

**Finance Committee Meeting**  
**Tuesday, December 15, 2020 8:00 a.m. via Zoom**

**Members Present: Chairman Mike Carroll, Chris Berger, Mayor, and Fiscal Officer Romanowski**

**Visitors – Greg Heilman**

Carroll called the meeting to order. The Fiscal Officer addressed the first agenda item, 2020 Annual Appropriations amendments and transfers. She explained that there will be some 2020 appropriation amendments at the next Council Meeting. One pertains to CARES Act funds which need to be included in the budget so that they can ultimately be designated for Safety salaries. It is necessary to amend the budget in order to spend all the funding the Village received. There will also be legislation for previously approved housekeeping transfers.

Regarding the Permissive Tax with the 2020 Road Program, the FO reported that Village would normally get the Permissive Tax from the county prior to the project being completed, but a mistake was made by County Engineer's office. The Fiscal Officer had been in touch with County Auditor and County Engineer. A correction plan was put in place and it will go before the County Commissioners for approval. If approved, the Village should have the money by end of this week. Once the funds are received, the Fiscal Officer would be able to write a check for Specialized Construction which would include the Village's share and the Permissive Tax; the Ohio Public Works Commission (OPWC) would be paid directly to the contractor. At the Council meeting, a motion should be passed authorizing the Fiscal Officer to pay the contractor for the 2020 Road Program. The County Engineer's office said they would be willing to talk to the contractor if there were a problem with getting the money into the Village's account prior to cutting the check. The Fiscal Officer offered that if the money were not in the bank on time, she could pay the amount less the Permissive Tax and then ultimately write a second check once that money was received.

Fiscal Officer said she reviewed the budget and it appeared there would be nothing other than the CARES Act expenses that required amending. She spoke to Ruth Griswold in the Building Department and verified that there were no big construction deposits to return prior to yearend.

Carroll addressed the 2021 Annual Appropriations. The FO distributed the most current budget to the committee. She advised that she did not receive further information about a number of items discussed at the budget work session. Specifically, she received no further information on the water study for the whole Village. She included the culvert in the State Highway fund for under Chillicothe Road relative to the State's plan to pave the road in 2021. The Engineer was supposed to have been negotiating with the State to pay for this, but she had not heard any further information. A several of years ago, the culvert was estimated to be \$111,000, due to costs increasing over time, she estimated \$120,000 as a placeholder. She clarified that this was for only one, and that she did not know if two were needed or if the State would be picking up

this expense. Carroll told the Fiscal Officer to keep the entry as it is and said he would ask Porter to follow up with the Engineer before Monday's meeting. Carroll added that regarding a loader for the Street Department, he and Porter did not support this purchase for 2021. Instead, they were considering a new plow truck. The committee wanted to set up the capital replacement schedule in the Street Department to space out large expenditures. He would circle back and speak to Councilman Porter about the capital expenditure items before the next Council meeting.

Carroll advised that he was still waiting to hear from the Engineer about the stormwater study that the Village would need to include in the budget. He felt the majority of Council supported updating this information and stressed the importance of addressing problems holistically. The Fiscal Officer spoke to the Engineer who was attempting to get this information from CT Consultants.

The Fiscal Officer explained that with the budget the last few years, the Village projects deficits and ends up in the black but that is because there are large projects that have been being carried over from year to year. This year, the Village thought it would have completed the Lake Louise Bridge project and would be further along on the Manor Brook project. The 2021 proposed budget shows a deficit of \$808,000, and this is without having to re-budget for Lake Louise and Manor Brook. First it would be necessary to certify the year end balances, and then the Village would have to re-budget the projects in 2021. It appears they have run into some problems with Lake Louise with a gas line issue. The Village is nearing the end of the grant cycle for the use of the money, and the Engineer is attempting to get an extension. FO stated the Engineer should report on this at the Council meeting.

Carroll asked if the Village was in line with the budget for the Manor Brook project, and the Mayor said he saw no problems and the Village was about to go out for bids.

Carroll addressed whether the traffic light should be considered for 2021. The Fiscal Officer stated she included the traffic light in the budget under Special Equipment. If the Village were to get the grant, it would be a 50/50 grant. Carroll clarified that it would cover half of the estimated cost of \$294,000. FO stated the Engineer felt the chances of getting the grant were good. Carroll thought it would make sense to do the project while the street was getting done. The Fiscal Officer added that the current light has cost the Village a lot of money due to failures and repairs.

