

**Fire Services Efficiency Project
Finance Team Meeting
5/11/07**

Current Objectives

- David Kall outlined the current objectives that are being addressed in order to keep the project moving efficiently. Work is being done to sort out the extent of inside millage, levies, and debt that each city has
- Another main point of emphasis is coming up with a recommendation on the organizational structure of the district. David Kall is working to create a memo weighing the pros and cons of each structure, and will give a recommendation by the end of May

Hiring a Financial Consultant

- Discussion was held over whether or not the team should hire a financial consultant to come up with a flexible model that will help project the costs of operating the district (future capital, staffing, operating, backdoor, payroll expenses, etc.)
- Committee members were asked for any recommendations on a reputable financial consultant to hire. Names of firms were brought up, and committee members will establish contact with firms to see if they can deliver the type of modeling the project requires
- It is important to know that there is \$16,800 set aside for the hiring of a financial consultant in the FMCS grant, so it would be wise to make use of this appropriation
- All members were in agreement that hiring a financial consultant to do modeling is the correct thing to do; all stressed the importance of having a dynamic model that can accurately forecast financial data and cash flows
- David Kall and Tim Pope will work to try to get samples of the firms' work, and will try to get their proposals back to circulate to team members and interview the firms at next month's meeting

Discussion of Operational Overtime

- For the departments, overtime is divided into several categories based on the reason for the overtime hours worked. The committee discussed the importance of finding out how much of the overtime is actually used to maintain required staffing levels
- Carol Haslett will be emailing each city to get the overtime breakdown for 2006

Discussion of Pension Costs

- Every city currently has .3 mill and Ken Kleppel stressed the importance of making sure that all of this is transferred over to the district upon formation
- It is likely that there will be an attempt by some other city function to take part (or all) of this .3 mill when the district is formed

Community Meetings

- Community meetings will be held on 5/22 and 5/23 at 7 pm at Tri-C West (Room 227) for purposes of informing council members and mayors about the project
- Ken Kleppel will try to be there, but Gale Fisk will speak on behalf of the Finance Committee if Ken cannot make it
- Jim Astorino re-emphasized the importance of having a meeting of all 7 chiefs and mayors to gain consensus before the community meetings are held

Project Update from Carol Haslett

- After discussions with Mayor Zanotti, the project was awarded a \$75,000 grant from Sam Miller
 - A request for \$175,000 has gone into the Cleveland Foundation
 - The Operations consultant will be hired and ready to go by July 1st
 - The Legal Team is working on a comprehensive analysis of district structuring alternatives
 - Meeting times will be looked at for possible adjustment for the upcoming summer months
- ***Next month's Finance meeting has been moved to June 15th. At this meeting, any possible financial consultants will be on hand to be interviewed to be retained for the project.***

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