

FINANCE MEETING

Thursday, September 11, 2008

7:00 a.m.

Mayor Brett, William Koons, Jack Binder, Fiscal Auditor Lechman, Fiscal Officer Romanowski

Mayor explained he wants to slow down the budget process this year having department heads explain each line item, what it includes, as well as any changes in it for the upcoming year and what those changes are earmarked for.

Fiscal Officer will check with Fundbalance on:

- Can explanation of line items go into the Fundbalance software
- Can we get a report of the last several years of year-end actual numbers
- Can we get a report without transfers so we know the actual budget
- Can one report be the central repository of all above information
- Can information from Excel get imported into a specialized Fundbalance Report

Delete acct #5
> Chart of acct

FINANCE COMMITTEE INFO

November 10, 2008

The November 4, 2008 safety levy passed with seventy-two percent of the voters approving the 1984 levy. This 5-year, 2.0 mill levy brings in \$126,000 per year based on \$24 per \$100,000 of property valuation. The present levy expires December 31, 2009.

Tonight's agenda 5:30 Cemetery presentation by Patty Mills
 6:00 Parks presentation by Mark Porter
 6:30 Streets presentation by Darrell Johnson
 7:00 Properties presentation by Darrell Johnson

Agenda for Monday, November 17, 2008

6:00 ~~Review of the previous week's presentations-~~ DARRELL
6:30 Building presentation by Dave Hovevar
7:00 Safety presentation by Chief Wetzel
8:00 Administration presentation by Danielle Romanowski
9:00 Possible revenue forecast by Adam Lechman

November 24, 2008 Executive session for employee compensation

December 1, 2008 Finance Committee meeting at ???????

December 8, 2008 Adopt Annual Appropriation

December 9-31, 2008 Committees present budgets to department heads

Miscellaneous

The 2009 Geauga County Official Estimate of Revenue for SRV is \$3,762,839

Our 2008 budget has revenue at \$2,721,830 and expenditures at \$2,754,472, for a deficit of \$36,642. 32,645

In 2009 Undivided Local Government should be \$82,494. Homestead Rollback should be \$152,973, which was up 20% in 2008. Real Estate Revenue should be \$983, 589.

Gauga County delinquencies are up .9% over last year

Property values are at 2005 levels

SRV delinquencies in 2007 were 4.19%	\$387,000
2006 were 4.84%	\$400,000
2005 were 4.13%	\$350,000

Our next tax levy will be in November 2009 when we renew the 2005 safety levy of 2.75 mills that brings in income of \$384,000.

South Russell Village tax rate is 11.95 mills.

Village Hall

From: "Matt Brett" <MBrett@sage-quest.com>
To: <flaiz@jclaw.com>; "Jack Binder" <JackBinder@edmarchem.com>; <johndishong@att.com>; <wnek3@adelphia.net>; <marybeth.wolfe@realtyone.com>; <mp@mporterlaw.com>
Cc: "Village Hall" <svclerk@neohio.twcba.com>; "L. Adam Lechman, CPA" <sv44022@yahoo.com>
Sent: Thursday, December 04, 2008 12:18 PM
Attach: 2009 12-1 Budget Worksession Results.xls
Subject: 2009 12-1 Budget Worksession Results.xls

All,

The Finance Committee and I had a conversation earlier today to map out a recommended strategy for our 2009 budget, given the update provided by Danielle yesterday.

It is the recommendation of the group to adopt the proposed 2009 budget attached with the following considerations.

1. After the most recent update, prior to factoring any amount of wage increases, the 2009 budget would reflect an operating deficit of approximately \$35,000. (I did not change the spreadsheets that currently reflect a budgetary increase of 3.5%, ultimately reflecting a \$78,000 deficit)
2. We would look to make up this deficit by using cash balances. We would expect to end 2008 with approximately \$1.45 million in cash balances.
3. We are not confident that we will hit the revenue projections; therefore we would look to review the status of the revenues in April. At that time, if the revenues received are falling under the first quarter projections, we will look to make some additional recommended cuts.

Please let me know if anyone would like to discuss this further or feels strongly about the need to meet again prior to Monday's council meeting.

Matt

No virus found in this incoming message.

Checked by AVG.

Version: 7.5.552 / Virus Database: 270.9.13/1828 - Release Date: 12/4/2008 8:05 AM

12/4/2008

Minutes of the Finance Committee Meeting held on Monday, August 24, 2009, 7:00 p.m.

Attending were Danielle, Jack, Adam and Bill

Our goal was to prepare for this fall's strategic planning session by creating a three- five year revenue projection.

To create the revenue projection we decided to do the following:

Danielle was to contact Geauga County to get their latest projections on our levies. Specifically, what each levy brings or will bring in if we renew or replace each of our three present levies.

Danielle was also to ask the County to provide our aggregate tax base.

Danielle was to contact CCA to:

1. Determine the increase in income if we were to reduce our income tax credit
2. Determine the increase if we were to raise our income tax by .25%, .50%, etc.
3. Determine the increase if we reduce our "tax limit". Adam can explain "tax limit".
4. Determine each levy's effective rate

We ask each of you to be ready to provide known LARGE expenditures for the upcoming years. Don't worry about the smaller, often expenditures of doing business. We are looking at large expenditures in:

Staffing

Ambulance and fire

Dispatch

Road

Cemetery

Vehicles

Properties

FINANCE MEETING
10/26/2009 6:30 p.m.

Present: Brett, Binder, Koons, Romanowski

Reviewed and set up budget timeline. See attached.

FO to get information from department heads entered and forward to Finance by afternoon of 11/6.

Tuesday, November 17th on marathon budget work session.

Mayor wants budget locked in by November 23.

Discussion regarding cost of health insurance renewal and financial impact of multiple scenarios.

Finance to meet 11/9 at 6:30 to review preliminary worksheets.

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Finance

2-23-09

6:00 PM

Mayor, Koons, Romanowski - Lechman
by phone.

Discussed costs, requirements of
GASB34 and possibly going
back to regulatory.

Stimulus money. Mayor wants
Finance to be central for that

- Bull Road
- Walking trails at park
- Multi-purpose paths
- grants.
- Sewer project

A lot of ideas for improvement
What position do you have
be in - ready

Do roads qualify? Mayor
said maybe Road Enhancements
would qualify.

Koons will talk to county, state
and ask questions - get foot in

FINANCE MEETING
2-9-09 7:00 a.m. Village Hall

Present: Lechman, Koons, Binder & Romanowski

1. Reviewed SRV investment policy
2. ORC – collateralized
3. State Auditor – State Treasury Asset Reserve (STAR) Ohio

Amend investment policy to include bank we have money with 2006-36

Should go through bidding process with bank. Don't have to go with lowest bidder, should just go through the process

Short term CD – lower risk

Must have 50% of years bills/expenses – liquid

Difference between collateralized CD and commercial CD in paper (22.53) – 3 year history on spread

Opportunity for banks to bid on

FINANCE MEETING
4/17/09 7:00 AM

Present: Brett, Koons, Romanowski

956,000 = 239,000 x 4 \$1,179,361

Follow up with county regarding real estate taxes for year

Big bins of revenue

Auditor – re-appraisal of 2008 ask auditor % of 1st – 2nd split

Options:

- renew levy PD
- change hours
- cut hours

**Finance Meeting
5-11-09 at 7:00 am**

Present: Mayor, Fiscal Officer, Koons, Binder and Lechman via telephone

Gross to net comparable –

\$480,000 in 2009 which is above 2004-2006

\$430,000 average

Comparing 2004 – 2006 – we are in good shape per Lechman

2006 1.63

2009 1.1

Per Lechman, not too unrealistic to come close to budgeted tax revenue for 2009

Mayor believed would still be below budget

Binder – 2009 budget contained operations mostly. Believes we should watch 2009 but not make any changes at this time but need to focus more on a 5-year structure of budget

Mayor said we need to look at keeping taxes low and services high

Koons said Thursday's paper said real estate taxes – no real changes coming.

Mayor said finance is to review cemetery board numbers by the 6/8/09 CCL meeting

Finance to recommend obtaining both renewal and replacement levy certification from Auditor

FINANCE MEETING
5/1/09 7:00 AM

Present: Brett, Binder, Lechman, Romanowski

Reviewed '07 and '08 interest, penalties and back taxes

Compare net to net

\$1,179,361 gross
84,175 expenses
\$1,095,000 approx net

Adam – happy if @ y/e we are \$100,000 down in income tax. Worse case scenario \$200,000

CCA deposit – first Monday after second Wednesday of each month

Mayor – surrounding communities not down as much – Chagrin Falls down 3%

Adam – Evaluate CCA itself regarding fees, service, effectiveness. Compare against RITA

Property taxes approximately 52% - 50%

Gas Tax – price per gallon? Per gallon tax

Interest	26,260 – down	11,000
Income Tax		150,000
Misc		50,000
Down Approx		\$ 200,000

Adam – to look at past deficits

Road \$25,000 under budget
Fuel, engineer, P/D – no OT

Options:

- Operate deficit
- salary cuts
- unpaid furlows

VILLAGE OF SOUTH RUSSELL

5205 Chillicothe Road

South Russell, OH 44022

Phone: 440-338-6700

Fax: 440-338-8776

2010 Budget Process Timeline

- 10/2009 Fiscal Officer will distribute budget worksheets to Department Heads that will include detailed descriptions of line items
- Department Heads will complete worksheets and review with their committee
- 11/04/09 Department heads should return detailed budget worksheets that have been reviewed by their committee to Fiscal Officer
- Fiscal Officer will enter budget worksheet information into Fundbalance and print entered report. These will be given back to Department Heads to review for accuracy of data entry, and returned to Fiscal Officer prior to 11/04/09.
- 11/09/09 Finance Committee will meet at 6:30 p.m. to have preliminary budget review of worksheets
- 11/09/09 Preliminary budgets distributed to Mayor & Council for review
- 11/17/09 Council Budget Work Session @ 5:00 p.m.
- 5:00 Parks
 - 5:30 Cemetery
 - 6:00 Building/Properties
 - 6:30 Safety
 - 7:30 Streets
 - 8:30 General
- 11/23/09 Adopt Annual Appropriation

as of 10/26/08

2010 Village Budget

The village, like most businesses, has again needed to 'tighten our belts' for our 2010 budget year. While the budgeting process over the last couple of years has been challenging, we believe that our conservative financial approach has been a significant benefit.

Over the years, the village has fundamentally operated with a strategy of having a balanced expenditure to revenue budget, with un-forecasted revenue items – like inheritance tax – fund capital improvement projects. While we believe that this strategy is the right one, it also comes with it challenges and pains. We have concluded that we will continue to support our core services of Police, Fire & EMS, high quality roads; yet we have had to sacrifice some of the other non essential expenses, such as replacement vehicles, some personnel related costs, fall trash day, etc.

While our revenue sources are still lower than previous years, it does appear as if they are for the most part stable. The village does also have strong cash balances, yet these could quickly erode if we operate in a deficit mode for any extended period of time.

We believe that we have trimmed our expenditures as tightly as possible. Any further cuts would have a fundamental change to the strategic offering of these core services.

We continue to evaluate our revenue sources for ways to enhance what comes into the village. To date, we have concluded that we did not want to have a tax increase, yet at some point we realize we will need to some type of adjustment.

We look forward to another great year serving the residents of South Russell.

Matt Brett

Village of South Russell
2010 Long-Range Financial Planning Session
April 18, 2010

I. Introduction – Jack Binder

1. Current financial position
2. Objectives for today

II. Chris Hitchcock – Geauga County Treasurer

1. Background
 - a. General operating levies vs. specific purpose levies
 - b. Factors influencing RE tax revenue (i.e., property values, mills, etc.)
 - c. Levy renewal vs. levy replacement
 - d. Levy process (i.e., certification, election, effective date, etc.)
2. South Russell RE tax revenue
 - a. Current levies
 1. General fund (3.00)
 2. Operating levy (4.20)
 3. Police levy (2.00)
 4. Police levy (2.75)
 - b. Advantages and disadvantages of combining levies
3. Current environment
 - a. Challenges to property valuations
 - b. Next "update" of property values
4. Impact of economic downturn on South Russell Village
 - a. Impact of lower assessed values
 - b. Strategies to consider
 1. Type of levy (general vs. specific purpose)
 2. Renewal vs. replacement
 3. Timing (accelerate levy renewal/replacement process?)

III. Steve Thompson – Superintendant, CFEVS

1. Structure of School Funding
 - a. historical perspective
 - b. types/nature of school levies
 - c. terms
 - d. inside/outside millage
2. Long-range Financial Plan
3. Long-range strategic/capital plan

FINANCE MEETING

DATE: 2/5/10

ATTENDEES: Binder, Romanowski, Dishong, Leachman

General “kick off” meeting for 2010 to get overview of committee member’s outlook on the following:

1. Long-Term outlook on revenue strategy
 - What is the proper “mix” (real estate tax vs. Income tax vs. other rev) that is consistent with the services offered & benefits derived in a “bedroom community”?
 - What strategies should be pursued to direct us toward this end?
2. Short-term actions to address tight budget
 - Consistent with above,
 - a. Redefine cost centers within Village to align with revenue stream
 - b. evaluate levy rates, timing (renew, increase, replace, eliminate, combine)
 - c. Income tax rate, credit
 - d. Possibilities to “expand” tax base
 - e. DO NOTHING and just manage the cost side
 - Schedule a work session Mayor & Council to discuss long-term revenue strategy. Poss include Chris Hitchcock, Steve Thompson, School Board Members, others (Parks, Cemetery, CF Fire & EMS ...)

Danielle Romanowski

From: Jack Binder [JackBinder@edmarchem.com]
Sent: Saturday, February 06, 2010 11:17 AM
To: 'DISHONG, JOHN E. (ATTOPS)'; Lechman, Adam; lawrence.a.lechman.jr@us.pwc.com; srvclerk@neohio.twcbc.com
Subject: Finance Committee
Attachments: image001.jpg; image002.jpg; 2-5-10 Finance Info.pdf; FINANCE MEETING 2-5-10.docx

All,

I have attached some very brief notes from our meeting. Please review, amend, suggest,...