Berger addressed replacement of the loader in the Street Department and argued that it should be replaced because it was not equipped to do the job. Carroll reiterated the committee's commitment to develop a capital expenditure schedule. He did not support purchasing a snowplow truck and a loader in the same year. Berger stated that it was the purpose of Council to give the employees what they needed to do their jobs. He said the money is there and thought it should be done. The Fiscal Officer advised that in the budget, she had neither a plow truck nor

a loader. Carroll advised he would speak to Porter who would make the recommendation. The Mayor asked what the recommendation would be, the snowplow or the loader. Carroll stated the committee was leaning towards the snowplow. The Fiscal Officer asked for costs for the items, and Berger stated it would be \$146,000 for the snowplow and a net of \$85,000 for the loader.

The Mayor addressed doing two culverts, one 30" from the east side of Chillicothe to Manor Brook and one from Village Hall under Chillicothe Rd. to Chagrin Lakes. Carroll thought the discussion had involved doing both culverts. The Fiscal Officer explained that the Engineer did not want to do one of the culverts until after Manor Brook was complete. However, the Village found out that the State would be repaving Chillicothe Road, and the Engineer now wanted both culverts done. The Fiscal Officer did not have the numbers to put costs in for both culverts. The Mayor said he would contact the Engineer. The Mayor stated that the Village would have two culverts and one traffic light amounting to half a million dollars on Chillicothe Rd.

The Fiscal Officer stated that updating the Zoning Code had been discussed, but no further cost information was provided to her for the budget. FO offered to call the Solicitor to obtain this information, but Berger stated that the Building Committee would address it. The Mayor stated that Chagrin Falls paid \$100,000 to update their Zoning Code. The Mayor stated that the Solicitor said that much of the work should be done internally to minimize expense with the Solicitor. He suggested addressing it in 2022.

Carroll addressed salaries. The Mayor recommended a \$1,000 bonus for Jeff Pausch and thought the HR Committee would recommend it at the Council meeting. Berger stated that the money is there, and it is not an issue if HR recommends the changes. Carroll reminded Berger that he said that the money is there now, but it is necessary to forecast out and consider the long term. To Berger's point at a recent Finance meeting, Council needs to be cognizant and not arbitrary in its handling of employee pay. Berger suggested that HR put a schedule together to address pay issues, but he did not perceive it as a money issue, but a procedural issue. Carroll agreed it should be considered strategically. The Mayor said he created a schedule for the Street Commissioner and Lt. Pocek for three years but felt something was needed for all Village employees.

The Fiscal Officer advised that HR had been putting together job description and salary range for a Laborer/Mechanic at the last HR meeting she attended to address this issue. However, she missed the last HR meeting and did not know the status of this. Carroll stressed the importance of creating a consistent process.

The Fiscal Officer addressed a \$15,000 proposal by the Mayor to build a restroom at the Park. Berger asked if this was initiated by the Park Committee, and the Mayor stated no, that it was his idea although the committee had discussed it. Berger asked if the Park Committee was making this proposal. The Mayor stated "no" because of time. The Mayor said a restroom would cost

\$50,000 and that his purpose was to begin budgeting out. Carroll thought this should be something the Park Committee brings to Council and then funding options explored.

The Mayor addressed Tim Alder's raise. He created a three-year plan for Street Commissioner. Berger stated that this should be a proposal by HR Committee to be discussed by Council.

The Mayor stated that the Road Program would stay at \$350,000, and Carroll agreed.

The Mayor stated he had five things to discuss with the Engineer: Lake Louise Bridge, the Culverts, Stormwater Study, and Manor Brook. The Mayor stated that the Stormwater should be no more than \$10,000. The Mayor questioned the budget for the Solicitor and asked if \$120,000 was going to be enough. Carroll hoped it would. The Fiscal Officer said that \$100,000 was budgeted and that \$105,000 was paid in 2020. For 2019, 2018, 2017, and 2016, the Village paid \$124,000, \$49,000, \$39,000, and \$45,000, respectively. The Fiscal Officer explained that the Solicitor helps with the grants, but those charges are included in the appropriate special grant funds. Carroll addressed how the Solicitor is used. The Fiscal Officer explained that the Village was charged almost \$10,000 for COVID-19/Cares Act matters, which could not be paid with Cares Act funds. Paw Paw Lake charges totaled \$6,000. Berger questioned budgeting \$120,000 for a part time Solicitor. He believed a full-time Solicitor could be employed for \$120,000. Carroll said it was something for the Village to consider in the future. The Mayor stated that the Thrasher Dinsmore contract goes through 2021 so that this would be the time to consider options. The Mayor suggested looking at procedures to reduce costs.

