

**Special Finance Committee Meeting Minutes**  
**Tuesday, September 7, 2021, 8:00 a.m. Village Hall**

**Members Present:** Chairman Berger, Councilman Carroll, Councilman Canton, Fiscal Officer Romanowski, Solicitor Matheney

**Visitor:** Greg Heilman, Chillicothe Rd.

Berger called the meeting to order and read the roll.

Berger addressed the Credit Card policy. Berger asked the Solicitor to be prepared to amend legislation for the Credit Card policy based on the recommendations of the State Auditor.

Blanket purchase orders were addressed. The Fiscal Officer explained she would be in contact with the State Auditor the following week to review the audit. She would obtain clarification about blanket purchase orders before anything is changed. This matter is listed for the October meeting.

Berger addressed the Village's proposed contribution to the Chagrin Valley Fire Department. He looked at the resolution and agreement done for Chagrin Valley Dispatch Council and thought this was the way the Village should do the one for the Fire Department. The claw-back is addressed in it as well as stating that it was an advance of payment. Berger explained that the Fire Department is asking for a \$69,769 contribution from South Russell towards the remodel of its fire station. Money has been requested from the six other municipalities that are served. The concern from the committee providing \$69,769 of taxpayer money without some controls. The Fire Department has put out a draft non-binding resolution that it wants the municipalities to approve. Berger explained that the important aspects are that it is non-binding, and that funding is not required until December 2022. They want the resolution passed by the municipalities to encourage other private donations to ultimately raise \$1.5 million. According to the documents, they have \$800,000. If they can raise the entire amount through private donations, they will take no money from the municipalities. However, a show of faith helps them in their fundraising activities. The committee needs to make a recommendation to Council. He questioned what the true meaning was of a non-binding resolution. Council could approve the resolution and then provide them with an agreement that works for the Village. If they decline, then the Village does not give them the money. The Solicitor concurred. Carroll agreed. Berger concluded that the committee would recommend submitting the non-binding resolution to Council at the September 13<sup>th</sup> Council meeting and explain that it is non-binding and in theory the Village supports providing them the funds in advance. However, the mechanism under which this is done and what the controls are will have to be worked out. As a non-binding resolution, the committee had no problem with it. Carroll agreed.

Another issue discussed at previous meetings was the Treasury Investment Board and how to invest funds in relation to the five-year plan. Berger asked for the committee's thoughts on how to interact with the Treasury Investment Board and to consider what recommendations it should be making. Carroll stated that based on the Budget Commission hearing, funds could be put in a reserve fund for the Treasury Investment Board to take care of that could be pulled out if needed.

He suggested discussing it at the strategic planning meeting to see if it is something Council wanted to do. Carroll was a little confused by the information provided through the Budget Commission regarding having 40% of annual expenses available. The Fiscal Officer explained that government investing is not like private investing where the plan is not to touch the money. In government, this is part of the cash balance unless it is in a reserve fund which would be for a specific purpose. Invested funds are not encumbered. It is cash available. Carroll presented a hypothetical situation where the Village put \$500,000 in a reserve fund for a specific project, and asked if the Treasury Investment Board could invest these funds. The Fiscal Officer explained that this would be allowed because the county would see these funds as encumbered with a specific purpose and specific date. The committee discussed laddering investments in relation to reserve funds. Carroll suggested that the Village use the updated Stormwater Study to identify funds for a reserve fund. Similarly, a five-year plan for the Road Program would suffice. His understanding is that the Budget Commission wanted to see a plan indicating the Village's commitment to following some sort of guidance in the expenditure of funds. Berger and Carroll addressed the procedure necessary to use funds in a reserve fund for a different project. It would be necessary to bring the funds back to their original location and then create a new reserve fund for the project.

Berger said that money put in reserve funds is encumbered and questioned how these funds would be invested. He spoke to the Fiscal Auditor who said that currently there is not much of an advantage to go out 10 years from an interest rate standpoint. Investment opportunities are less than 2%. Clearly there are funds not needed for general operating expense that need to be put to work in an investment ladder. Carroll reiterated his proposal to create a reserve fund for Bell Rd. east and allow these funds to be invested. The committee needed to start making suggestions and getting approval from Council to set up reserve funds. This way, the Investment Board would understand Council's intentions so they can determine if there are investments that make sense.

The Fiscal Officer thought the long-range planning meeting scheduled for September 8<sup>th</sup> would be helpful in figuring out the plan. Carroll added that the Village lost \$150,000 because the Village agreed to pay off the 0% loan that could have been put in an investment. Financially speaking, the Budget Commission questioned why the Village would pay off this loan. Carroll strongly recommended doing a reserve fund for Bell Road east and one for stormwater since the Village has the plan with identified projects with dollar amounts. Berger referred to the Fiscal Auditor's report and said the total of all funds at the end of August was \$4,157,126. The balance went up. The Fiscal Officer explained that the Village received the last of its real estate taxes and is at the high point. Berger reiterated that it should be put in reserve funds and if it is needed, then the Village claws it back.