Also have attached info on Levys from Danielle (thx Danielle)

THX

Jack

Jack Binder





EDMAR CHEMICAL COMPANY


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Chagrin Falls, OH 44022-0598

 Toll Free: **1-800-678-7012**

 Direct: **1-440-247-0948**

 SKYPE: **Jack.Binder**

 FAX: **1-440-247-9630**

 Email: **JackBinder@EdmarChem.com**

 WEB: **<http://www.MRSA-Solutions.com>**
<http://www.EdmarChem.com>

FINANCE MEETING

4/9/10 7:00 AM

Present: Brett, Binder, Lechman, Dishong, Romanowski

Reviewed issues to be discussed at Long-Term Planning meeting on Sunday, April 18, 2010 at 12:30 p.m. at Village Hall.

Would like County Treasurer to explain property taxes, long-term and short-term affects and how they work. Issues to discuss in 20-30 minute time frame:

- Background of real estate tax
- Danger of losing revenues
- Can new buyer contest value at sale
- Recent happenings
- How it affects tax revenue
- Take on how we are structured

Would like School Board to discuss what their plans are for levies, Gurney School, etc.

- Dollars going to state and then distributed rather than to county and then to schools
- Schools plans for Gurney, intermediate school long-term and timing
- Deficit over the next few years
- When schools plan for a levy

Jack will make up the overall agenda

The Committee feels it will need another meeting in the near future that will discuss the other side of the long-term planning – from the Village's standpoint - What does the Village want to offer down the road, ie; trails, trash, sidewalks, etc.

Binder adjourned the meeting at 7:44 am

FINANCE MEETING
4/30/10 7:00 AM

Present: Binder, Lechman, Dishong, Romanowski

Discussed and reviewed the recent long-term planning meeting.

Dishong said he liked the idea of the "road and park levy". Dishong also said he felt the Village should replace the operating levy for a small increase when it comes up again. In hindsight it was probably not a good strategic move to continue renewing.

Lechman referred to the handout Binder distributed and said he didn't feel revenue would be flat until 2019.

Lechman said he felt with the economy the way it is at the present time, he doesn't believe this is the right time to address the inequity of income tax. He said the tax credit only affects a small portion of people in a big way. Lechman said he feels a real estate tax has a chance of passing if it is small. Adam said the Village is not broke – we have money.

Binder said he thought of dumping the 1993 Safety Levy and increase income tax. He said property taxes affect home value. He said if you increase income tax, people moving in don't ask what the income tax rate is. However, when buying a home, they do ask what the property taxes are. Binder feels if South Russell has lower property taxes, the house values would go up because people would want to live her.

There was discussion about increasing the income tax rate and cancelling the current smaller safety levy. The question was raised whether or not you could cancel a levy. They asked Fiscal Officer to check into whether that can be done.

Dishong said to do an income tax increase without an offset somewhere – he would not be favorable of.

Binder said people move to South Russell for the schools.

The Committee asked Fiscal Officer to get some numbers from the Auditor's office as well as CCA. She will forward that information to them when she receives it.

**Village of South Russell
Financial Comparison 2006 - 2009**

	<u>2006 Actual</u>	<u>2009 Actual</u>		<u>2010 Budget</u>
Revenues				
Real Estate Taxes	\$978,451	\$979,202	0.1%	
Homestead & Rollback	\$134,401	\$157,607	17.3%	
Income Tax	\$1,060,667	\$1,028,588	-3.0%	
Interest	\$82,502	\$10,799	-86.9%	
Gas Tax	\$149,081	\$151,575	1.7%	
Local Govt Funds	\$106,267	\$84,655	-20.3%	
Other	\$182,301	\$158,304	-13.2%	
S/T REVENUES	\$2,693,670	\$2,570,730	-4.6%	
Grants	\$0	\$9,015		
Sale of Securities	\$170,279	\$0		
Inheritance Taxes	\$70,140	\$87,241		
TOTAL REVENUES	\$2,934,089	\$2,666,986	-9.1%	
General Fund	\$353,818	\$339,216	-4.1%	
Bldg Dept	\$193,095	\$173,434	-10.2%	
Ambulance/Fire	\$237,127	\$304,788	28.5%	
Streets	\$180,144	\$387,481	115.1%	
Safety	\$1,012,069	\$1,033,168	2.1%	
Operations	\$293,506	\$381,098	29.8%	
Other	\$9,167	-\$52,695	-674.8%	
TOTAL EXPENSES	\$2,278,926	\$2,566,490	12.6%	
(ex Spec Land & Bldg & Equip *)				
NET	655,163	100,496	-84.7%	
(*) Special Land & Building & EQL	\$1,103,217	\$28,743	-97.4%	

WHO RETURNS THE HIGHEST % OF THEIR TAX DOLLARS BACK INTO THEIR COMMUNITY ?

2003 Tax Year Expenditures
(\$ Spent form every \$ 100 collected)

2003 Tax Year Rates by Village/TWP.

VII/TWP	County	School District	Voted Tax Rate (1)	Effect. (2) Tax Rate (2)	Tax as % of Mkt. Value (3)	2003 Tax per 100K
Bainbridge TWP	Geauga	Kenston	117.9	59.92	1.84%	\$1,835
Russell TWP	Geauga	West G	86.9	54.41	1.67%	\$1,677
Bainbridge TWP	Geauga	CFEVSD	130.3	66.46	2.04%	\$2,035
Russell TWP	Geauga	CFEVSD	128.9	64.98	1.99%	\$1,990
Chagrin Falls Vill.	Cuyahoga	CFEVSD	131.1	67.48	2.07%	\$2,070
Bentleyville	Cuyahoga	CFEVSD	128.1	65.27	2.00%	\$2,000
Orange	Cuyahoga	Orange	107.7	61.24	1.88%	\$1,880
Moreland Hills	Cuyahoga	Orange	106.8	60.34	1.85%	\$1,850
S. Russell	Geauga	CFEVSD	118.5	59.64	1.83%	\$1,827
Moreland Hills	Cuyahoga	CFEVSD	125.5	63.88	1.96%	\$1,960

County	School	JVS	Village	Library	Rec.	Total
\$18.12	\$56.37	\$2.50	\$21.50	\$1.51		\$100.00
\$19.96	\$57.25		\$20.95	\$1.66	\$0.18	\$100.00
\$16.34	\$62.92		\$19.38	\$1.36		\$100.00
\$16.71	\$64.35		\$17.54	\$1.40		\$100.00
\$19.92	\$61.96		\$14.67	\$3.45		\$100.00
\$20.59	\$64.06		\$11.79	\$3.56		\$100.00
\$21.95	\$62.49		\$11.76	\$3.80		\$100.00
\$22.28	\$63.43		\$10.44	\$3.85		\$100.00
\$18.21	\$70.11		\$10.17	\$1.51		\$100.00
\$21.04	\$65.46		\$9.86	\$3.64		\$100.00

Village of South Russell
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IV. SRV Finance Committee - "Here is where we are, where do we go from here?"

1. Current revenue structure vs. surrounding communities
 - a. Real Estate Taxes
 - b. Income Taxes
 - c. Other revenue
2. Assumptions
 - a. Only consider annual operating expenditures & revenues
 - b. Current operating expenses will continue to increase at a minimum of 2-3% per year.
 - c. Wages, salaries & benefits will continue at rates higher than this and will increase as % of total operating expenses
 - d. Major revenue streams are fixed
 - e. Some revenue streams may decline or even be discontinued
 - f. New projects and initiatives are not considered in this evaluation
3. Should our Tax structure attempt to reflect the nature of consumption of services?
4. What should our revenue structure look like in 10 years? 20 years?
5. What short-term strategies should we take to get there?

V. Summation – Matt Brett

Village of South Russell

<u>Operating Revenues (1)</u>	<u>2001</u>	<u>2006</u>	<u>2009</u>	% Change		
				<u>'01-'06</u>	<u>'06-'09</u>	<u>'01-'09</u>
Income tax	\$916,884	\$1,060,667	\$1,028,588	15.7%	-3.0%	12.2%
Real Estate tax	\$704,376	\$978,451	\$979,202	38.9%	0.1%	39.0%
Homestead Rollback	\$93,830	\$134,401	\$157,607	43.2%	17.3%	68.0%
gas tax	\$82,622	\$149,081	\$151,575	80.4%	1.7%	83.5%
Local gov't (ST & CO)	\$103,698	\$106,267	\$84,655	2.5%	-20.3%	-18.4%
Interest Income	\$86,786	\$82,502	\$10,799	-4.9%	-86.9%	-87.6%
Other Revenues	\$124,759	\$182,301	\$153,630	46.1%	-15.7%	23.1%
TOTAL REVENUES	\$2,112,955	\$2,693,670	\$2,566,056	27.5%	-4.7%	21.4%

(1) excluding Extraordinary income (cap gains, grants, inheritance, refunds, permissive tax)

<u>Operating expenses (1)</u>	<u>2001</u>	<u>2006</u>	<u>2009</u>	% Change		
				<u>'01-'06</u>	<u>'06-'09</u>	<u>'01-'09</u>
Wages & benefits	\$1,242,099	\$1,407,131	\$1,516,788	13.3%	7.8%	22.1%
% of Tot Exp	55.3%	59.6%	56.7%			
Other	\$1,004,634	\$952,907	\$1,159,511	-5.1%	21.7%	15.4%
% of Tot Exp	44.7%	40.4%	43.3%			
Total Operating Expenses	\$2,246,733	\$2,360,038	\$2,676,299	5.0%	13.4%	19.1%

(1) excluding Spec land, Bldg & Equip

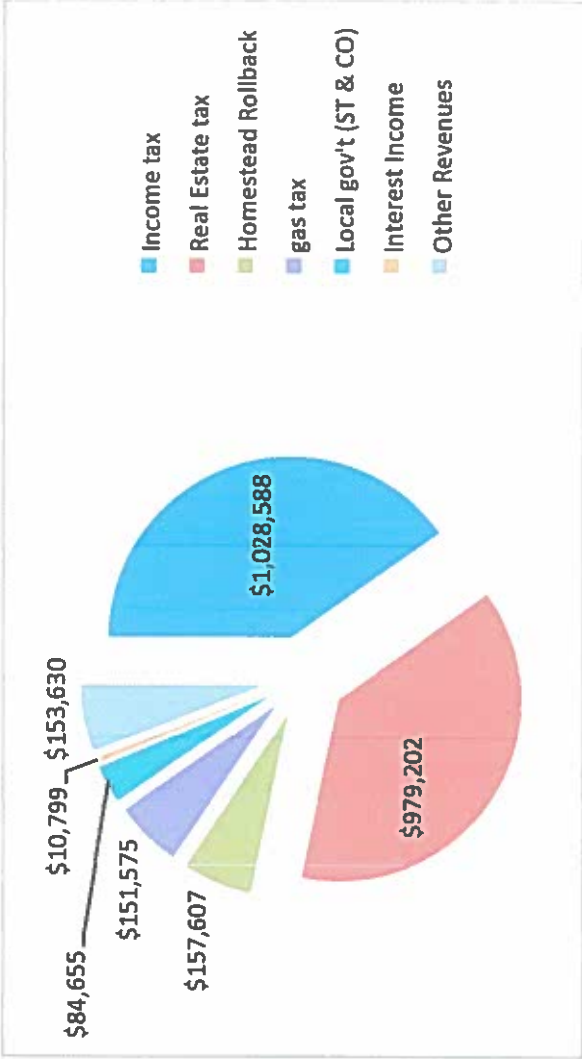
Village of South Russell

Operating Revenues (1)

2009

Income tax	\$1,028,588
Real Estate tax	\$979,202
Homestead Rollback	\$157,607
gas tax	\$151,575
Local gov't (ST & CO)	\$84,655
Interest Income	\$10,799
Other Revenues	\$153,630
TOTAL REVENUES	\$2,566,056

(1) excluding Extraordinary income (cap gains, grants, inheritance, refunds, permissive tax)

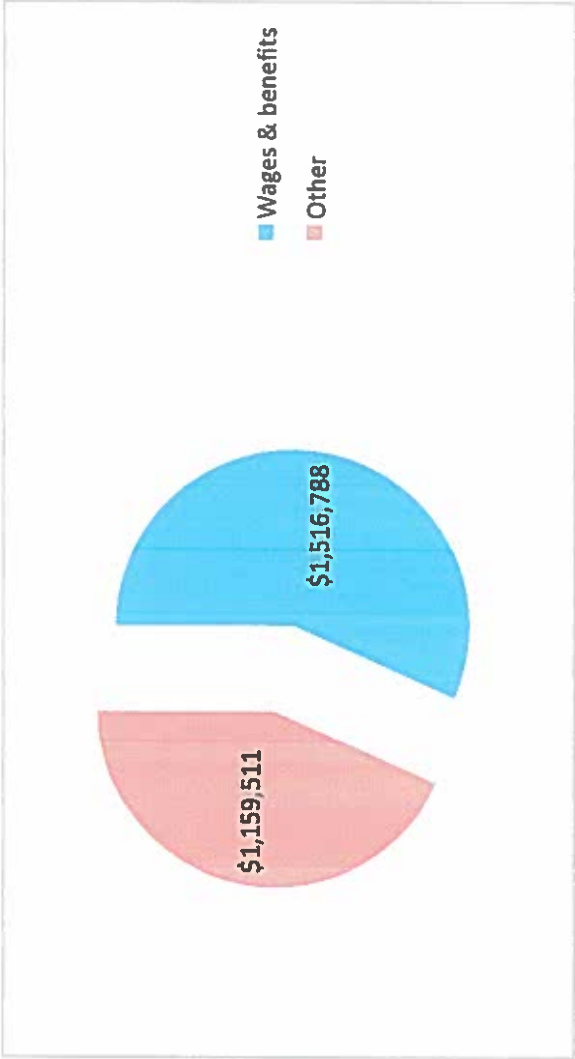


Operating expenses (1)

2009

Wages & benefits	\$1,516,788
Other	\$1,159,511
Total Operating Expenses	\$2,676,299