The Mayor addressed the website. The Fiscal Officer obtained two estimates which were between \$8,000 and \$9,000. She added that there is another program with the county for website services in which the Village could participate. This program is supposed to be less expensive. She would continue to explore the website options in January and February.

The Mayor stated that a graduate student from Cleveland State may be able to do the Strategic Plan for free.

The FO will include the budget worksheets in the Council Packets with the explanations she gave to the committee. Additionally, she would prepare the necessary legislation. She said the budget needed to be adopted at the 12/21/20 as it needs to be filed with the County by the deadline.

Carroll concluded the meeting at 8:52 a.m.



Michael Carroll, Chairman

Prepared by Leslie Galicki

**Finance Committee**  
**November 4, 2020 – 8:00 a.m. at Village Hall**

Present: Chairman Carroll, Councilman Berger, Fiscal Officer Romanowski, Mayor Koons

Chairman Carroll called the meeting to order. The Fiscal Officer reported that the total CARES Act funds received by the Village was \$211,305.15. The total of estimated projects approved by Council is \$159,127, leaving a balance of \$52,178. She advised that these funds could be put towards salaries for the Police Department, which would allow the Village to take the budgeted funds for other projects. She clarified that the Village would be in control of these expenditures and would not be subject to the federal audit regulations. The Fiscal Officer advised that if this were what Council chose, she would ask the Solicitor if the legislation could be written in such a way to place any unused funds from the approved projects towards salaries. Carroll stated that if the funds were put towards salary/benefits, the advantage is that the Village would not have to worry about the audit and the funds are easier to manage. The Fiscal Officer agreed. The Fiscal Officer addressed the process involved if the Village were to give funds to another entity, like Chagrin Falls Fire Department or Chagrin Falls Schools, and how she would be accountable to make sure it was spent correctly. Buying the equipment for them would be more helpful with the auditing. Carroll advised it would be a question then of if the Village would want to provide the funds and how it would be done; on the front end or back end after CARES ACT funds were designated to salaries freeing up Village funds for other uses. He thought this would be simpler. First, it would be necessary to decide if Council would want to give the schools the \$21,000 they requested. Carroll added that the Fit Tester that had been approved for the Chagrin Falls Fire Department would be \$1,500 more than previously thought.

The Mayor verified that Chagrin Schools were asking \$20,700 from South Russell and \$28,900 from Chagrin Falls. Carroll asked how Chagrin Falls would be providing the funds, and the Mayor said he would find out. Carroll asked the committee how they felt about providing these funds, and Berger said he did not understand why or what the process was. He asked if the schools approached the Village, and the Mayor explained that he went to the schools and asked if they needed help because the Village has \$212,000. Berger clarified that the schools then came up with a project list. The Mayor stated yes. Berger felt that by offering, the Village was obligated.

The Fiscal Officer advised that computers were approved for Mayor, Council, and the Street Commissioner. Additionally, the Police Chief asked if he could also get one because his tablet has limitations with Zoom meetings and screen/document sharing. She added that there was the possibility of purchasing non-permanent plexiglass dividers to utilize in Council chambers. She stated that the Governor only approved virtual meetings until December, and it was not known how long they would be permitted to continue. The committee did not see a need for the structures.

Carroll stated that regarding the funding, the committee should be considering the needs of the Village first. If the Chief needs a computer, he should get one. He reiterated that if the funds were put towards salary and benefits, the in-house projects identified could be completed and

then Council could decide what funds could be given to the schools. Carroll asked about what funds the schools were receiving directly. The Mayor said that the school did not get it the last time because it was based on the population, but said they are getting funds. He did not know how much they had gotten.

The Fiscal Officer explained that funds not encumbered by November 20<sup>th</sup> must be returned to the county and then the county will redistribute these funds.

The Mayor stated that encumbering the money for safety forces is the way the State is doing it, but it is really not valid. The Fiscal Officer stated that the State approved it.

