose, seconded by Butkowski to adopt T 67

moved by Boose, seconded by Butkowski to add the emergency in order to meet

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the deadline for the state co-op list

President Arndt: Is there any discussion? All those in favor signify by yes. All those opposed by no. Any abstentions?

Yes, 6 No, 0

President Arndt: Finally, we have a motion on the floor by Mr. Boose and a second by Mrs. Butkowski to adopt tonight T 67 with the emergency. Any discussion? All those in favor signify by yes. All those opposed by no. Any abstentions?

Yes, 6 No, 0

Clerk of Council Norris: T 67 is adopted with the emergency and becomes permanent ordinance number 4258-2006.

Permanent Ordinance No. 4258-2006

President Arndt: That concludes the business for our first of two special meetings. Is there a motion?

ADJOURNMENT

moved by Butkowski to adjourn the meeting

President Arndt adjourned the meeting at 7:43 P.M.

MOTION Butkowski 2ND Manning DATE May 15, 2006

YES 6 NO 0 ABSTAIN 1 - Olesen



PRESIDENT OF COUNCIL DR. RONALD F. ARNDT



CLERK OF COUNCIL CHARLES A. NORRIS