(1) excluding Spec land, Bldg & Equip



COMPARATIVE PROPERTY TAX RATES

2009 Tax Year Rates by Village/TWP.

VII/TWP	County	School District	Voted Tax Rate (1)	Effect. (2) Tax Rate (2)	Tax as % of Mkt. Value (3)	2009 Tax per 100K
Chagrin Falls Vill.	Cuyahoga	CFEVSD	131.1	67.48	2.07%	\$2,070
Bainbridge TWP	Geauga	CFEVSD	130.3	66.46	2.04%	\$2,035
Bentleyville	Cuyahoga	CFEVSD	128.1	65.27	2.00%	\$2,000
Russell TWP	Geauga	CFEVSD	128.9	64.98	1.99%	\$1,990
Moreland Hills	Cuyahoga	CFEVSD	125.5	63.88	1.96%	\$1,960
Orange	Cuyahoga	Orange	107.7	61.24	1.88%	\$1,880
Moreland Hills	Cuyahoga	Orange	106.8	60.34	1.85%	\$1,850
Bainbridge TWP	Geauga	Kenston	117.9	59.92	1.84%	\$1,835
S. Russell	Geauga	CFEVSD	118.5	59.64	1.83%	\$1,827
Russell TWP	Geauga	West G	86.9	54.41	1.67%	\$1,677

(1) As approved by voters

(2) After tax reduction factor applied

(3) Percentage of home market valued paid as property tax

INCOME TAX RATE BY VILLAGE

Income Tax Rate	Income Tax Credit	Effective Tax Rate (*)
1.50%	0.75%	0.75%
0.00%	0.00%	0.00%
1.00%	0.25%	0.75%
0.00%	0.00%	0.00%
1.00%	0.00%	1.00%
2.00%	0.60%	1.40%
1.00%	0.00%	1.00%
0.00%	0.00%	0.00%
1.00%	0.75%	0.25%
0.00%	0.00%	0.00%

(*) If resident works in another taxing community

COMPARATIVE INCOME TAX RATES

2009 Tax Year Rates by Village/TWP.

VII/TWP	County	School District	Voted Tax Rate (1)	Effect. (2) Tax Rate (2)	Tax as % of Mkt. Value (3)	2009 Tax per 100K
Orange	Cuyahoga	Orange	107.7	61.24	1.88%	\$1,880
Moreland Hills	Cuyahoga	CFEVSD	125.5	63.88	1.96%	\$1,960
Moreland Hills	Cuyahoga	Orange	106.8	60.34	1.85%	\$1,850
Chagrin Falls Vill.	Cuyahoga	CFEVSD	131.1	67.48	2.07%	\$2,070
Bentleyville	Cuyahoga	CFEVSD	128.1	65.27	2.00%	\$2,000
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Russell TWP	Geauga	West G	86.9	54.41	1.67%	\$1,677

(*) If resident works in another taxing community

(1) As approved by voters

(2) After tax reduction factor applied

(3) Percentage of home market valued paid as property tax

INCOME TAX RATE BY VILLAGE

Income Tax Rate	Income Tax Credit	Effective Tax Rate (%)
2.00%	0.60%	1.40%
1.00%	0.00%	1.00%
1.00%	0.00%	1.00%
1.50%	0.75%	0.75%
1.00%	0.25%	0.75%
1.00%	0.75%	0.25%
0.00%	0.00%	0.00%
0.00%	0.00%	0.00%
0.00%	0.00%	0.00%
0.00%	0.00%	0.00%

TAX LEVY LIST AS OF 2-5-10

Levy	Mills	Annual Yield	Resident Cost Per \$100,000	Expires
1976 Operating Levy	4.2	\$166,415 (2008)	31.08	2012
1993 Safety Levy	2	\$126,093 (2010)	24.04	2014
1995 Safety Levy (replaced 2004)	2.75	\$ 392,220 (2011)	77.61	2015

Taxes Based on 2007

	Non-Resident	391,402.55	
	Employment	Additional	Total
Increase of	0.25	97,850.64	489,253.19
	0.50	195,701.28	587,103.83
	0.75	293,551.91	684,954.46

	Net Profit	100,290.57	
		Additional	Total
Increase of	0.25	25,072.64	125,363.21
	0.50	50,145.29	150,435.86
	0.75	75,217.93	175,508.50

	Individual	120,848.43	
	Employment	Additional	Total
Increase of	0.25	30,212.11	151,060.54
	0.50	60,424.22	181,272.65
	0.75	90,636.32	211,484.75

	Total - above	Additional	Total
	0.25	153,135.39	765,676.94
	0.50	306,270.78	918,812.33
	0.75	459,406.16	1,071,947.71

Increase %	Non-Resident Employment	Net Profit	Individual Employment	Resident	Total
0.25	97,850.64	25,072.64	30,212.11	294,032.00	447,167.39
0.50	195,701.28	50,145.29	60,424.22	588,064.00	894,334.78
0.75	293,551.91	75,217.93	90,636.32	882,095.00	1,341,501.16

Residents/Employees who work in community pay:

100,000	100,000	100,000	100,000
1%	1.25%	1.50%	1.75%
1,000	1,250	1,500	1,750

Residents who pay local taxes to another community - SRV 75% credit ~ CREDIT IS:

1,000	1,250	1,500	1,750
75%	75%	75%	75%
750	938	1,125	1,313

Tax owed after credit ~ based on base salary of \$100,000

1,000	1,250	1,500	1,750
750	938	1,125	1,313
250	313	375	437



CENTRAL COLLECTION AGENCY

DIVISION OF TAXATION

205 W. Saint Clair Ave.
Cleveland, OH 44113-1503

www.ccatax.ci.cleveland.oh.us

Telephone (216) 664-2070

Toll Free (in Ohio) 1-800-223-6317

Fax (216) 420-8299

Ms. Danielle Romanowski
Fiscal Officer
Village of South Russell
5205 Chillicothe Road
South Russell, Ohio 44022

September 14, 2009

Dear Ms. Romanowski:

In response to your request, I have enclosed a summary report analyzing the effect of a residence credit change under three different alternatives (1.00% tax rate, 75% credit, capped at 0.75% (current); 1.00% tax rate, 75% credit, capped at 0.50%; and 1.00% tax rate, 75% credit, capped at 0.25%). The following are the results under each alternative:

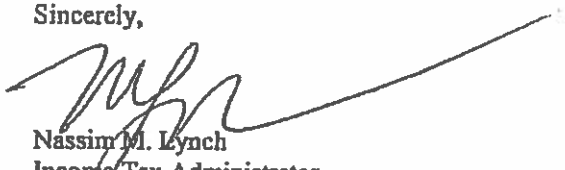
ALTERNATIVES	TAX RATE	CREDIT	CAP	RESIDENCE TAX	RESIDENCE TAX CHANGE INCREASE (DECREASE)
1	1.00%	75%	0.75%	380,778	0
2	1.00%	75%	0.50%	644,115	263,337
3	1.00%	75%	0.25%	911,011	530,233

Please note that these figures reflect the estimated amount of residency tax only for those living in the Village of South Russell and working outside the Village.

The above calculations are based on the number of tax returns filed with CCA for the tax year 2007.

If you have any questions regarding this report, please call me at your convenience.

Sincerely,



Nassim M. Lynch
Income Tax Administrator

MEMBERS

Ada
Alger
Antwerp
Barberon
Bradock
Brennabell

Burton
Cairo
Chardon
Cleveland
Cridersville
Eldon

Gates Mills
Geauga on the Lake
Grand Rapids
Grand River
Highland Hills
Huntsville

Liberty Center
Linsdale
Madison
Medina
Mentor on the Lake
Metamora

Middlefield
Mearns Falls
Northfield
North Baltimore
North Perry
North Randall

Norona
Village of Oakwood
Orwell
Palmerville
Ponding
Pettinola

Rocky River
Russell's Point
Seville
South Russell
Timberlake
Wadsworth

Wadsworth
Waynesfield
Waynesfield
Dayton
Troywood



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Fax (216) 420-8299

Ms. Danielle Romanowski
Fiscal Officer
Village of South Russell
5205 Chillicothe Road
South Russell, Ohio 44022

November 2, 2009

Dear Ms. Romanowski:

In response to your request, I have enclosed a summary report analyzing the effect of a residence credit change under four different alternatives (1.00% tax rate, 75% credit, capped at 0.75% (current); 1.25% tax rate, 75% credit, capped at 0.75%; 1.50% tax rate, 75% credit, capped at 0.75%; and, 1.75% tax rate, 75% credit, capped at 0.75%). The following are the results under each alternative:

ALTERNATIVES	TAX RATE	CREDIT	CAP	RESIDENCE TAX	RESIDENCE TAX CHANGE INCREASE (DECREASE)
1	1.00%	75%	0.75%	380,778	0
2	1.25%	75%	0.75%	674,810	294,032
3	1.50%	75%	0.75%	968,842	588,064
4	1.75%	75%	0.75%	1,262,873	882,095

Please note that these figures reflect the estimated amount of residency tax only for those living in the Village of South Russell and working outside the Village. The amount of employment tax that would be generated from an increase to 1.25%, 1.50%, and 1.75% would be approximately \$153,000, \$306,000, and \$460,000, respectively.

The above calculations are based on the number of tax returns filed with CCA for the tax year 2007.

If you have any questions regarding this report, please call me at your convenience.

Sincerely,

Nassim M. Lynch
Income Tax Administrator

MEMBERS

Ada	Bradner	Cleveland	Grand Rapids	Lindale	Middlefield	North Randall	Paulding	South Russell	Bedford
Alger	Bratenohl	Cridersville	Grand River	Madison	Montecello	Norton	Princeton	Timberlake	Dayton
Amherst	Burton	Edin	Highland Hills	Medina	Northfield	Village of Oakwood	Rocky River	Wadsworth	Lakewood
Barberton	Cairo	Gates Mills	Huntsville	Mentor on the Lake	North Baltimore	Orwell	Russell Point	Warrensville Hts	Stow
	Chardon	Geneva on the Lake	Liberty Center	Metamora	North Perry	Painesville	Seville	Waynesfield	Trotwood

2010

Chagrin Falls Exempted
Village Schools

[SOUTH RUSSELL VILLAGE]

The documents contained in this packet are for the sole purpose of planning and subject to change.

South Russell Planning Meeting

April 18, 2010

1

Chagrin Falls Schools

Topics Covered

- Current Cash Position/5-Year Forecast
- Levy History – Bond/Operating
- Alternative Funding Committee Recommendations
- Projected Operating Levy
- Bond Issue Considerations

2

Chagrin Falls Schools

Effective Millage

- Current effective operating millage
 - Residential/Agricultural – 37.674519
 - Commercial/Industrial – 43.916878

5

Chagrin Falls Schools

Levy History

DATE	LEVY TYPE	DURATION	MILLAGE	P/F
May 70	Operating	Continuing	5.3 mills	Pass
May 70	Bond Issue		\$950,000	Pass
Nov 70	Operating	Continuing	9.0 mills	FAIL
			2.2 mills	FAIL
Dec 71	Operating	Continuing	2.2 mills	FAIL
May 72	Operating	Continuing	6.0 mills	Pass
May 72	Operating	Continuing	5.1 mills	Pass
Nov 72	Operating	Continuing	7.7 mills	Pass
May 73	Operating	Continuing	8.8 mills	Pass
Jun 77	Operating	Continuing	5.75 mills	Pass
Sep 79	Operating	Continuing	5.75 mills	Pass
Sep 81	Operating	Continuing	6.4 mills	Pass
Jun 83	Operating	Continuing	5.9 mills	Pass
May 84	Athletic Facilities	Continuing	1.9 mills	Pass
May 86	Operating	Continuing	5.25 mills	Pass
Nov 87	Bond Issue		\$5,500,000	FAIL
May 88	Bond Issue	22 Years	4.25 mills or \$4,250,000	Pass
Nov 94	Operating	Continuing	7.4 mills	Pass
May 97	Bond Issue	25 years	4.8071 mills or \$21,800, 000	Pass
Nov 99	Operating	Continuing	4.2 mills	Pass
May 03	Operating	Continuing	7.9 mills	Pass
May 05	Bond Issue	25 years	1.4 mills	Pass
May 07	Operating	Continuing	7.9 mills	FAIL
Nov 07	Operating	Continuing	7.9 mills	Pass

6

Bond Issue Considerations

History

Passed – 1997
Matures – 12-2022

Passed – 2005
Matures – 12-2032

Passed - 1988
Matures - 12-2010

Future Considerations

- Intermediate Building (grades 4-6) built in 1914.
- The board of education is beginning the initial discussions regarding future building plans.

9

Chagrin Falls Schools

Questions?



10

Chagrin Falls Schools

Danielle Romanowski

From: DISHONG, JOHN E. [jd7132@att.com]
Sent: Monday, November 26, 2012 3:58 PM
To: James Flaiz ; wnek3@roadrunner.com; 'Jack Binder'; Mark Porter; Mary Beth Wolfe
Cc: Matt Brett; Danielle Romanowski; Adam Lechman ; Mary Beth Wolfe
Subject: RE: Inheritance Balance

Council-

This is the analysis that Danielle put together that shows our increasing cash balances. This is why the Finance Committee is recommending that we pay for the 2013 road program, remaining Bell Road West widening costs, park pavilion, potential truck purchase, etc, out of our inheritance funds in order to keep that balance from continuing to grow too large.

As Jim and I were told at the County Budget meeting, we cannot allow the balances to continue to grow without a plan for spending that money.

We can discuss more tonight as well as come to agreement on a wage increase percentage.