Carroll addressed the Mayor's suggestion of providing funds to businesses and stated that it would be important to have a formalized process. It must be equitable for all businesses. The Fiscal Officer reminded the committee of the time constraints involved and suggested approving the expenditure for the computer for the Chief and then encumbering everything else in salaries. Then, it would be up to Council to decide how to spend and reappropriate the money, whether it would be providing some to the school or to businesses.

Carroll thought it would be wise to hold some money back for salary and benefits because the situation could extend through next summer.

The Mayor stated he did not see any replacement flooring listed for the Building Department. The Fiscal Officer explained that it must be an area where the public has access to qualify. The Mayor said there was more traffic in the Building Department than any other department. She added that requesting the flooring would be up to the Mayor, and if he wanted to do it, he could. The Fiscal Officer stated she only had so much time with all of her responsibilities and coming up with projects for every department was time consuming. Berger said that if the Village were to replace the carpet in the entry way of the Building Department that it should pay out of Village funds to replace the remainder. He acknowledged that the public area was 10% of the total project but thought it should all be one type of flooring. Berger stated this would be discussed at the Building Committee meeting on November 5<sup>th</sup>. The Mayor asked if the Fiscal Officer had Dave Hocevar looking into it, and she advised she put it out to all department heads.

Carroll concluded that he would obtain the price difference for the Fit Tester, a quote should be obtained for the Chief's computer, and everything else should be encumbered under salary and benefits. This would allow the different departments time to consider expenditures. The Fiscal Officer stated that she had been making the request for months of Council and the departments. She had been asking for and providing ideas, but no one was responding.

The Mayor asked if there was any intention to do anything for businesses. Carroll stated from his position, no. Berger asked if State or County money were available to businesses, and the Mayor stated there were loans. He suggested buying 10,000 masks and 100 gallons of cleaning supplies to take to every business. Carroll thought this was a slippery slope, and the Fiscal Officer said she did not know how much money would be left if the Village would be giving funds to the school and possibly do flooring in the Building Department and/or the Service Department. Carroll reiterated that he felt it was important to hold funds for the possibility of

employees becoming sick and/or having to quarantine. Temps might have to be hired, and COVID funds could be utilized.

The Mayor stated he agreed that the funds should be encumbered under Safety, and the Village could consider it in time and have options.

Berger was unclear on how providing funds to businesses would be managed by the Village. The potential for creating care packages for businesses as public relations was suggested by Berger.

Carroll and Berger would address needs for the different departments through their other committees and Berger added that the HR committee would have to come up with an emergency plan.

The Fiscal Officer stated she would have the Solicitor prepare the legislation for safety salaries to be encumbered through CARES Act.

For payroll purposes, the Fiscal Officer addressed the verbiage in the Employee Handbook regarding employee hours and overtime. She explained her question involved what Council had decided about the hours of the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector when she attends Board meetings and then works reduced hours on Fridays. Carroll stated that she is not to get overtime, which is the purpose of the flexible Fridays. Berger concurred. Berger said that overtime is based on a seven-day work week. The Fiscal Officer explained that the Village Handbook states that overtime is based on the day. When the Police went to a 12-hour day, an amendment was made to the handbook. She wondered if the current verbiage would suffice for the situation. Berger stated that it specified according to departmental needs, and the department decided that overtime is based on a 40-hour work week. The Fiscal Officer wanted the matter addressed by motion so that it was on the record. Carroll agreed.

The Fiscal Officer advised she had contacted K&B regarding the touchless faucets, soap dispensers, etc., and it was necessary to get the contract signed. Work would not be started until after Thanksgiving, but it would be done by the end of the year. The Mayor stated he could not think of anyone more expensive than K&B as a contractor. Fiscal Officer said she did not know if the Village could find someone to do it for less within the timeline. She added that all the fixtures would be commercial grade. The Mayor said K&B is wonderful, but he did not know anyone more expensive. The Fiscal Officer stated she would normally get three quotes, but as it is, she is working 12-14-hour days and cannot get everything done. She added that it is a difficult time to get contractors and materials because all the communities are doing these types of projects.

The Fiscal Officer said that K&B was also supposed to put a door in between her Administrative Assistant's office and the copy room.