Carroll advised that with ambulance billing fees, the Village is already at 100% with four more months to go. He wants to ask for the data for the last three years. He thought many of the ambulance runs were going to The Lantern. These impact contract fees. Carroll would anticipate the contract based on calls for service would be going up in the next year and a half. He wanted to determine why and where the calls are increasing. Berger asked if Carroll was

looking at the revenue sources with ambulance fees net, which is at \$53,000 and is essentially the budget. This is what is billed to the residents for ambulance services. Carroll explained that the Village does soft billing, so a bill is sent to the insurance company and then those revenue fees are what is collected by Life Force. It looks like the revenue is going up which means they are going on more calls potentially. The Fiscal Officer explained that the contract with the Fire Department is for three years and asked if Carroll was suggesting that at the next contract date the price would increase. Carroll explained that the contract price has never gone down, although in some years it stayed the same. However, there had also been contract increases of 12% over three years. Carroll viewed it as something for the committee to keep an eye on moving forward.

Berger explained that the Solicitor was invited to attend the meeting to explain her services and costs. The Solicitor explained that she had asked to speak to the committee relative to concerns and questions about how legal costs could be reduced. She explained that she is happy to work for the Village and to be accessible to any of the Council, Board, Commission, or employees.

In 2019, her monthly bills averaged \$11,700. In 2020, it was around \$11,000. This does not account for the grants. The Manor Brook and Village Hall/Park 319 grants are separate. For 2021, the average monthly legal bill was \$12,500. Some municipalities have two meetings per month and only ask that the Solicitor to attend one of them. Regarding the length of the meetings, she was told that prior to 2018 they were not as long. They now average 2.5 hours. There are times that she stays after the meetings to answer questions as well. Just by having her attend one meeting per month could save the Village \$6,500. Another option would be to have her leave after giving her report or to move the agenda around to have both the Engineer and Solicitor give their reports first and then leave. The meetings are the largest charges.

Likewise, she may not be needed at some of the meetings of the Planning Commission, although they are currently engaged in amending the Zoning Code.

With research, she could minimize costs by notifying the requestor of when she hit a certain cap like one hour of research. She also tries to use an associate to do research.

Yet another cost saving idea would be a flat fee arrangement where it is a certain amount per month. She would except out litigation and possibly special projects such as the Building Department Audit.

The Solicitor suggested that committees do as much internal work as possible. A lot of her work involves researching the codified ordinances or fee structures of other municipalities. She is happy to do it, but any member of a committee or Council could do it as well as the employees.

The Solicitor added that the Village has great Department Heads and indicated that the Fiscal Officer is a wealth of knowledge and could be the filter. She is Council's designee for Sunshine Law training and knows all about public records and Ohio Open Meetings Act. She can not only filter the questions but can answer many of the questions. The Fiscal Officer is identified by the Budget Commission as the Fiscal Officer to emulate as far as finances and budget matters. She is a great resource and should be used more.

The Solicitor reviewed different situations where charges were incurred including the research involved with the potential closing of the Building Department, job description changes, personnel issues, agreements, COVID law and CARES ACT monies, and Zoning Code amendments and updates.

Training courses for Elected Officials, Board members, and Commission members with respect to public records, Sunshine Law, and finances would be helpful. Many of the questions are about public records and could be filtered through the Fiscal Officer.

The Fiscal Officer explained that with some municipalities one of the two monthly Council meetings is more of a work session, which is why they do not require their Solicitor. The second meeting is where decisions are made, and the Solicitor is present.

The Solicitor wanted to see the Village get to a point of being proactive instead of reactive.

Carroll acknowledged that there had been some outlier expenses over the last several years, to include two investigations. Some of the work done, like with the Building Department, is not lost and could be beneficial for the future. However, the Solicitor should not be doing letters of commendation. The Solicitor agreed. He questioned her presence at other meetings like some of the Manor Brook meetings. The Fiscal Officer advised that for a time, these were every Friday for an hour and a half. To have her at all these meetings is ludicrous, according to Carroll. If they were better about the meetings and using the Fiscal Officer, the Village would benefit. Carroll advised that the Village's costs had gone up exponentially once there was a mayor change. The meetings have become longer, and it has been about issues tied to a different administration. Carroll thought things could be streamlined but thought there was value in having the Solicitor coming to the Council meetings. Carroll suggested that perhaps there were other possible arrangements where the Solicitor received a flat fee for meetings, or there would be budgeted amounts for Council, Mayor, etc.