Regards,

John

From: Danielle Romanowski [<mailto:svclerk@neohio.twcbc.com>]
Sent: Wednesday, November 21, 2012 11:27 AM
To: DISHONG, JOHN E.; James Flaiz ; Adam Lechman
Cc: Matt Brett
Subject: Inheritance Balance

As a follow up to our Finance meeting yesterday –

Up until 2010, all inheritance money went into the Special Land and Building Fund – that fund is made up entirely inheritance money and has a balance of \$ 423,472 (as of 10/31/12)
 Since then, inheritance money stays in the General fund so it can be distributed as needed.
 Inheritance money in the General Fund is \$978,530

Summary:

Cash Balance as of 10/31/12	\$ 2,713,681
Balance of Inheritance money as of 10/31/12	<u>1,402,002</u>
Balance from other sources	1,311,679

Year-End Cash Balance History:

2012	\$ 2,713,681 (as of 10/31/12)
2011	1,947,495
2010	1,583,252
2009	1,523,711
2008	1,451,958

2007	1,221,595
2006	948,007
2005	1,396,061
2004	1,727,939
2003	2,692,591
2002	2,713,999
2001	2,121,672
2000	2,074,511

At the last two Tax Budget hearings the County Auditor and Treasurer commented on our growing cash balances. My concern is if we don't either use Jim's suggestion of using some of the balance towards capital projects which are the one-time items such as Bell Road, the pavilion and the cemetery – or come up with another project we are going to appropriate it to, we might run into problems. Next November is the earliest we can place the 1993 2.0 Safety levy on the ballot for renewal. In order to put a levy on the ballot, the County has to certify that we need the levy funds to operate. Their job is to make sure we are taxing appropriately only when necessary. I would hate for the County to look at our balances and tell us we don't need the levy at that rate.

Danielle Romanowski, CMC, CPFA, CPFIM
Fiscal Officer
5205 Chillicothe Road
South Russell, OH 44022
440-338-6700 x221
svclerk@neohio.twcbc.com

No virus found in this message.

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Version: 2012.0.2221 / Virus Database: 2629/5420 - Release Date: 11/26/12

Danielle Romanowski

From: Jim Flaiz [JFlaiz@JCJRLaw.com]
Sent: Thursday, November 15, 2012 8:52 PM
To: Danielle Romanowski; Adam Lechman ; wnek3@roadrunner.com; Jack Binder ; DISHONG, JOHN E. (ATTOPS); Mark Porter; Mary Beth Wolfe; Matt Brett
Subject: Thoughts on the Budget

I had a few thoughts on the budget I wanted to send out since I missed a lot of the session last night (sorry).

I know that our goal each year is for revenues to match expenditures. I agree with that philosophy since our #1 job duty is to be good stewards of our resident's tax dollars. However, next year, there are a few items I think we should not factor in when looking at the shortfall.

For years we have budgeted conservatively and our cash balances have grown. This is due only in part because of inheritance taxes. In fact, the County Budget Commission has called us out on this issue. For several years, we have said that the balances reflected planning for future projects like the cemetery and Bell Rd. We have also put inheritance tax into the special land and building fund.

I think we should not factor in 3 items when looking at our deficit and look to pay those out of our existing cash balance:

1. 2012 Bell Rd. costs
2. 2012 Cemetery costs
3. The Park Pavilion

I think this approach is consistent with our past planning. Just a thought.

Jim

James R. Flaiz, Esq.
Carrabine & Reardon Co. LPA
7445 Center Street; Mentor, Ohio 44060
(440) 974-9911 Fax (440) 974-9919
flaiz@jcjrlaw.com

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From: Danielle Romanowski [<mailto:srcclerk@neohio.twcbc.com>]
Sent: Tuesday, November 13, 2012 1:35 PM
To: Adam Lechman ; wnek3@roadrunner.com; Jack Binder ; Jim Flaiz; DISHONG, JOHN E. (ATTOPS); Mark Porter; Mary Beth Wolfe; Matt Brett
Subject: Budget Worksheets

Last week I emailed everyone the budget worksheets. I wanted to know who wants a hardcopy for the budget work sessions?

Also, as a reminder:

Tonight's Budget work session starts at 6:00 pm at Village Hall with the Council meeting at 7:30 pm

Tomorrow's Budget work session starts at 5:30 at Pine Lakes Trout Club, Cabin #1

Food will be provided at both work sessions.

Danielle Romanowski, CMC, CPFA, CPFIM
Fiscal Officer
5205 Chillicothe Road
South Russell, OH 44022
440-338-6700 x221
svclerk@neohio.twcbc.com

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Version: 2012.0.2221 / Virus Database: 2441/5396 - Release Date: 11/15/12

FINANCE MEETING
Tuesday, October 2, 2012

- Office Supplies
 - Issue reviewed with Dept Heads that all office supplies or products available by Staple will be purchased through the FO's office
- Bell Road Project funding
- Budget –
 - expect to budget for another Expedition for the PD
 - Replacement of Chief may start in December of this year – would have to amend current year appropriations and then account for that replacement in Jan and part of Feb while Chief Wetzel is still employed with Village
-

FINANCE MEETING
9-12-11 7:00 am @ Village Hall

Present: Binder, Dishong, Lechman and Romanowski

Reviewed revenue items for 2012:

- Real Estate

- Personal Property

- Local Government – decrease – rec'd number from County

- Inheritance Taxes – Inheritance tax going away. Only will receive for those

- Deaths before 1/1/13

Utilities – should be lower now with NOPEC grant updates. Therefore, on budget, lower budget expenditures 5%.

Get number from Ned for Bell Road Engineering expenses for 2012

Trash Day

Vehicle – 1 ton for service department

FINANCE MEETING
9-12-11 7:00 am @ Village Hall

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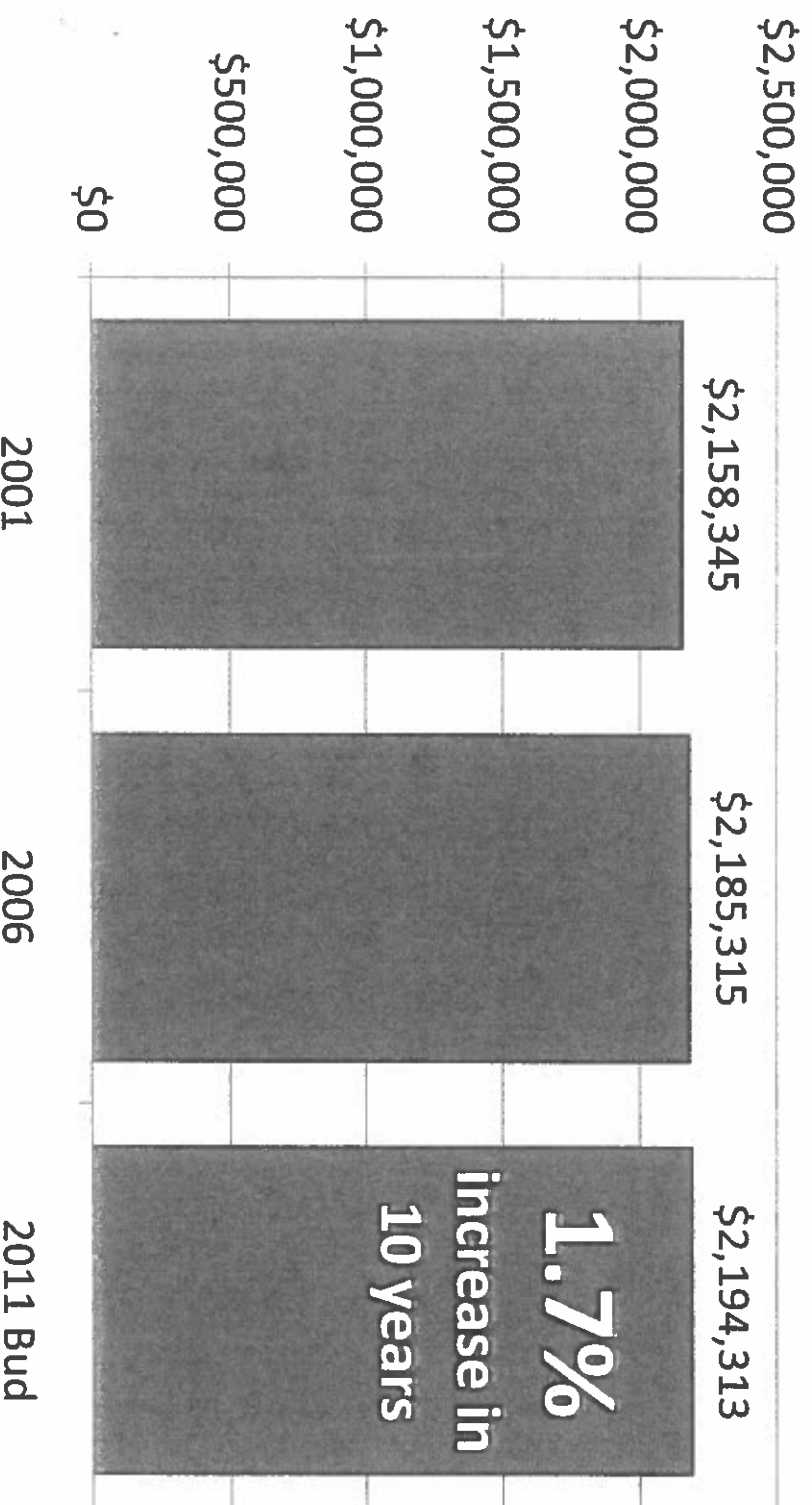
Trash Day

Vehicle – 1 ton for service department

VILLAGE OF SOUTH RUSSELL

Annual Operating Expense Comparison (5-year and 10 year)

Excludes land acquisitions and Contract Fire & EMS Services

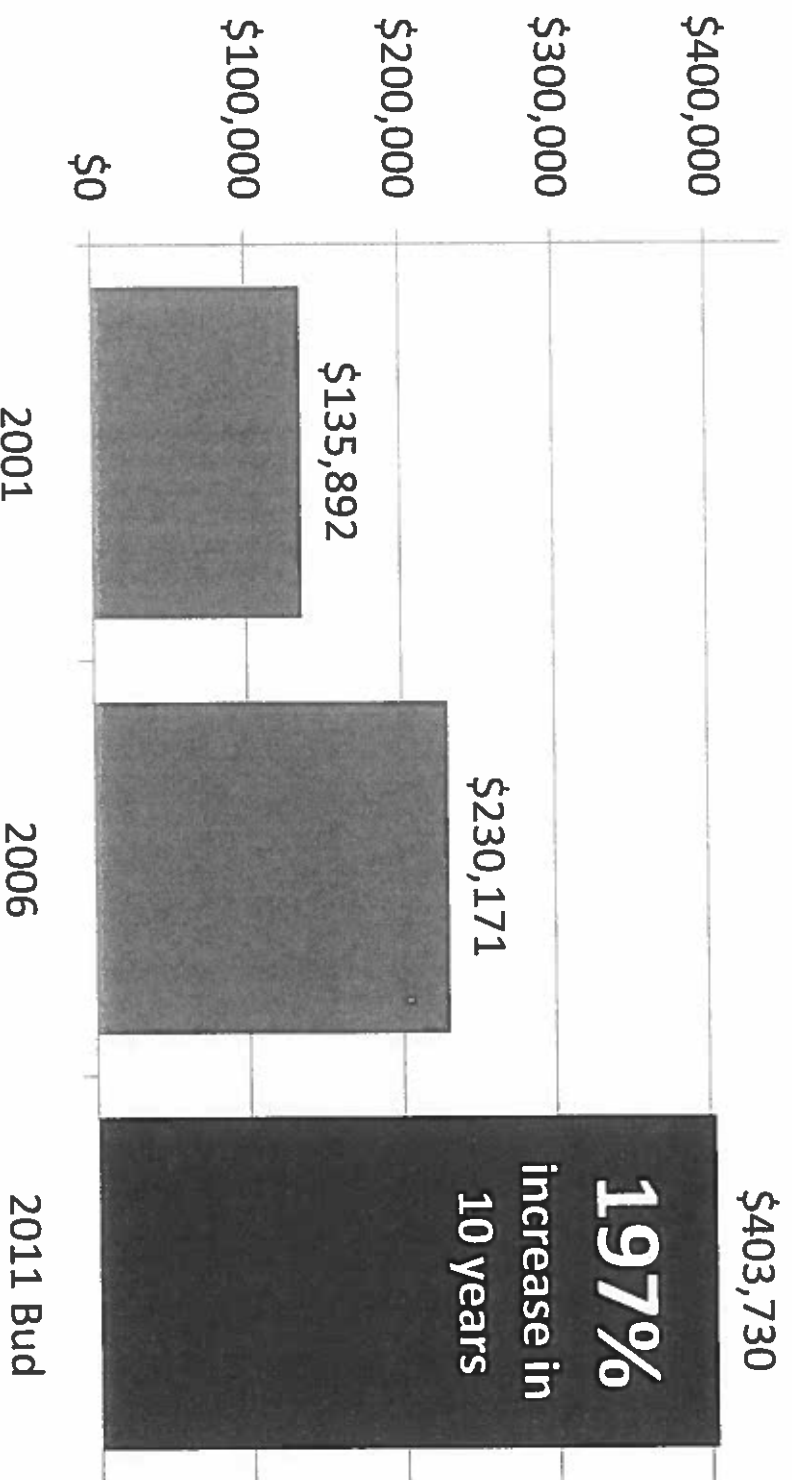


While the Village has managed to hold the line on Normal Operating Expenses for the last 10 years ...