Carroll addressed the salary considerations for the Street Commissioner, the new Police Lieutenant, and Jeff Pausch. At an HR committee meeting, creation of a Mechanic 1 job

position was discussed which would be a new title for Pausch and provide a salary increase. Also discussed was incentivizing the employees to get certain levels of training and certifications for pay increases. A professional development plan was discussed for the positions. Berger asked why it was being addressed in Finance Committee, and Carroll explained that it was necessary to discuss it from a financial perspective and pay range. He thought the Mechanic 1 was a good model, and Finance would need to make a recommendation for the pay range. The Fiscal Officer explained that in the past, HR had always worked with Finance since it is both money and HR. The Fiscal Officer provided the committee with the numbers they requested for neighboring communities.

Carroll addressed the \$5,000 raise proposed by the Mayor for the Street Commissioner. The Mayor advised that in two years, the Street Commissioner's salary had increased \$13,000. Carroll clarified that this was with the promotion and percentage raises. Carroll advised that with the proposed \$5,000 it would then be \$18,000 in three years. Carroll stated that from an HR/Street Committee standpoint, it was felt that the increases should be tied to training, certifications, etc. Berger stated he was 100% behind this. He asked Carroll why he would not give the Street Commissioner the raise, and Carroll stated it was because he had done no training or education. Berger asked from a finance position how it is determined whether a raise is merited. Carroll stated the raises had been very arbitrary, and he felt that was the case with the proposed raise for the Street Commissioner. There was no justification per se. Berger said this was his problem at the previous Council meeting because he viewed the proposed raises as an arbitrary decision. The Fiscal Officer stated that the Village does not have a good system in place. In the past, whomever felt they wanted to give a raise would propose it. In the Police department, there is a plan and a written schedule. Berger suggested putting a plan in place, and the Mayor thought HR would be able to do this next year.

With Pausch and the Police department positions, the Mayor said they are being given the opportunity to step up. With the new Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector, he picked her salary out because she was making \$55,000 in her previous job and he offered her \$52,000 which was what the Village would have paid the former employee. The Mayor said that maybe after three years, the employee would have the chance of being paid what their predecessor made. He did not think this was a good situation. Carroll said he liked the Russell Townships model because they list exactly what will be earned after so many years of experience. Carroll advised the Village had discussed raises based on longevity, and Berger suggested that after 10 years the employee would not be increasing in knowledge and skill and should receive minimal increases in pay, unless they receive increases for breathing another year. Carroll thought it was short sighted to say 10 years because there are employees who will always be learning and attending seminars and training. Carroll said the goal should be incentivizing and building a culture of professional development with the organization to bring more value to the organization and community as a whole. Carroll acknowledged that it was possible to train the employees to the extent that they would leave to go to greener pastures, but added that hopefully they would be paid well enough and have a well-managed organization that they would want to stay. Outside the Police Department, the Village had struggled with the pay raise issue and it has caused consternation on Council.



The Fiscal Officer stated that different communities have different models, and some do it by training and education. She advised that it took her eight to nine years for her salary to get to where the former Clerk was when she left. In other departments, the individuals get to that place in two years. She was required to obtain certifications. Carroll advised that each committee needed to work with its departments to determine professional development.

Berger stated that in the business world, the budget would be examined for funds available for additional compensation the following year. It would go to the department heads to divide and create a salary structure for the following year. Carroll stated that unfortunately, the business world did not work in the public sector. Berger agreed. Carroll explained that the public sector is prone to nepotism and prone to taking care of buddies, and that is why there is so much structure in the public sector. From a Finance and HR standpoint, the Village should be looking at certifications for raises/pay bumps. He added that it was also important to provide opportunities for the training and education. Berger asked whether from a finance perspective, the Village had the money to pay the increases in the future. This was unknown. He stated that there were Council members who banged on the table every two weeks saying that the Village has to be conservative and protect the Village money and not spend. Then, Council turns around and gives raises. Berger said he was not against giving raises but wondered if the Village had the money to pay for the raises. What if it had no surplus. Carroll stated that there is a surplus, and when there was not there were no raises. He stated that the Village's employees were most important and are the face of the Village. Carroll felt they should be paid a fair and good wage for what they do. Raises each year may vary. Moving forward, HR and committees can look at creating a model with training and education. Berger asked again if the expectation is that the Village will have the revenue stream to support the raises that were approved. Carroll explained that based on revenues for this year, the Village would probably be ok. For next year, Council would see. Berger asked what the 3% raise would amount to, and asked if it would come out of current operating income or savings. Carroll stated that historically, the revenues have gone marginally up. The Fiscal Officer stated that most of the revenue of the Village is set because of real estate taxes. They will not increase. Income taxes will increase and recently there was a huge increase in the motor vehicle tax. Revenues tend to be flat because the Village renews the levies.

