

BOARD OF CONTROL MEETING MINUTES

April 17, 2006

TIME: 6:00 p.m. in the Safety/Administration Building, Council Chambers

PRESENT: Joseph Kernan, Mayor
Claude Collins, Administrative Officer
John Moss, Director of Finance
Michael Zita, President of Council
James Price, Vice President of Council

ALSO

PRESENT: James Calco, Fire Chief

The Board of Control convened for a meeting at 6:06 p.m. on April 17, 2006 in the Safety/Administration Building, Council Chambers. Mayor Kernan called the meeting to order.

CONSIDERATION OF MINUTES:

Mayor Kernan presented the Board of Control meeting minutes of **Monday, March 20, 2006**, as written. Mr. Collins motioned to accept the minutes as presented, Mr. Zita seconded. Mr. Price abstained from voting as he was excused from this meeting.

ROLL CALL	YEA VOTES:	Mr. Collins, Mr. Zita, Mr. Moss, Mayor Kernan
	NAY VOTES:	None
	ABSTAIN:	Mr. Price

Motion passed with a vote of 4-0.

NEW BUSINESS:

Discussion on Agenda Item #1: *Chief Calco is requesting Board of Control approval to perform annual inspections and maintenance on selected fire vehicles at a cost not to exceed \$7,000. (funding: Fire Levy Fund, Repair and Maintenance 108-5200-54430)*

Chief Calco stated this maintenance and inspection service is a yearly requirement. Four vehicles (three Engines and a Tanker) are being serviced. Chief Calco stated last year's expense was \$7,700.

Mr. Collins motioned to approve the annual Fire vehicle inspections and servicing, which was seconded by Mr. Price.

ROLL CALL	YEA VOTES:	Mr. Collins, Mr. Price, Mr. Zita, Mr. Moss, Mayor Kernan
	NAY VOTES:	None

Motion passed with a vote of 5-0.

Discussion on Agenda Item #2: *Consideration of Claude Collins' request to re-enroll in the Ohio Municipal League Workers' Compensation Group Rating Program (year 2007) at a cost not to exceed \$5,329. (Funding: All Departments, Workers Comp fund ending in -52240)*

Mr. Collins stated we enroll in this program every year; it is a routine, normal expenditure. Enrollment in this program saves the City 78% of the regular cost. This is the first time the fee has required Board of Control approval. Last year's fee was \$4822.

Mr. Price motioned to accept Mr. Collins' request to re-enroll in the OML Workers' Compensation Group Rating Program for year 2007, which Mr. Moss seconded.

ROLL CALL YEA VOTES: Mr. Price, Mr. Moss, Mr. Collins, Mr. Zita, Mayor Kernan
NAY VOTES: None

Motion passed with a vote of 5-0.

Discussion on Agenda Item #3: *Consideration of John Moss' request to provide payment as agreed upon in Resolution #62-2005, 800-MHz Radios User's Agreement, at a cost of \$1,200 a month, not to exceed \$10,800 in FY-2006. (funding: Police, Equipment Service Contracts: 001-0510-54480, Fire, Professional Services: 108-5200-54420, Service, Professional Services: 102-4100-54420, Admin, Professional Services: 001-0300-54420, Building, Equipment Service Contracts: 001-0430-54480)*

Mr. Moss stated this payment is paid on a 6-month schedule to the Summit County Fiscal Officer. As the installation of the equipment was completed in March, this year's fee is prorated. This cost will be itemized in next year's budget.

Mr. Collins motioned to accept Mr. Moss' request to pay the 800-MHz Radios User's Agreement fee for 2006, which Mr. Zita seconded.

ROLL CALL YEA VOTES: Mr. Collins, Mr. Zita, Mr. Moss, Mr. Price, Mayor Kernan
NAY VOTES: None

Motion passed with a vote of 5-0.

Discussion on Agenda Item #4: *Discussion by Mr. Moss of when a contract expense is subject to the Board of Control.*

Mr. Moss stated the purpose of a Board of Control is to assure the City is staying within budget on contracts over \$5,000, as stated in the current City of Norton Charter, up to the Ohio Revised Code's established amount of \$25,000. Mr. Collins stated he wouldn't bring an item to the Board of Control if the money weren't available. Mr. Moss recommended that this discussion be continued in a future Board of Control meeting for further clarification and has provided a summary of the discussions held during this meeting:

Summary of discussion points

Board of Control, April 17, 2006

"When does a contract expense become a subject for the Board of Control?"

For further review:

1. **Payroll and Utilities** are not subject to the Board

2. **Projects** – With respect to the approval of projects that encompass multiple larger expenses to complete one Capital Asset or one purchase, there are two approaches.
 - a. We could submit and review all expenses for review.
 - b. We could submit the whole project for review.
~ No clear consensus was reached.
3. **Bid process** – Purchases over \$25,000 are required by law to be approved by Council. The question was raised as to whether it was necessary to bring the bidding process or requests for proposals for those items over \$25,000 before the Board of Control for review. A consensus was developing that expenses subject to a Bid Process are still subject to review by the Board.
4. **Objective of Review** – In order to anticipate concerns of the Board and to improve presentation, it is important to know the purpose of review by the Board. The following factors were identified:
 - a. Within budget – The expense reviewed should be within the budget established by Council. We already include information on where the funds will be taken from.
 - b. Appropriate and Necessary – The expense should be appropriate and necessary.

Still in need of discussion

When is an expense subject to Board of Control relative to the purchase process. Some discussion was had regarding and prerequisite to the issuance of a Purchase Order. It was noted that a Purchase Order for 12- monthly expenses is more likely to exceed the threshold than a check for one monthly service. Therefore, does the Board wish to focus on cost in one payment or total annual cost? ~end~

This is a discussion only item that does not require a vote.

OLD BUSINESS: None

NEW BUSINESS: None

There being no further business, the meeting was adjourned at 6:42 p.m.

Joseph M. Kernan, Mayor

John Moss, Finance Director

/amc

cc: Board Members
 Council Members
 Clerk of Council
 file

Summary of discussion points

Board of Control, April 17, 2006

“When does a contract expense become a subject for the Board of Control?”

For further review:

3. **Payroll and Utilities** are not subject to the Board
4. **Projects** – With respect to the approval of projects that encompass multiple larger expenses to complete one Capital Asset or one purchase, there are two approaches.
 - a. We could submit and review all expenses for review.
 - b. We could submit the whole project for review.

~ No clear consensus was reached.
5. **Bid process** – Purchases over \$25,000 are required by law to meet the requirements of a Bid Process complete with approval by Council. The question was raised as to whether it was necessary to bring matters subject to the controls of the Bid Process before the Board of Control for review. A consensus was developing that expenses subject to a Bid Process are still subject to review by the Board.
6. **Objective of Review** – In order to anticipate concerns of the Board and to improve presentation, it is important to know the purpose of review by the Board. The following factors were identified:
 - a. Within budget – The expense reviewed should be within the budget established by Council.
 - b. Appropriate and Necessary – The expense should be appropriate and necessary.

Still in need of discussion

When is an expense subject to Board of Control relative to the purchase process. Some discussion was had regarding and prerequisite to the issuance of a Purchase Order. It was noted that a Purchase Order for 12- monthly expenses is more likely to exceed the threshold than a check for one monthly service. Therefore, does the Board wish to focus on cost in one payment or total annual cost?