VILLAGE OF SOUTH RUSSELL

Annual Operating Expense Comparison (5-year and 10 year)

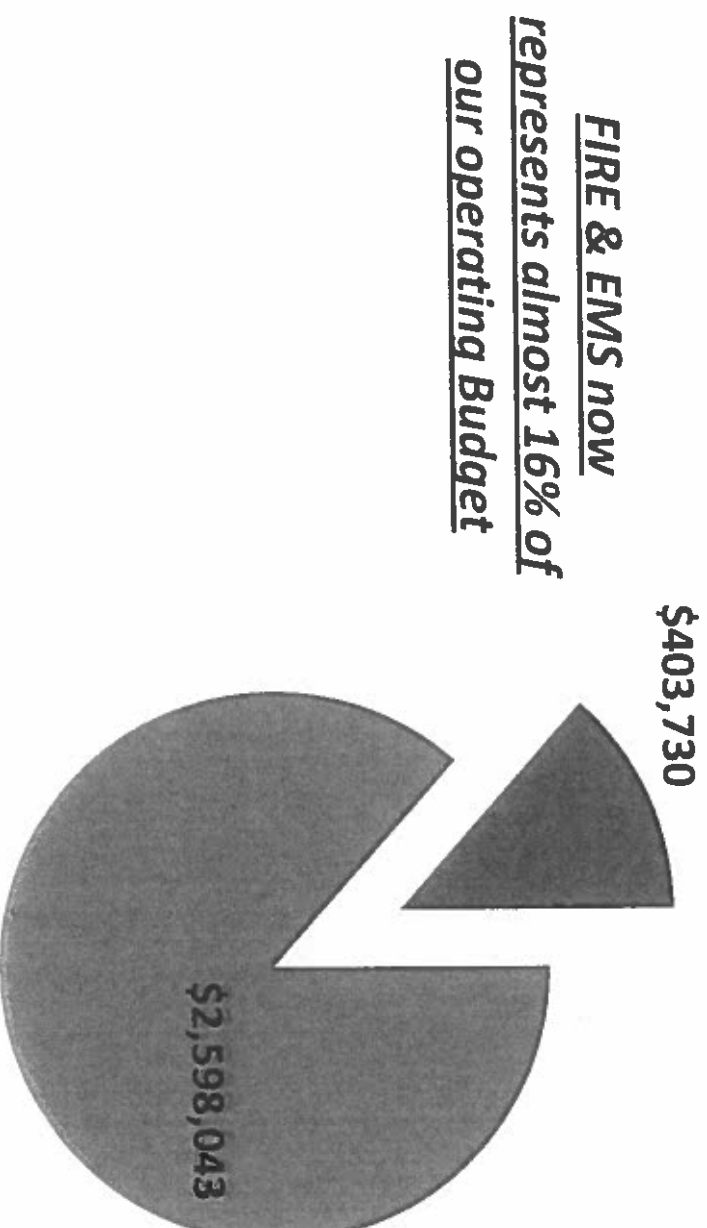
Annual Expense for Contract Fire & EMS Services



... costs for Fire & EMS Services have tripled ...

VILLAGE OF SOUTH RUSSELL

FIRE & EMS Contract Expense as a percent of Operating Budget



... FIRE and EMS has grown from 6.3% of our Operating Budget in 2001 to 15.7% in 2011

FINANCE MEETING
8/11/10 7:30 am

Present: Dishong, Binder, Lechman, Romanowski

- Must pass appropriations by 12/13/10
- Election regarding income tax increase 11/2/10
- Medical Coverage and Salary increases – need recommendation from HR by 10/29
- Safety Committee to give ambulance and dispatch contract numbers
- Tax increase $1.25\% \times .75\% = .9375$
 - 0.3125% new
 - 0.25% old
- Over 1.25%
- \$62.50 per \$100,000 per year
- Tax Budget timeline prepped – to be distributed to Mayor and CCL at next CCL meeting. Try to do all in one night; couple committees, then short CCL meeting then continue budget meeting. Forward to Mayor for his opinion prior to next CCL meeting.

FINANCE MEETING
5/10/10 7:00 PM

Present: Binder, Lechman, Dishong, Romanowski, Brett

Discussed spreadsheet distributed by Binder at the last meeting. Binder said his numbers were based on the premise of increasing the income tax .25% and get rid of the small safety levy.

Dishong also presented a Power Point presentation that would help give a more clear picture of different scenarios for changing the taxing structure.

Fiscal Officer is still awaiting the numbers from CCA. She will forward that as soon as she has them.

Binder said the school will eventually be putting another levy on the ballot in the not so distant future. These increases in taxes are driving the older residents out of the Village. Binder believes that when residents look to buy a house, they look at the property taxes, but not the income taxes. He believes by increasing the income tax and lowering the property taxes, it would increase the property values because people would want to move to the village due to the lower property taxes.

Mayor wants a recommendation from Finance by the 5/24/10 CCL meeting regarding the taxing structure.

Regarding the CCA report of SRV Residents working outside the Village there were some questions as to the Distribution number of 600. FO said she will get the details on that can get back to the committee.

FINANCE MEETING

12/2/10 7:30 am

Present: Binder, Dishong, Romanowski, Brett

Reviewed 2011 Budget worksheets. After discussion, reduce A01 Engineer line item <\$5,000> and increase Legal fees +20,000.

Discussion about possibility of eliminating 1.) Trash Day 2.) Cost of Cutting Park 3.) Cemetery

Binder will send informative e-mail to Council regarding possible eliminations for them to review prior to the Council meeting.

Budget MUST be adopted at 12/13/10 council meeting.

Discussion about inheritance taxes and how they should be handled. Finances recommendation will be to leave \$200,000 in the General fund and move the rest to the Special Land and Building Fund. After that, will look at each inheritance revenue on a case by case basis if there should be any transfers.

Fiscal Officer to develop a tracking system for tracking inheritance revenue and transfers.

FO to make changes to worksheets and send to Finance Committee.

FINANCE MEETING

8/11/10 7:30 am

Present: Dishong, Binder, Lechman, Romanowski

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- Election regarding income tax increase 11/2/10
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 - 0.3125% new
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Mayor wants a recommendation from Finance by the 5/24/10 CCL meeting regarding the taxing structure.

Regarding the CCA report of SRV Residents working outside the Village there were some questions as to the Distribution number of 600. FO said she will get the details on that can get back to the committee.

FINANCE MEETING
4/30/10 7:00 AM

Present: Binder, Lechman, Dishong, Romanowski

Discussed and reviewed the recent long-term planning meeting.

Dishong said he liked the idea of the "road and park levy". Dishong also said he felt the Village should replace the operating levy for a small increase when it comes up again. In hindsight it was probably not a good strategic move to continue renewing.

Lechman referred to the handout Binder distributed and said he didn't feel revenue would be flat until 2019.

Lechman said he felt with the economy the way it is at the present time, he doesn't believe this is the right time to address the inequity of income tax. He said the tax credit only affects a small portion of people in a big way. Lechman said he feels a real estate tax has a chance of passing if it is small. Adam said the Village is not broke – we have money.

Binder said he thought of dumping the 1993 Safety Levy and increase income tax. He said property taxes affect home value. He said if you increase income tax, people moving in don't ask what the income tax rate is. However, when buying a home, they do ask what the property taxes are. Binder feels if South Russell has lower property taxes, the house values would go up because people would want to live her.

There was discussion about increasing the income tax rate and cancelling the current smaller safety levy. The question was raised whether or not you could cancel a levy. They asked Fiscal Officer to check into whether that can be done.

Dishong said to do an income tax increase without an offset somewhere – he would not be favorable of.

Binder said people move to South Russell for the schools.

The Committee asked Fiscal Officer to get some numbers from the Auditor's office as well as CCA. She will forward that information to them when she receives it.

**Village of South Russell
Financial Comparison 2006 - 2009**

	<u>2006 Actual</u>	<u>2009 Actual</u>		<u>2010 Budget</u>
Revenues				
Real Estate Taxes	\$978,451	\$979,202	0.1%	
Homestead & Rollback	\$134,401	\$157,607	17.3%	
Income Tax	\$1,060,667	\$1,028,588	-3.0%	
Interest	\$82,502	\$10,799	-86.9%	
Gas Tax	\$149,081	\$151,575	1.7%	
Local Govt Funds	\$106,267	\$84,655	-20.3%	
Other	\$182,301	\$158,304	-13.2%	
S/T REVENUES	\$2,693,670	\$2,570,730	-4.6%	
Grants	\$0	\$9,015		
Sale of Securities	\$170,279	\$0		
Inheritance Taxes	\$70,140	\$87,241		
TOTAL REVENUES	\$2,934,089	\$2,666,986	-9.1%	
General Fund	\$353,818	\$339,216	-4.1%	
Bldg Dept	\$193,095	\$173,434	-10.2%	
Ambulance/Fire	\$237,127	\$304,788	28.5%	
Streets	\$180,144	\$387,481	115.1%	
Safety	\$1,012,069	\$1,033,168	2.1%	
Operations	\$293,506	\$381,098	29.8%	
Other	\$9,167	-\$52,695	-674.8%	
TOTAL EXPENSES	\$2,278,926	\$2,566,490	12.6%	
(ex Spec Land & Bldg & Equip *)				
NET	655,163	100,496	-84.7%	
<i>(*) Special Land & Building & EQL</i>	<i>\$1,103,217</i>	<i>\$28,743</i>	<i>-97.4%</i>	

WHO RETURNS THE HIGHEST % OF THEIR TAX DOLLARS BACK INTO THEIR COMMUNITY ?

2003 Tax Year Expenditures
(\$ Spent form every \$ 100 collected)

County	School	JVS	Village	Library	Rec.	Total
\$18.12	\$56.37	\$2.50	\$21.50	\$1.51		\$100.00
\$19.98	\$57.25		\$20.95	\$1.68	\$0.18	\$100.00
\$16.34	\$62.92		\$19.38	\$1.36		\$100.00
\$18.71	\$64.35		\$17.54	\$1.40		\$100.00
\$19.92	\$61.96		\$14.67	\$3.45		\$100.00
\$20.59	\$64.06		\$11.79	\$3.56		\$100.00
\$21.95	\$62.49		\$11.76	\$3.80		\$100.00
\$22.28	\$63.43		\$10.44	\$3.85		\$100.00
\$18.21	\$70.11		\$10.17	\$1.51		\$100.00
\$21.04	\$65.46		\$9.86	\$3.64		\$100.00

2003 Tax Year Rates by Village/TWP.

VII/TWP	County	School District	Voted Tax Rate (1)	Effect. (2) Tax Rate (2)	Tax as % of Mkt. Value (3)	2003 Tax per 100K
Bainbridge TWP	Geauga	Kenston	117.9	59.92	1.84%	\$1,835
Russell TWP	Geauga	West G	86.9	54.41	1.67%	\$1,677
Bainbridge TWP	Geauga	CFEVSD	130.3	66.46	2.04%	\$2,035
Russell TWP	Geauga	CFEVSD	128.9	64.98	1.99%	\$1,990
Chagrin Falls Vill.	Cuyahoga	CFEVSD	131.1	67.48	2.07%	\$2,070
Bentllyville	Cuyahoga	CFEVSD	128.1	65.27	2.00%	\$2,000
Orange	Cuyahoga	Orange	107.7	61.24	1.88%	\$1,880
Moreland Hills	Cuyahoga	Orange	106.8	60.34	1.85%	\$1,850
S. Russell	Geauga	CFEVSD	118.5	59.64	1.83%	\$1,827
Moreland Hills	Cuyahoga	CFEVSD	125.5	63.88	1.96%	\$1,960

FINANCE MEETING

4/9/10 7:00 AM

Present: Brett, Binder, Lechman, Dishong, Romanowski

Reviewed issues to be discussed at Long-Term Planning meeting on Sunday, April 18, 2010 at 12:30 p.m. at Village Hall.

Would like County Treasurer to explain property taxes, long-term and short-term affects and how they work. Issues to discuss in 20-30 minute time frame:

- Background of real estate tax
- Danger of losing revenues
- Can new buyer contest value at sale
- Recent happenings
- How it affects tax revenue
- Take on how we are structured

Would like School Board to discuss what their plans are for levies, Gurney School, etc.

- Dollars going to state and then distributed rather than to county and then to schools
- Schools plans for Gurney, intermediate school long-term and timing
- Deficit over the next few years
- When schools plan for a levy

Jack will make up the overall agenda

The Committee feels it will need another meeting in the near future that will discuss the other side of the long-term planning – from the Village's standpoint - What does the Village want to offer down the road, ie; trails, trash, sidewalks, etc.

Binder adjourned the meeting at 7:44 am

Finance Mtg - 5/7/15 - 7:30 am @ Village Hall

Wednesday, May 06, 2015

1:08 PM

Present: Kostura, Koons, Lechman (phone), Romanowski

Tax Budget Time

- Sending email to dept heads that need large revenue or expenditure changes by 5/29
- FO does across board adjustments
- Submit to County in July by latest
- Tax Budget hearing is usually in August
- Would like to put into budget some money for painting VH hallway and basement next year - possibly
Service dept employees

Rental

- Appraisal - Called - will cost approx \$300
 - Koons to talk to Hocesvar to handle this

Council meeting

- Will have to amend approp for property acquisition \$300,000 and do a transfer
- Would like to get Assure Vault approved - in the budget for \$7,000
- Forward info for Treasurers website - ohiocheckbook.com

Bank -

- Bryan sign signature card

2016 Appropriations Budget -

- Do in October this year
- Plan to include long-term planning in budgeting process
- Complete earlier this year
- FO to send general timeline to committee

Projects

- Discussion regarding project approval during budgeting process to allow projects to move forward Rather than waiting for Council approval each step of the way. Will discuss with Council during Budget work sessions.

FINANCE MEETING

DATE: 2/5/10

ATTENDEES: Binder, Romanowski, Dishong, Leachman

General "kick off" meeting for 2010 to get overview of committee member's outlook on the following:

1. Long-Term outlook on revenue strategy

- What is the proper "mix" (real estate tax vs. Income tax vs. other rev) that is consistent with the services offered & benefits derived in a "bedroom community"?
- What strategies should be pursued to direct us toward this end?

2. Short-term actions to address tight budget

- Consistent with above,
 - a. Redefine cost centers within Village to align with revenue stream
 - b. evaluate levy rates, timing (renew, increase, replace, eliminate, combine)
 - c. Income tax rate, credit
 - d. Possibilities to "expand" tax base
 - e. DO NOTHING and just manage the cost side
- Schedule a work session Mayor & Council to discuss long-term revenue strategy. Poss include Chris Hitchcock, Steve Thompson, School Board Members, others (Parks, Cemetery, CF Fire & EMS ...)