Berger asked if it was the intention of the Village to pay all its bills going forward out of operating income or to dip into the existing surplus to pay additional operating expenses. The Fiscal Officer stated that the Village had remained in the black the last few years even though a deficit was predicted. However, the Village has big projects coming up and it will be necessary to go into savings. Specifically, there are stormwater projects, Lake Louise Bridge, and the Manor Brook project. She explained that the Village is working within its regular revenue and expenses. The Village has stayed in the black when a deficit was projected because the projects had been pushed forward. Berger stated that there was nothing wrong with spending surplus if it is justified. However, if surplus is constantly being used to make up budget deficits, at some point there will be no surplus. He thought someone should think of the long-term plan.

The Mayor stated that from the discussion, it was clear the direction was to discuss with HR. Carroll thought it was good perspective of not being short sighted with raises, and it is necessary to structure it in such a manner that the Village can continue to support it. Berger stated that for

one person and a \$5,000 raise, the Village could support this, and that there was plenty of money. He said he could not say if it is good use of money and explained that this would be an HR issue. Berger added that the amount is not relevant, but from a finance perspective of whether there is money to pay the salary, he would answer yes.

The Fiscal Officer said that putting a step schedule along with doing a strategic plan as suggested by the Mayor went together well. It would take time and could be a goal for the following year.

Carroll addressed the larger picture of potential expenses of the Village to include stormwater and Bell Rd. east and acknowledged the need to develop a plan moving forward. He stated that everything impacts everything else.

Carroll stated he would speak to the Street Committee and HR and clarified with the Mayor that he was proposing a \$5,000 raise plus the 3% for the Street Commissioner. The Mayor stated that all four should be considered, Tim Alder, Todd Pocek, and Ruth Griswold and be able to say six months from now this is what the Village will do for them. The Fiscal Officer questioned the making of promises for a raise after six months. The Mayor said nothing had been promised and the Chief would be giving him all of his numbers. Berger said nothing should be promised and it is not the place of the Chief to make that promise, or the place of a Department Head, and Carroll added or an Elected Official. Berger stated it is a decision of Council. He questioned what would be requested after 2021. Both Carroll and Berger acknowledged that raises have been extremely arbitrary. Carroll suggested that in the first quarter of 2021, Council try to determine a structure for the process.

Berger stated that he contacted Councilman Porter, HR regarding a formula for increases on an annual basis and whether it included operating revenue, expenses, controllable employee expenses, etc. He had not heard back yet. Berger suggested creating a schedule along with a master pool of money tied to the schedule. It would tie the growth of salaries to the growth of revenue generation in the Village.

The Mayor asked the Fiscal Officer about the status of the budget. She stated that she is trying to have the formularies by early the next week and hoped to adopt it by the second meeting of November. She stated with all the other projects and issues she has been working on, she is doing her best.

Berger stated he planned to be gone the first two weeks in January 2021. The Mayor stated Berger would chair the Committee at that time.

The meeting was adjourned at 9:16 a.m.



Michael Carroll, Chair of Finance Committee

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employees becoming sick and/or having to quarantine. Temps might have to be hired, and COVID funds could be utilized.

The Mayor stated he agreed that the funds should be encumbered under Safety, and the Village could consider it in time and have options.

Berger was unclear on how providing funds to businesses would be managed by the Village. The potential for creating care packages for businesses as public relations was suggested by Berger.

Carroll and Berger would address needs for the different departments through their other committees and Berger added that the HR committee would have to come up with an emergency plan.

The Fiscal Officer stated she would have the Solicitor prepare the legislation for the salaries.

For payroll purposes, the Fiscal Officer addressed the verbiage in the Employee Handbook regarding employee hours and overtime. She explained her question involved what Council had decided about the hours of the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector when she attends Board meetings and then works reduced hours on Fridays. Carroll stated that she is not to get overtime, which is the purpose of the flexible Fridays. Berger concurred. Berger said that overtime is based on a seven-day work week. The Fiscal Officer explained that the Village Handbook states that overtime is based on the day. When the Police went to a 12-hour day, an amendment was made to the handbook. She wondered if the current verbiage would suffice for the situation. Berger stated that it specified according to departmental needs, and the department decided that overtime is based on a 40-hour work week. The Fiscal Officer wanted the matter addressed by motion so that it was on the record. Carroll agreed.