The Solicitor relayed that when she was at the Prosecutor's Office, there was a requirement with the townships where an individual Trustee could not make a phone call to the Assistant Prosecuting Attorney. It would have to be authorized by a majority of the board. She acknowledged that this could be cumbersome with a six-person Council, but it is a way to minimize the various calls. Carroll offered that he did not like this because there might be a sensitive Council issue that needed to be addressed. Carroll suggested that a flowchart would be helpful for committees.

The Fiscal Officer said that former Mayor Brett had a rule that for Department Heads and Elected Officials, every avenue should be exhausted before calling the Solicitor. This is the reason she belongs to the Clerks groups so that she could get information through this organization. She felt that now, people go to the Solicitor first before exhausting other avenues. Carroll added that regarding the Solicitor's attendance at meetings like the Manor Brook meetings, there should value to the Solicitor being there.

Berger stated that if the Village continued to operate as it had been, there was no reason to expect the Solicitor's charges to decrease. He acknowledged that there had been special projects

and thought that the Village would continue to have them. Berger asked the Solicitor if she considered the last several years to be the normal course of business. The Solicitor said yes. Berger concluded that either the Village changes the way it uses the Solicitor, or it accepts the fact that in using Thrasher, Dinsmore and Dolan as the Solicitor, this is the fee structure. Berger raised the question about whether it would be more cost effective to bring it inhouse with a full-time Solicitor at \$150,000 per year. This would be the first step if the Village was not using the Solicitor appropriately. He asked if it is using the Solicitor correctly, then what does the future look like.

Carroll debated the amount of available work for a full-time Solicitor, and questioned if it might be better to hire a special firm to do the special projects. Carroll explained that this was why Clemans Nelson was brought in to look at salaries because they specialize in HR matters.

Berger said that a lack of work may not be an issue with an inhouse Solicitor who may not have the efficiency or experience of Thrasher, Dinsmore and Dolan and might take extra time to research matters. Berger added that a full-time Solicitor could also do other administrative work if there were not enough legal work to fill the time.

Carroll suggested that first developing a flowchart for the Boards, Committees, and Commission, that showed the issue first going through the Chair and then to the Fiscal Officer, who would be the filter. Berger indicated that the Fiscal Officer is currently overloaded, and this would be adding another responsibility. An unintended result would be having to increase administrative hours or hiring more administrative help. The Fiscal Officer stated this would be a good discussion for the long-range planning meeting. She added that meeting times could be reduced if work were done in committees where written reports were provided for inclusion in the Council packets. She added that it had gotten better with the minutes, but if the committees planned to bring something forward, the report would explain that it would be put on the agenda for the Council meeting and why. This would preclude unnecessary discussion at the meetings. In the past, the Engineer was required to provide a report, which could reduce the amount of time in the meeting that both the Engineer and Solicitor are being paid to attend. Carroll added that visitors, who are supposed to have a five-minute limit, are permitted to go on for hours. The Fiscal Officer added that for most cities, the visitors are at the end of the meeting.

The Solicitor asked the committee if they would want her to provide alternate billing models. Carroll asked whether there is a mechanism with the grants to recoup the Solicitor fees. She did not think so but added that typically there is a budget for legal and engineering fees with the grant. The Fiscal Officer concurred and added that some of the matching grants pay some of the fees.

Carroll suggested dividing the Solicitor's fees according to department with a cap on each. He was interested in corralling the fees and holding people accountable for contacting the Solicitor for every little thing. Having the Solicitor draft a resolution for a retiring reporter was a waste of taxpayer dollars.

Carroll addressed the five-year forecast for the Road Program in terms of a reserve fund and said it would be an item discussed at the long-range planning meeting. The capital replacement

schedule would as well. He said that the Service Department would have the largest cost with the big equipment, and he wanted to be sure to map them out well. The plan would involve the trucks, loader, and backhoe. The plow and dump trucks have a 16 – 20-year useful life, and the plan would be to replace one every five years to space out these expenditures.

Regarding a Bond Counsel informational meeting, the Solicitor indicated that Council could attend such a meeting but must not discuss among themselves. It could be a question-and-answer session with the presenter. Carroll supported having this informational session. The Fiscal Officer concurred and suggested all of Council attend. It would not be necessary to Sunshine it because it would be for information gathering. Berger indicated that all of Council could attend. Carroll suggested putting together a list of questions ahead of time, and Berger agreed.

Berger wanted to have a learning discussion about the Village's meetings with the Budget Commission to better understand what happened and to avoid it from happening in the future. It turned into a costly event for the Village.

Berger adjourned the meeting at 9:12 a.m.

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Christopher Berger, Chairman

Prepared by Leslie Galicki