TAX LEVY LIST AS OF 2-5-10

Levy	Mills	Annual Yield	Resident Cost Per \$100,000	Expires
1976 Operating Levy	4.2	\$166,415 (2008)	31.08	2012
1993 Safety Levy	2	\$126,093 (2010)	24.04	2014
1995 Safety Levy (replaced 2004)	2.75	\$ 392,220 (2011)	77.61	2015

FROM
ATTACHED
CCA 115

Taxes Based on 2007

	Non-Resident Employment	391,402.55 Additional	Total
Increase of	0.25	97,850.64	489,253.19
	0.50	195,701.28	587,103.83
	0.75	293,551.91	684,954.46

	Net Profit	100,290.57 Additional	Total
Increase of	0.25	25,072.64	125,363.21
	0.50	50,145.29	150,435.86
	0.75	75,217.93	175,508.50

	Individual Employment	120,848.43 Additional	Total
Increase of	0.25	30,212.11	151,060.54
	0.50	60,424.22	181,272.65
	0.75	90,636.32	211,484.75

	Total - above	Additional	Total
	0.25	153,135.39	765,676.94
	0.50	306,270.78	918,812.33
	0.75	459,406.16	1,071,947.71

Increase %	Non-Resident Employment	Net Profit	Individual Employment	Resident	Total
0.25	97,850.64	25,072.64	30,212.11	294,032.00	447,167.39
0.50	195,701.28	50,145.29	60,424.22	588,064.00	894,334.78
0.75	293,551.91	75,217.93	90,636.32	882,095.00	1,341,501.16

Residents/Employees who work in community pay:

100,000	100,000	100,000	100,000
1%	1.25%	1.50%	1.75%
1,000	1,250	1,500	1,750

Residents who pay local taxes to another community - SRV 75% credit ~ CREDIT IS:

1,000	1,250	1,500	1,750
75%	75%	75%	75%
750	938	1,125	1,313

Tax owed after credit ~ based on base salary of \$100,000

1,000	1,250	1,500	1,750
750	938	1,125	1,313
250	313	375	437



CENTRAL COLLECTION AGENCY

DIVISION OF TAXATION

205 W. Saint Clair Ave.
Cleveland, OH 44113-1503

www.ccatax.ci.cleveland.oh.us

Telephone (216) 664-2070

Toll Free (in Ohio) 1-800-223-6317

Fax (216) 420-8299

Ms. Danielle Romanowski
Fiscal Officer
Village of South Russell
5205 Chillicothe Road
South Russell, Ohio 44022

November 2, 2009

Dear Ms. Romanowski:

In response to your request, I have enclosed a summary report analyzing the effect of a residence credit change under four different alternatives (1.00% tax rate, 75% credit, capped at 0.75% (current); 1.25% tax rate, 75% credit, capped at 0.75%; 1.50% tax rate, 75% credit, capped at 0.75%; and, 1.75% tax rate, 75% credit, capped at 0.75%). The following are the results under each alternative:

ALTERNATIVES	TAX RATE	CREDIT	CAP	RESIDENCE TAX	RESIDENCE TAX CHANGE INCREASE (DECREASE)
1	1.00%	75%	0.75%	380,778	0
2	1.25%	75%	0.75%	674,810	294,032
3	1.50%	75%	0.75%	968,842	588,064
4	1.75%	75%	0.75%	1,262,873	882,095

Please note that these figures reflect the estimated amount of residency tax only for those living in the Village of South Russell and working outside the Village. The amount of employment tax that would be generated from an increase to 1.25%, 1.50%, and 1.75% would be approximately \$153,000, \$306,000, and \$460,000, respectively.

The above calculations are based on the number of tax returns filed with CCA for the tax year 2007.

If you have any questions regarding this report, please call me at your convenience.

Sincerely,



Nassim M. Lynch
Income Tax Administrator

MEMBERS

Ada	Braden	Cleveland	Grand Rapids	Linndale	Middlefield	North Randall	Paulding	South Russell	Bedford
Alger	Bratenahl	Cridersville	Grand River	Madison	Munroe Falls	Norton	Peninsula	Timberlake	Dayton
Antwerp	Burton	Elida	Highland Hills	Medina	Nonhick	Village of Oakwood	Rocky River	Wadsworth	Lakewood
Barberton	Cairo	Gates Mills	Huntsville	Mentor on the Lake	North Baltimore	Orwell	Russells Point	Warrensville Hills	Stow
	Chardon	Geneva on the Lake	Liberty Center	Metamora	North Perry	Painesville	Seville	Waynesfield	Trotwood

CENTRAL COLLECTION AGENCY- DIVISION OF TAXATION
VILLAGE OF SOUTH RUSSELL RESIDENTS WORKING OUTSIDE OF THE VILLAGE
RESIDENCE TAX ANALYSIS BASED ON 2007 TAX YEAR DATA

EMPLOYMENT COMMUNITY	CITY CODE	TOTAL WAGE AMOUNT	TAX RATE	NUMBER OF DISTRIBUTIONS	1.00% 0.75% 75%	Tax Rate Credit Limit Tax Credit	1.25% 0.75% 75%	Tax Rate Credit Limit Tax Credit	1.50% 0.75% 75%	Tax Rate Credit Limit Tax Credit	1.75% 0.75% 75%	Tax Rate Credit Limit Tax Credit
					AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
AKRON	005	833,388	2.25%	19	0.25%	1,583	0.50%	3,167	0.75%	4,750	1.00%	6,334
AURORA	010	333,182	2.00%	18	0.25%	833	0.50%	1,668	0.75%	2,499	1.00%	3,332
ASHTABULA	012	-	1.80%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
AVON	020	-	1.75%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
AVON LAKE	022	107,818	1.50%	8	0.25%	270	0.50%	539	0.75%	809	1.00%	1,078
BARBERTON	025	-	2.00%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
BAY VILLAGE	040	-	1.50%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
BEACHWOOD	050	4,150,329	1.50%	63	0.25%	10,376	0.50%	20,752	0.75%	31,127	1.00%	41,503
BEDFORD	060	527,652	2.25%	17	0.25%	1,318	0.50%	2,638	0.75%	3,957	1.00%	5,277
BEDFORD HTS.	070	1,043,577	2.00%	20	0.25%	2,609	0.50%	5,218	0.75%	7,827	1.00%	10,438
BENTLYVILLE	090	23,010	1.00%	1	0.25%	58	0.50%	115	0.75%	173	1.00%	230
BEREA	100	-	2.00%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
BRATENAHL	120	15,000	1.50%	2	0.25%	38	0.50%	75	0.75%	113	1.00%	150
BRECKSVILLE	130	3,080,847	2.00%	11	0.25%	7,702	0.50%	15,404	0.75%	23,106	1.00%	30,808
BROADVIEW HTS	140	45,821	2.00%	8	0.25%	115	0.50%	230	0.75%	344	1.00%	459
BROOKLYN	150	379,592	2.50%	8	0.25%	949	0.50%	1,898	0.75%	2,847	1.00%	3,786
BROOKLYN HEIGHTS	160	250,604	2.00%	13	0.25%	627	0.50%	1,253	0.75%	1,880	1.00%	2,506
BROOKPARK	170	1,012,692	2.00%	18	0.25%	2,532	0.50%	5,064	0.75%	7,597	1.00%	10,129
BRUNSWICK	175	-	1.35%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
BURTON	176	198,129	1.00%	4	0.25%	490	0.50%	981	0.75%	1,471	1.00%	1,961
CANTON	178	13,705	2.00%	6	0.25%	34	0.50%	69	0.75%	103	1.00%	137
CHAGRIN FALLS	180	7,647,470	1.60%	189	0.25%	19,119	0.50%	38,237	0.75%	57,356	1.00%	76,475
CHARDON	185	604,838	2.00%	22	0.25%	1,512	0.50%	3,024	0.75%	4,538	1.00%	6,048
CLEVELAND	200	35,169,970	2.00%	290	0.25%	87,975	0.50%	175,950	0.75%	263,925	1.00%	351,900
CLEVELAND HTS.	210	259,703	2.00%	14	0.25%	849	0.50%	1,699	0.75%	2,548	1.00%	3,397
COLUMBUS	235	8,284	2.00%	5	0.25%	18	0.50%	31	0.75%	47	1.00%	63
CUYAHOGA FALLS	240	232,652	2.00%	18	0.25%	581	0.50%	1,163	0.75%	1,744	1.00%	2,328
CUYAHOGA HTS	250	855,827	2.00%	12	0.25%	2,140	0.50%	4,279	0.75%	6,419	1.00%	8,558
EAST CLEVELAND	270	526,758	2.00%	7	0.25%	1,317	0.50%	2,634	0.75%	3,951	1.00%	5,268
EASTLAKE	273	188,008	2.00%	7	0.25%	470	0.50%	940	0.75%	1,410	1.00%	1,880
ELYRIA	277	569,368	1.75%	9	0.25%	1,423	0.50%	2,847	0.75%	4,270	1.00%	5,694
EUCLID	280	612,792	2.85%	21	0.25%	1,532	0.50%	3,064	0.75%	4,596	1.00%	6,128
FAIRLAWN	290	868,777	2.00%	8	0.25%	2,172	0.50%	4,344	0.75%	6,516	1.00%	8,688
FAIRVIEW PARK	300	45,828	2.00%	1	0.25%	114	0.50%	228	0.75%	342	1.00%	456
GARFIELD HTS	320	253,159	2.00%	14	0.25%	633	0.50%	1,266	0.75%	1,899	1.00%	2,532
GATES MILLS	330	152,182	1.00%	13	0.25%	380	0.50%	761	0.75%	1,141	1.00%	1,522
GENEVA	345	-	1.50%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
GLENWILLOW	348	2,904	2.00%	1	0.25%	7	0.50%	15	0.75%	22	1.00%	29
GREEN	358	-	2.00%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
HIGHLAND HTS	370	1,471,292	2.00%	18	0.25%	3,678	0.50%	7,356	0.75%	11,035	1.00%	14,713
HIGHLAND HILLS	371	338,264	2.50%	8	0.25%	841	0.50%	1,681	0.75%	2,522	1.00%	3,363
HUDSON	378	329,039	2.00%	13	0.25%	823	0.50%	1,645	0.75%	2,468	1.00%	3,290
INDEPENDENCE	390	2,470,149	2.00%	34	0.25%	6,175	0.50%	12,351	0.75%	18,526	1.00%	24,701
KENT	392	203,227	2.00%	11	0.25%	508	0.50%	1,018	0.75%	1,524	1.00%	2,032
KIRTLAND	394	333,442	2.00%	12	0.25%	834	0.50%	1,667	0.75%	2,501	1.00%	3,334
LAKEWOOD	400	55,206	1.50%	8	0.25%	138	0.50%	278	0.75%	414	1.00%	552
LORAIN	435	125,518	2.00%	8	0.25%	314	0.50%	628	0.75%	941	1.00%	1,255
LYNDHURST	440	234,080	1.50%	24	0.25%	585	0.50%	1,170	0.75%	1,756	1.00%	2,341
MACEDONIA	450	391,938	2.00%	11	0.25%	980	0.50%	1,960	0.75%	2,940	1.00%	3,919
MADISON VILLAGE	455	37	1.00%	5	0.25%	0	0.50%	0	0.75%	0	1.00%	0
MANSFIELD	458	-	1.75%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
MAPLE HTS.	460	103,455	2.50%	10	0.25%	259	0.50%	517	0.75%	778	1.00%	1,035
MALMEE	485	82,318	1.50%	2	0.25%	208	0.50%	412	0.75%	617	1.00%	823
MAYFIELD HTS	480	5,871,944	1.00%	49	0.25%	14,880	0.50%	29,360	0.75%	44,040	1.00%	58,719
MAYFIELD VILG	485	2,881,797	1.50%	37	0.25%	7,204	0.50%	14,409	0.75%	21,613	1.00%	28,818
MEDINA	487	-	1.25%	8	0.25%	-	0.50%	-	0.75%	-	1.00%	-
MENTOR	490	2,857,388	2.00%	39	0.25%	7,143	0.50%	14,287	0.75%	21,430	1.00%	28,574
MENTOR-ON-THE-LAKE	495	12,279	2.00%	1	0.25%	31	0.50%	61	0.75%	92	1.00%	123
MIDDLEBURG HTS	500	111,248	2.00%	7	0.25%	278	0.50%	558	0.75%	834	1.00%	1,112
MIDDLEFIELD	510	948,510	1.00%	17	0.25%	2,368	0.50%	4,733	0.75%	7,099	1.00%	9,465
NORTHFIELD VILLAGE	545	922	2.00%	8	0.25%	2	0.50%	5	0.75%	7	1.00%	9
NORTH OLMS TED	550	233,634	2.00%	7	0.25%	584	0.50%	1,168	0.75%	1,752	1.00%	2,338
NORTH RANDALL	560	11,868	2.75%	8	0.25%	30	0.50%	59	0.75%	89	1.00%	119
NORTH RIDGEVILLE	565	27,561	1.00%	1	0.25%	89	0.50%	138	0.75%	207	1.00%	278
NORTH ROYALTON	570	-	2.00%	5	0.25%	-	0.50%	-	0.75%	-	1.00%	-
NORTON	575	-	2.00%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
OAKWOOD VILLAGE	580	489,846	2.00%	5	0.25%	1,175	0.50%	2,349	0.75%	3,524	1.00%	4,698
ORANGE	600	113,876	2.00%	7	0.25%	285	0.50%	569	0.75%	854	1.00%	1,139
ORVILLE	603	-	1.00%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
PAINESVILLE	610	428,547	2.00%	10	0.25%	1,071	0.50%	2,143	0.75%	3,214	1.00%	4,285
PARMA	620	264,168	2.50%	8	0.25%	660	0.50%	1,321	0.75%	1,981	1.00%	2,642

CENTRAL COLLECTION AGENCY- DIVISION OF TAXATION
VILLAGE OF SOUTH RUSSELL RESIDENTS WORKING OUTSIDE OF THE VILLAGE
RESIDENCE TAX ANALYSIS BASED ON 2007 TAX YEAR DATA