The Fiscal Officer advised she had contacted K&B regarding the touchless faucets, soap dispensers, etc., and it was necessary to get the contract signed. Work would not be started until after Thanksgiving, but it would be done by the end of the year. The Mayor stated he could not think of anyone more expensive than K&B as a contractor. She did not know if the Village could find someone to do it for less with the timeline. She added that all the fixtures would be commercial grade. The Mayor said K&B is wonderful, but he did not know anyone more expensive. The Fiscal Officer stated she would normally get three quotes, but as it is, she is working 14 hour days and cannot get everything done. She added that it is a difficult time to get contractors and materials because all the communities are doing these types of projects.

The Fiscal Officer said that K&B was also supposed to put a door in between her Administrative Assistant's office and the copy room.

Carroll addressed the salary considerations for the Street Commissioner, the new Police Lieutenant, and Jeff Pausch. At an HR committee meeting, creation of a Mechanic One job position was discussed which would be a new title for Pausch and provide a salary increase. Also discussed was incentivizing the employees to get certain levels of training and certifications

for pay increases. A professional development plan was discussed for the positions. Berger asked why it was being addressed in Finance Committee, and Carroll explained that it was necessary to discuss it from a financial perspective and pay range. He thought the Mechanic One was a good model, and Finance would need to make a recommendation for the pay range. The Fiscal Officer explained that in the past, HR had always worked with Finance since it is both money and HR. The Fiscal Officer provided the committee with the numbers they requested for neighboring communities.

Carroll addressed the \$5,000 raise proposed by the Mayor for the Street Commissioner. The Mayor advised that in two years, the Street Commissioner's salary had increased \$13,000. Carroll clarified that this was with the promotion and percentage raises. Carroll advised that with the proposed \$5,000 it would then be \$18,000 in three years. Carroll stated that from an HR/Street Committee standpoint, it was felt that the increases should be tied to training, certifications, etc. Berger stated he was 100% behind this. He asked Carroll why he would not give the Street Commissioner the raise, and Carroll stated it was because he had done no training education. Berger asked from a finance position how it is determined whether a raise is merited. Carroll stated the raises had been very arbitrary, and he felt that was the case with the proposed raise for the Street Commissioner. There was no justification per se. Berger said this was his problem at the previous Council meeting because he viewed the proposed raises as an arbitrary decision. The Fiscal Officer stated that the Village does not have a good system in place. In the past, whomever felt they wanted to give a raise would propose it. In the Police department, there is a plan and a written schedule. Berger suggested putting a plan in place, and the Mayor thought HR would be able to do this next year.

With Pausch and the Police department positions, the Mayor said they are being given the opportunity to step up. With the new Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector, he picked her salary out because she was making \$55,000 in her previous job and he offered her \$52,000 which was what the Village would have paid the former employee. The Mayor said that maybe after three years, the employee would have the chance of being paid what their predecessor made. He did not think this was a good situation. Carroll said he liked the Russell Townships model because they list exactly what will be earned after so many years of experience. Carroll advised the Village had discussed raises based on longevity, and Berger suggested that after 10 years the employee would not be increasing in knowledge and skill and should receive minimal increases in pay, unless they receive increases for breathing another year. Carroll thought it was short sighted to say 10 years because there are employees who will always be learning and attending seminars and training. Carroll said the goal should be incentivizing and building a culture of professional development with the organization to bring more value to the organization and community as a whole. Carroll acknowledged that it was possible to train the employees to the extent that they would leave to go to greener pastures, but added that hopefully they would be paid well enough and have a well-managed organization that they would want to stay. Outside the Police Department, the Village had struggled with the pay raise issue and it has caused consternation on Council.

The Fiscal Officer stated that different communities have different models, and some do it by training and education. She advised that it took her eight to nine years to get to where the former Clerk was when she left. In other departments, the individuals get to that place in two years.

She was required to obtain certifications. Carroll advised that each committee needed to work with its departments to determine professional development.

