

SEVILLE VILLAGE COUNCIL
FINANCE COMMITTEE MEETING
JUNE 21, 2010

Mrs. Schwartz called the meeting to order at 7 PM.

Present: Mayor Carter, Barbara Schwartz, Roger Kilgore, Richard Barbera, Jim Lovejoy, and Fiscal Officer Jim Carrick
Kathy Rhoads arrived at 7:06 PM. R. Stallard was not present at this time.

Motion to approve the minutes from June 7th Finance Meeting made by J. Lovejoy, seconded by R. Kilgore. Aye votes all.

J. Carrick gave the fiscal officer's report. He discussed the legislative, police salary and police supplies/fuel budgets. All are within budget. The CCA budget was discussed, that even though the collections are down we anticipated this when we finalized our budgets.

There is not audio until this point of the meeting.

B. Schwartz indicated that the trend in collections is continuing downward, but we anticipated this.

Under old business B. Schwartz advised the committee that she found the building information showing we paid \$20,000.00 for insulation for the Village Hall. She also advised that it has been determined that there is insulation in the building, but short of tearing down a wall, we cannot determine how much. It was discussed that come colder temperatures we could see if the fire department had equipment to show if there was any heat loss from the building.

Since R. Stallard was not present, we will discuss windows for the old BOPA building at the next meeting.

Once again, B. Schwartz reminded everyone, that starting with the June Committee Meetings, we need to start addressing budgets for 2011. She shared that Streets has already started their list of projects for 2011.

B. Schwartz wanted to have discussion with the committee on the financial portion of the Fiber Optic contracts that the County has presented to the Village. She has a question out to Commissioner Hambley as to what type of funds can be used to pay into the bond reserve fund if called upon, and the answer has not been given. She shared there is concern as to whether we can use taxpayer money or does it have to be interest income.

The Village has very limited interest income, approximately \$400.00 per month. The Village does not appear to be credit worthy at this time. The other question to the County was whether Charles Marshall could sign directly with the county. As it is currently being presented, the Village signs with the County and Mr. Marshall signs with the Village. Under this scenario, we do have a financial exposure. B. Schwartz also questioned the language in the contract as to who would be required to pay first.

B. Schwartz shared with the committee a recap of the other municipality's restructure of their agreements with the County. Medina and Brunswick both limited their exposure to a maximum of 2 years. Lodi reduced their percentage from 1 to ½%, and also included a repayment plan. B. Schwartz asked each member to please read over all of the contracts for further discussion.

Al Pipa asked the committee to be willing to take a chance. B. Schwartz shared that each of our percentage points represent \$9,500.00 a total of \$19,000.00 per year or the potential of \$95,000.00 over the five years. R. Barbera stressed that even though we have Mr. Marshall, we should still make sure we get the best deal possible. This would also limit Mr. Marshall's exposure and ultimately the Village's.

B. Schwartz explained the Butler County experience. Their county did the same type of plan with fiber 10 years ago, during good economic times, and to this day is struggling.

B. Schwartz advised that we could be pro-active and still be careful. She reminded the members this is the taxpayer's money, and she is not comfortable with the current agreements. Schwartz reminded that all we have listened to at this point is the cheerleaders. We have not had discussion about the finances. Everyone was in agreement that economic growth is a good thing, but the finances are a concern. The County Commissioners voted 2 to 1 to pass the fiber optics.

The Mayor advised the Committee that Ted Lesiak had all of the information and wrote the contract with Mr. Marshall.

R. Schwartz stated that we were asked to sign with the County for a loss not for a profit. Mr. Marshall has stated that his advantage is the price of his land. Fiber will come down Greenwich Road, no matter what we do as far as contracts.

B. Schwartz stated we could be supportive and also be protected. Several residents have stated to her that government has no business being involved in this. Private industry wants nothing to do with this fiber optic deal, which is a bad sign. B. Schwartz stated that even though some of Council was not supportive at the last meeting of negotiating a better deal, she was going to continue to pursue that. Schwartz shared her upset with some at the county that does not get back with answers to pertinent questions, after they already approved the deal.

B. Schwartz advised the committee that the cost of the "last mile" will be anywhere from \$5,000.00 to \$20,000.00. The schools already have addressed a concern about finances.

Schwartz does not want these agreements to be all "give" on the Village's side. She wants the project to work, but she is very concerned that under the current contracts we are not protecting our residents or employees. The Council is only a few weeks away from the 3rd and final reading on this ordinance and has only had the contracts for one week. B. Schwartz will be meeting with Ted Lesiak on Wednesday. Schwartz stated again that she respects Charles Marshall, is not against fiber, she does care and respects other people's opinions. Communication is essential as we are charged with making the best decision possible

R. Barbera stated that Marshall was acting as a surety. Premiums for surety bonds can be very expensive.

Pipa made reference to selling Village property. He was referring to the Giauque property or property 1, 2 or 3.

J. Carrick expressed concerns that we need to be protected. Marshall is not on the contract with the county, only the Village. Schwartz told the committee that when updates are given on the project only favorable updates are given. The County did not provide us with the information on the year limitations with Medina and Brunswick. That information came directly from Medina and Brunswick.

K. Rhoads questioned why BOPA wants to bill the Village for electric use. The Village departments have conserved on their electric usage since being made aware of their usage. BOPA gives away a tremendous amount of free power. This was referred back to a BOPA meeting. We still have several months before this would be initiated. Schwartz questioned whether the Village paying for their electric would help lower the cost of power.

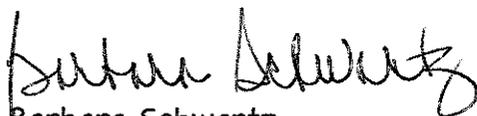
During privilege of the floor Paula Gordon complemented the committee on their constructive dialogue and encouraged us to keep up the good work.

B. Schwartz asked the Mayor, since she does attend Commissioner meetings, about the grants that were just in the Gazette. She had nothing to contribute. The deadline has passed. These were not "matching funds grants" and would have been very attractive. R. Barbera advised that not everyone that applied was accepted. We did not apply. We will look at this next year. B. Schwartz advised the committee that Ed Steele has offered his help with grants many times.

R. Stallard arrived at 8:05 PM.

A motion was made by R. Barbera to adjourn the meeting, seconded by R. Kilgore. The meeting adjourned at 8:05 PM.

Minutes respectfully submitted by-



Barbara Schwartz
Finance Chair