EMPLOYMENT COMMUNITY	CITY CODE	TOTAL WAGE AMOUNT	TAX RATE	NUMBER OF DISTRIBUTIONS	1.00% 0.75% 75%	Tax Rate Credit Limit Tax Credit	1.25% 0.75% 75%	Tax Rate Credit Limit Tax Credit	1.50% 0.75% 75%	Tax Rate Credit Limit Tax Credit	1.75% 0.75% 75%	Tax Rate Credit Limit Tax Credit
					AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
PARMA HEIGHTS	830	235,210	3.00%	6	0.25%	588	0.50%	1,176	0.75%	1,764	1.00%	2,352
PEPPER PIKE	850	2,439,186	1.00%	42	0.25%	8,098	0.50%	12,196	0.75%	18,294	1.00%	24,392
RAVENNA	860	98,893	2.00%	6	0.25%	242	0.50%	483	0.75%	725	1.00%	967
RICHFIELD	865	-	2.00%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
RICHMOND HTS	870	848,715	2.00%	10	0.25%	2,122	0.50%	4,244	0.75%	6,365	1.00%	8,487
ROCKY RIVER	700	1,380	1.50%	7	0.25%	3	0.50%	7	0.75%	10	1.00%	14
SEVEN HILLS	720	55,302	2.00%	6	0.25%	138	0.50%	277	0.75%	415	1.00%	553
SEVILLE	722	-	1.00%	6	0.25%	-	0.50%	-	0.75%	-	1.00%	-
SHAKER HTS	750	825,215	1.75%	29	0.25%	1,568	0.50%	3,131	0.75%	4,697	1.00%	6,262
SHEFFIELD LAKE	753	-	1.50%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
SOLOM	760	7,145,807	2.00%	105	0.25%	17,865	0.50%	35,729	0.75%	53,594	1.00%	71,458
SOUTH EUCLID	770	818,871	2.00%	15	0.25%	2,042	0.50%	4,084	0.75%	6,127	1.00%	8,169
SOUTH RUSSELL	772	9,723,945	1.00%	598	0.00%	-	0.00%	-	0.00%	-	0.00%	-
STOW	773	2,808	2.00%	6	0.25%	7	0.50%	13	0.75%	20	1.00%	28
STREETSBOBO	775	98,883	2.00%	10	0.25%	247	0.50%	494	0.75%	741	1.00%	989
STRONGSVILLE	780	208,512	2.00%	9	0.25%	521	0.50%	1,043	0.75%	1,564	1.00%	2,085
TALLMADGE	785	374,454	2.00%	6	0.25%	938	0.50%	1,872	0.75%	2,808	1.00%	3,745
TOLEDO	791	3,875	2.25%	1	0.25%	10	0.50%	19	0.75%	29	1.00%	39
TWINSBURG	795	1,498,251	2.00%	24	0.25%	3,741	0.50%	7,481	0.75%	11,222	1.00%	14,963
UNIVERSITY HTS	800	355,777	2.50%	12	0.25%	889	0.50%	1,779	0.75%	2,668	1.00%	3,558
VALLEY VIEW	810	335,333	2.00%	5	0.25%	838	0.50%	1,677	0.75%	2,515	1.00%	3,353
WADSWORTH	815	50,688	1.30%	5	0.25%	127	0.50%	253	0.75%	380	1.00%	507
WALTON HILLS	820	402,328	2.00%	4	0.25%	1,006	0.50%	2,012	0.75%	3,017	1.00%	4,023
WARRENSVILLE HTS.	830	1,634,541	2.80%	28	0.25%	4,086	0.50%	8,173	0.75%	12,259	1.00%	16,345
WESTFIELD CENTER	838	-	1.00%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
WESTLAKE	840	82,894	1.50%	7	0.25%	207	0.50%	413	0.75%	620	1.00%	827
WICKLIFFE	860	3,417,660	2.00%	14	0.25%	8,544	0.50%	17,088	0.75%	25,632	1.00%	34,177
WILLOUGHBY	870	1,554,733	2.00%	16	0.25%	3,887	0.50%	7,774	0.75%	11,660	1.00%	15,547
WILLOUGHBY HILLS	880	408,888	1.50%	10	0.25%	1,022	0.50%	2,044	0.75%	3,067	1.00%	4,089
2.5% CITY	881	4,800	2.50%	4	0.25%	12	0.50%	24	0.75%	36	1.00%	48
2% CITY	883	863,491	2.00%	19	0.25%	1,659	0.50%	3,317	0.75%	4,978	1.00%	6,635
1.75% CITY	884	1,705	1.75%	5	0.25%	4	0.50%	9	0.75%	13	1.00%	17
1.5% CITY	885	14,306	1.50%	9	0.25%	38	0.50%	72	0.75%	107	1.00%	143
1% CITY	886	457,314	1.00%	20	0.25%	1,143	0.50%	2,287	0.75%	3,430	1.00%	4,573
WORKED AT 887	887	799,149	2.00%	25	0.25%	1,998	0.50%	3,996	0.75%	5,994	1.00%	7,991
NONTAXING	888	11,588,202	0.00%	323	1.00%	115,882	1.25%	144,578	1.50%	173,493	1.75%	202,409
2.25% CITY	891	140,982	2.25%	4	0.25%	352	0.50%	705	0.75%	1,057	1.00%	1,410
WOODMERE	900	872,387	2.00%	18	0.25%	2,181	0.50%	4,362	0.75%	6,543	1.00%	8,724
WOOSTER	910	-	1.00%	4	0.25%	-	0.50%	-	0.75%	-	1.00%	-
YOUNGSTOWN	950	113,215	2.75%	7	0.25%	283	0.50%	566	0.75%	849	1.00%	1,132
GATEWAY	990	1,432	2.00%	1	0.25%	4	0.50%	7	0.75%	11	1.00%	14
CLEVELAND HILLS JEDZ	995	87,779	2.50%	1	0.25%	219	0.50%	439	0.75%	658	1.00%	878
TOTALS		127,338,620		2,684		380,778		674,810		968,842		1,262,873

Village of South Russell

**Non-Residence, Employment Tax Calculation Change resulting from Change in Tax Rate
Based on 2007 Figures**

Tax rate from 1.00% to 1.25% = 25% increase

35	Withholdings 2007 & 2008 for 2007	
	2007 withholdings	345,153.98
	2008 withholdings for 2007	46,248.57
		<u>391,402.55</u>
	amount of increase @ 0.25 =	<u>97,850.64</u>
45 & 90	Net Profit in 2007 & 2008 for 2007	
	Net Profit Est. ('07) paid in Yr. End '08	21,364.34
	Net Profit Annual ('07) paid in Yr. End '08	11,663.28
	2007 Net Profit Estimates	65,551.95
	2007 Net Profit Annuals	1,711.00
		<u>100,290.57</u>
	amount of increase @ 0.25 =	<u>25,072.64</u>
55 & 95	Individual Employment in 2007 & 2008 for 2007	
	Employment Est. ('07) paid in Yr. End '08	27,307.23
	Employment Annual ('07) paid in Yr. End '08	32,035.05
	2007 Employment Estimate	61,506.15
	2007 Employment Annual	-
		<u>120,848.43</u>
	amount of increase @ 0.25 =	<u>30,212.11</u>
		1.00% to 1.25 %
		97,850.64
		25,072.64
		<u>30,212.11</u>
		<u>153,135.39</u>
	rounded	<u>153,000.00</u>

Double Check:

wages	tax 1.00%	tax 1.25%	Increase
39,140,255.00			
	391,402.55	489,253.19	97,850.64
			97,850.64

Village of South Russell**Non-Residence, Employment Tax Calculation Change resulting from Change in Tax Rate
Based on 2007 Figures**

Tax rate from 1.00% to 1.75% = 75% increase

35	Withholdings 2007 & 2008 for 2007	
	2007 withholdings	345,153.98
	2008 withholdings for 2007	46,248.57
		<u>391,402.55</u>
	amount of increase @ 0.75 =	<u>293,551.91</u>
45 & 90	Net Profit in 2007 & 2008 for 2007	
	Net Profit Est. ('07) paid in Yr. End '08	21,364.34
	Net Profit Annual ('07) paid in Yr. End '08	11,663.28
	2007 Net Profit Estimates	65,551.95
	2007 Net Profit Annuals	1,711.00
		<u>100,290.57</u>
	amount of increase @ .75 =	<u>75,217.93</u>
55 & 95	Individual Employment in 2007 & 2008 for 2007	
	Employment Est. ('07) paid in Yr. End '08	27,307.23
	Employment Annual ('07) paid in Yr. End '08	32,035.05
	2007 Employment Estimate	61,506.15
	2007 Employment Annual	-
		<u>120,848.43</u>
	amount of increase @ .75 =	<u>90,636.32</u>
		1.00% to 1.75 %
		293,551.91
		75,217.93
		<u>90,636.32</u>
		<u>459,406.16</u>
	rounded	<u>460,000.00</u>

Double Check:

wages	tax 1.00%	tax 1.75%	Increase
39,140,255.00			
	391,402.55	684,954.46	293,551.91
			293,551.91

Village of South Russell**Non-Residence, Employment Tax Calculation Change resulting from Change in Tax Rate
Based on 2007 Figures**

Tax rate from 1.00% to 1.50% = 50% increase

35	Withholdings 2007 & 2008 for 2007	
	2007 withholdings	345,153.98
	2008 withholdings for 2007	46,248.57
		<u>391,402.55</u>
	amount of increase @ 0.50 =	<u>195,701.28</u>
45 & 90	Net Profit in 2007 & 2008 for 2007	
	Net Profit Est. ('07) paid in Yr. End '08	21,364.34
	Net Profit Annual ('07) paid in Yr. End '08	11,663.28
	2007 Net Profit Estimates	65,551.95
	2007 Net Profit Annuals	1,711.00
		<u>100,290.57</u>
	amount of increase @ 0.50 =	<u>50,145.29</u>
55 & 95	Individual Employment in 2007 & 2008 for 2007	
	Employment Est. ('07) paid in Yr. End '08	27,307.23
	Employment Annual ('07) paid in Yr. End '08	32,035.05
	2007 Employment Estimate	61,506.15
	2007 Employment Annual	-
		<u>120,848.43</u>
	amount of increase @ 0.50 =	<u>60,424.22</u>
		1.00% to 1.50 %
		195,701.28
		50,145.29
		<u>60,424.22</u>
		<u>306,270.78</u>
	rounded	<u>306,000.00</u>

Double Check:

wages	tax 1.00%	tax 1.50%	Increase
39,140,255.00			
	391,402.55	587,103.83	195,701.28
			195,701.28



CENTRAL COLLECTION AGENCY
DIVISION OF TAXATION

205 W. Saint Clair Ave.
Cleveland, OH 44113-1503

www.ccatax.ci.cleveland.oh.us

Telephone (216) 664-2070

Toll Free (in Ohio) 1-800-223-6317

Fax (216) 420-8299

Ms. Danielle Romanowski
Fiscal Officer
Village of South Russell
5205 Chillicothe Road
South Russell, Ohio 44022

September 14, 2009

Dear Ms. Romanowski:

In response to your request, I have enclosed a summary report analyzing the effect of a residence credit change under three different alternatives (1.00% tax rate, 75% credit, capped at 0.75% (current); 1.00% tax rate, 75% credit, capped at 0.50%; and 1.00% tax rate, 75% credit, capped at 0.25%). The following are the results under each alternative:

ALTERNATIVES	TAX RATE	CREDIT	CAP	RESIDENCE TAX	RESIDENCE TAX CHANGE INCREASE (DECREASE)
1	1.00%	75%	0.75%	380,778	0
2	1.00%	75%	0.50%	644,115	263,337
3	1.00%	75%	0.25%	911,011	530,233

Please note that these figures reflect the estimated amount of residency tax only for those living in the Village of South Russell and working outside the Village.

The above calculations are based on the number of tax returns filed with CCA for the tax year 2007.

If you have any questions regarding this report, please call me at your convenience.

Sincerely,



Nassim M. Lynch
Income Tax Administrator

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Aniwerp
Barberton
Bradner
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Cleveland
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Orwell
Palmsville
Pardling
Peninsula

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Russells Point
Seville
South Russell
Timberlake
Wadsworth

Warrensville Hts
Waynesfield

Dayton
Trotwood

CENTRAL COLLECTION AGENCY- DIVISION OF TAXATION
VILLAGE OF SOUTH RUSSELL RESIDENTS WORKING OUTSIDE OF THE VILLAGE
RESIDENCE TAX ANALYSIS BASED ON 2007 TAX YEAR DATA