Berger stated that in the business world, the budget would be examined for funds available for additional compensation the following year. It would go to the department heads to divide and create a salary structure for the following year. Carroll stated that unfortunately, the business world did not work in the public sector. Berger agreed. Carroll explained that the public sector is prone to nepotism and prone to taking care of buddies, and that is why there is so much structure in the public sector. From a Finance and HR standpoint, the Village should be looking at certifications for raises/pay bumps. He added that it was also important to provide opportunities for the training education. Berger asked whether from a finance perspective, the Village had the money to pay the increases in the future. This was unknown. He stated that there were Council members who banged on the table ever two weeks saying that the Village has to be conservative and protect the Village money and not spend. Then, Council turns around and gives raises. Berger said he was not against giving raises but wondered if the Village had the money to pay for the raises. What if it had no surplus. Carroll stated that there is a surplus, and when there was not there were no raises. He stated that the Village's employees were most important and are the face of the Village. Carroll felt they should be paid a fair and good wage for what they do. Raises each year may vary. Moving forward, HR and committees can look at creating a model with training and education. Berger asked again if the expectation is that the Village will have the revenue stream to support the raises that were approved. Carroll explained that based on revenues for this year, the Village would probably be ok. For next year, Council would see. Berger asked what the 3% raise would amount to, and asked if it would come out of current operating income or savings? Carroll stated that historically, the revenues have gone marginally up. The Fiscal Officer stated that most of the revenue of the Village is set because of real estate taxes. They will not increase. Income taxes will increase and recently there was a huge increase in the motor vehicle tax. Revenues tend to be flat because the Village renews the levies.

Berger asked if it was the intention of the Village to pay all its bills going forward out of operating income or to dip into the existing surplus to pay additional operating expenses. The Fiscal Officer stated that the Village had remained in the black the last few years even though a deficit was predicted. However, the Village has big projects coming up and it will be necessary to go into savings. Specifically, there are stormwater projects, Lake Louise Bridge, and the Manor Brook project. She explained that the Village is working within its regular expenses. The Village has stayed in the black when a deficit was projected because the projects had been pushed forward. Berger stated that there was nothing wrong with spending surplus if it is justified. However, if surplus is constantly being used to make up budget deficits, at some point there will be no surplus. He thought someone should think of the long-term plan.

The Mayor stated that from the discussion, it was clear the direction to discuss with HR. Carroll thought it was good perspective of not being short sighted with raises, and it is necessary to structure it in such a manner that the Village can continue to support it. Berger stated that for one person and a \$5,000 raise, the Village could support this, and that there was plenty of money. He said he could not say if it is good use of money and explained that this would be an

HR issue. Berger added that the amount is not relevant, but from a Finance perspective of whether there is money to pay the salary, he would answer yes.

The Fiscal Officer said that putting a step schedule along with doing a strategic plan as suggested by the Mayor went together well. It would take time and could be a goal for the following year.

Carroll addressed the larger picture of potential expenses of the Village to include stormwater and Bell Rd. east and acknowledged the need to develop a plan moving forward. He stated that everything impacts everything else.

Carroll stated he would speak to the Street Committee and HR and clarified with the Mayor that he was proposing a \$5,000 raise plus the 3% for the Street Commissioner. The Mayor stated that all four should be considered, Tim Alder, Todd Pocek, and Ruth Griswold and be able to say six months from now this is what the Village will do for them. The Fiscal Officer questioned the making of promises for a raise after six months. The Mayor said nothing had been promised and the Chief would be giving him all of his numbers. Berger said nothing should be promised and it is not the place of the Chief to make that promise, or the place of a Department Head, and Carroll added an Elected Official. Berger stated it is a decision of Council. He questioned what would be requested after 2021. Both Carroll and Berger acknowledged that raises have been extremely arbitrary. Carroll suggested that in the first quarter of 2021, Council try to determine a structure for the process.

Berger stated that he contacted Councilman Porter, HR regarding a formula for increases on an annual basis and whether it included operating revenue, expenses, controllable employee expenses, etc. He had not heard back yet. Berger suggested creating a schedule along with a master pool of money tied to the schedule. It would tie the growth of salaries to the growth of revenue generation in the Village.

The Mayor asked the Fiscal Officer about the status of the budget. She stated that she is trying to have the formularies by early the next week and hoped to adopt it by the second meeting of November.

Berger stated he planned to be gone the first two weeks in January 2021. The Mayor stated Berger would chair the Committee at that time.

The meeting was adjourned at 9:16 a.m.



Michael Carroll, Chair of Finance Committee