EMPLOYMENT COMMUNITY	CITY CODE	TOTAL WAGE AMOUNT	TAX RATE	NUMBER OF DISTRIBUTIONS	1.00% 0.75% 75%	Tax Rate Credit Limit Tax Credit	1.00% 0.50% 75%	Tax Rate Credit Limit Tax Credit	1.00% 0.25% 75%	Tax Rate Credit Limit Tax Credit
					AMOUNT	AMOUNT	AMOUNT			
AKRON	005	633,396	2.25%	15	0.25%	1,583	0.50%	3,167	0.75%	4,750
AURORA	010	333,192	2.00%	18	0.25%	833	0.50%	1,666	0.75%	2,499
ASHTABULA	012	-	1.80%	4	0.25%	-	0.50%	-	0.75%	-
AVON	020	-	1.75%	4	0.25%	-	0.50%	-	0.75%	-
AVON LAKE	022	107,818	1.50%	6	0.25%	270	0.50%	539	0.75%	809
BARBERTON	025	-	2.00%	4	0.25%	-	0.50%	-	0.75%	-
BAY VILLAGE	040	-	1.50%	4	0.25%	-	0.50%	-	0.75%	-
BEACHWOOD	050	4,150,329	1.50%	63	0.25%	10,376	0.50%	20,752	0.75%	31,127
BEDFORD	080	527,652	2.25%	17	0.25%	1,319	0.50%	2,638	0.75%	3,957
BEDFORD HTS.	070	1,043,577	2.00%	20	0.25%	2,609	0.50%	5,218	0.75%	7,827
BENTLYVILLE	090	23,010	1.00%	1	0.25%	58	0.50%	115	0.75%	173
BEREA	100	-	2.00%	4	0.25%	-	0.50%	-	0.75%	-
BRATENAHL	120	15,000	1.50%	2	0.25%	38	0.50%	75	0.75%	113
BRECKSVILLE	130	3,080,847	2.00%	11	0.25%	7,702	0.50%	15,404	0.75%	23,106
BROADVIEW HTS.	140	45,821	2.00%	8	0.25%	115	0.50%	230	0.75%	344
BROOKLYN	150	379,592	2.50%	8	0.25%	949	0.50%	1,898	0.75%	2,847
BROOKLYN HEIGHTS	160	250,604	2.00%	13	0.25%	627	0.50%	1,253	0.75%	1,880
BROOKPARK	170	1,012,892	2.00%	18	0.25%	2,532	0.50%	5,084	0.75%	7,597
BRUNSWICK	175	-	1.35%	4	0.25%	-	0.50%	-	0.75%	-
BURTON	176	186,129	1.00%	4	0.25%	490	0.50%	981	0.75%	1,471
CANTON	178	13,705	2.00%	5	0.25%	34	0.50%	69	0.75%	103
CHAGRIN FALLS	180	7,647,470	1.50%	189	0.25%	19,119	0.50%	38,237	0.75%	57,356
CHARDON	185	604,836	2.00%	22	0.25%	1,512	0.50%	3,024	0.75%	4,536
CLEVELAND	200	35,189,970	2.00%	290	0.25%	87,975	0.50%	175,950	0.75%	263,925
CLEVELAND HTS.	210	259,703	2.00%	14	0.25%	649	0.50%	1,299	0.75%	1,948
COLUMBUS	235	8,264	2.00%	5	0.25%	16	0.50%	31	0.75%	47
CUYAHOGA FALLS	240	232,552	2.00%	18	0.25%	581	0.50%	1,163	0.75%	1,744
CUYAHOGA HTS.	250	855,827	2.00%	12	0.25%	2,140	0.50%	4,279	0.75%	6,419
EAST CLEVELAND	270	526,756	2.00%	7	0.25%	1,317	0.50%	2,634	0.75%	3,951
EASTLAKE	273	188,008	2.00%	7	0.25%	470	0.50%	940	0.75%	1,410
ELYRIA	277	568,368	1.75%	9	0.25%	1,423	0.50%	2,847	0.75%	4,270
EUCLID	280	812,792	2.85%	21	0.25%	1,532	0.50%	3,064	0.75%	4,596
FAIRLAWN	290	888,777	2.00%	6	0.25%	2,172	0.50%	4,344	0.75%	6,516
FAIRVIEW PARK	300	45,826	2.00%	1	0.25%	114	0.50%	228	0.75%	342
GARFIELD HTS.	320	253,159	2.00%	14	0.25%	633	0.50%	1,266	0.75%	1,899
GATES MILLS	330	152,182	1.00%	13	0.25%	380	0.50%	761	0.75%	1,141
GENEVA	345	-	1.50%	4	0.25%	-	0.50%	-	0.75%	-
GLENWILLOW	349	2,904	2.00%	1	0.25%	7	0.50%	15	0.75%	22
GREEN	358	-	2.00%	4	0.25%	-	0.50%	-	0.75%	-
HIGHLAND HTS.	370	1,471,282	2.00%	16	0.25%	3,678	0.50%	7,356	0.75%	11,035
HIGHLAND HILLS	371	336,264	2.50%	6	0.25%	841	0.50%	1,681	0.75%	2,522
HUDSON	378	329,039	2.00%	13	0.25%	823	0.50%	1,645	0.75%	2,468
INDEPENDENCE	380	2,470,149	2.00%	34	0.25%	6,175	0.50%	12,351	0.75%	18,528
KENT	392	203,227	2.00%	11	0.25%	508	0.50%	1,016	0.75%	1,524
KIRTLAND	384	333,442	2.00%	12	0.25%	834	0.50%	1,667	0.75%	2,501
LAKEWOOD	400	55,206	1.50%	8	0.25%	138	0.50%	276	0.75%	414
LORAIN	435	125,518	2.00%	6	0.25%	314	0.50%	628	0.75%	941
LYNDHURST	440	234,090	1.50%	24	0.25%	585	0.50%	1,170	0.75%	1,756
MACEDONIA	450	391,938	2.00%	11	0.25%	980	0.50%	1,960	0.75%	2,940
MADISON VILLAGE	455	37	1.00%	5	0.25%	0	0.50%	0	0.75%	0
MANSFIELD	458	-	1.75%	4	0.25%	-	0.50%	-	0.75%	-
MAPLE HTS.	460	103,455	2.50%	10	0.25%	259	0.50%	517	0.75%	776
MAUMEE	485	82,318	1.50%	2	0.25%	208	0.50%	412	0.75%	617
MAYFIELD HTS.	480	5,871,944	1.00%	49	0.25%	14,680	0.50%	29,360	0.75%	44,040
MAYFIELD VILG	485	2,881,797	1.50%	37	0.25%	7,204	0.50%	14,409	0.75%	21,613
MEDINA	487	-	1.25%	8	0.25%	-	0.50%	-	0.75%	-
MENTOR	490	2,857,388	2.00%	39	0.25%	7,143	0.50%	14,287	0.75%	21,430
MENTOR-ON-THE-LAKE	495	12,279	2.00%	1	0.25%	31	0.50%	61	0.75%	92
MIDDLEBURG HTS.	500	111,248	2.00%	7	0.25%	278	0.50%	556	0.75%	834
MIDDLEFIELD	510	946,510	1.00%	17	0.25%	2,366	0.50%	4,733	0.75%	7,099
NORTHFIELD VILLAGE	545	922	2.00%	6	0.25%	2	0.50%	5	0.75%	7
NORTH OLMSTED	550	233,834	2.00%	7	0.25%	584	0.50%	1,168	0.75%	1,752
NORTH RANDALL	560	11,866	2.75%	8	0.25%	30	0.50%	59	0.75%	89
NORTH RIDGEVILLE	565	27,561	1.00%	1	0.25%	69	0.50%	138	0.75%	207
NORTH ROYALTON	570	-	2.00%	5	0.25%	-	0.50%	-	0.75%	-
NORTON	575	-	2.00%	4	0.25%	-	0.50%	-	0.75%	-

CENTRAL COLLECTION AGENCY- DIVISION OF TAXATION
VILLAGE OF SOUTH RUSSELL RESIDENTS WORKING OUTSIDE OF THE VILLAGE
RESIDENCE TAX ANALYSIS BASED ON 2007 TAX YEAR DATA

EMPLOYMENT COMMUNITY	CITY CODE	TOTAL WAGE AMOUNT	TAX RATE	NUMBER OF DISTRIBUTIONS	1.00% 0.75% 75%	Tax Rate Credit Limit Tax Credit	1.00% 0.50% 75%	Tax Rate Credit Limit Tax Credit	1.00% 0.25% 75%	Tax Rate Credit Limit Tax Credit
					AMOUNT		AMOUNT		AMOUNT	
OAKWOOD VILLAGE	580	489,846	2.00%	5	0.25%	1,175	0.50%	2,349	0.75%	3,524
ORANGE	600	113,876	2.00%	7	0.25%	285	0.50%	569	0.75%	854
ORVILLE	603	-	1.00%	4	0.25%	-	0.50%	-	0.75%	-
PAINESVILLE	610	428,547	2.00%	10	0.25%	1,071	0.50%	2,143	0.75%	3,214
PARMA	620	264,168	2.50%	8	0.25%	880	0.50%	1,321	0.75%	1,981
PARMA HEIGHTS	630	235,210	3.00%	5	0.25%	588	0.50%	1,176	0.75%	1,764
PEPPER PIKE	650	2,439,186	1.00%	42	0.25%	8,098	0.50%	12,198	0.75%	18,294
RAVENNA	660	88,693	2.00%	6	0.25%	242	0.50%	483	0.75%	725
RICHFIELD	665	-	2.00%	4	0.25%	-	0.50%	-	0.75%	-
RICHMOND HTS	670	848,715	2.00%	10	0.25%	2,122	0.50%	4,244	0.75%	6,365
ROCKY RIVER	700	1,360	1.50%	7	0.25%	3	0.50%	7	0.75%	10
SEVEN HILLS	720	55,302	2.00%	6	0.25%	138	0.50%	277	0.75%	415
SEVILLE	722	-	1.00%	5	0.25%	-	0.50%	-	0.75%	-
SHAKER HTS	750	628,215	1.75%	29	0.25%	1,566	0.50%	3,131	0.75%	4,697
SHEFFIELD LAKE	753	-	1.50%	4	0.25%	-	0.50%	-	0.75%	-
SOLOM	760	7,145,807	2.00%	105	0.25%	17,865	0.50%	35,729	0.75%	53,594
SOUTH EUCLID	770	816,871	2.00%	15	0.25%	2,042	0.50%	4,084	0.75%	6,127
SOUTH RUSSELL	772	8,723,845	1.00%	598	0.00%	-	0.00%	-	0.00%	-
STOW	773	2,608	2.00%	8	0.25%	7	0.50%	13	0.75%	20
STREETSBORO	775	88,863	2.00%	10	0.25%	247	0.50%	494	0.75%	741
STRONGSVILLE	780	208,512	2.00%	9	0.25%	521	0.50%	1,043	0.75%	1,584
TALLMADGE	785	374,454	2.00%	6	0.25%	936	0.50%	1,872	0.75%	2,808
TOLEDO	791	3,875	2.25%	1	0.25%	10	0.50%	19	0.75%	29
TWINSBURG	795	1,498,251	2.00%	24	0.25%	3,741	0.50%	7,481	0.75%	11,222
UNIVERSITY HTS	800	355,777	2.50%	12	0.25%	889	0.00%	-	0.75%	2,688
VALLEY VIEW	810	335,333	2.00%	5	0.25%	838	0.50%	1,677	0.75%	2,515
WADSWORTH	815	50,688	1.30%	5	0.25%	127	0.50%	253	0.75%	380
WALTON HILLS	820	402,326	2.00%	4	0.25%	1,006	0.50%	2,012	0.75%	3,017
WARRENSVILLE HTS.	830	1,634,541	2.60%	28	0.25%	4,088	0.50%	8,173	0.75%	12,259
WESTFIELD CENTER	838	-	1.00%	4	0.25%	-	0.50%	-	0.75%	-
WESTLAKE	840	82,694	1.50%	7	0.25%	207	0.50%	413	0.75%	620
WICKLIFFE	860	3,417,860	2.00%	14	0.25%	8,544	0.50%	17,088	0.75%	25,632
WILLOUGHBY	870	1,554,733	2.00%	16	0.25%	3,867	0.50%	7,774	0.75%	11,660
WILLOUGHBY HILLS	880	408,888	1.50%	10	0.25%	1,022	0.50%	2,044	0.75%	3,067
2.5% CITY	881	4,800	2.50%	4	0.25%	12	0.50%	24	0.75%	36
2% CITY	883	683,491	2.00%	19	0.25%	1,659	0.50%	3,317	0.75%	4,976
1.75% CITY	884	1,705	1.75%	5	0.25%	4	0.50%	8	0.75%	13
1.5% CITY	885	14,308	1.50%	9	0.25%	38	0.50%	72	0.75%	107
1% CITY	886	457,314	1.00%	20	0.25%	1,143	0.50%	2,287	0.75%	3,430
WORKED AT 887	887	789,149	2.00%	25	0.25%	1,998	0.50%	3,998	0.75%	5,994
NONTAXING	888	11,568,202	0.00%	323	1.00%	115,882	1.00%	115,882	1.00%	115,882
2.25% CITY	891	140,862	2.25%	4	0.25%	352	0.50%	705	0.75%	1,057
WOODMERE	900	872,367	2.00%	16	0.25%	2,181	0.50%	4,362	0.75%	6,543
WOOSTER	910	-	1.00%	4	0.25%	-	0.50%	-	0.75%	-
YOUNGSTOWN	950	113,215	2.75%	7	0.25%	283	0.50%	566	0.75%	849
GATEWAY	990	1,432	2.00%	1	0.25%	4	0.50%	7	0.75%	11
CLEVE/HI HILLS JEOZ	995	87,779	2.50%	1	0.25%	219	0.50%	439	0.75%	658
TOTALS		127,338,620		2,684		380,778		644,115		911,011

FINANCE MEETING
11/9/09 6:30 P.M.

Present: Brett, Koons, Binder, Romanowski

- Well monitoring – reduce amount and see what services can still get at reduced amount
- Correct budget to date with October corrections
- Look into Ho house and property taxes. Are they living in house, habitable?
- Review newsletter budget, online newsletter idea, etc.
- Get quotes from RITA

FINANCE MEETING
10/26/2009 6:30 p.m.

Present: Brett, Binder, Koons, Romanowski

Reviewed and set up budget timeline. See attached.

FO to get information from department heads entered and forward to Finance by afternoon of 11/6.

Tuesday, November 17th on marathon budget work session.

Mayor wants budget locked in by November 23.

Discussion regarding cost of health insurance renewal and financial impact of multiple scenarios.

Finance to meet 11/9 at 6:30 to review preliminary worksheets.

VILLAGE OF SOUTH RUSSELL

5205 Chillicothe Road

South Russell, OH 44022

Phone: 440-338-6700

Fax: 440-338-8776

2010 Budget Process Timeline

- 10/2009 Fiscal Officer will distribute budget worksheets to Department Heads that will include detailed descriptions of line items
- Department Heads will complete worksheets and review with their committee
- 11/04/09 Department heads should return detailed budget worksheets that have been reviewed by their committee to Fiscal Officer
- Fiscal Officer will enter budget worksheet information into Fundbalance and print entered report. These will be given back to Department Heads to review for accuracy of data entry, and returned to Fiscal Officer prior to 11/04/09.
- 11/09/09 Finance Committee will meet at 6:30 p.m. to have preliminary budget review of worksheets
- 11/09/09 Preliminary budgets distributed to Mayor & Council for review
- 11/17/09 Council Budget Work Session @ 5:00 p.m.
- 5:00 Parks
 - 5:30 Cemetery
 - 6:00 Building/Properties
 - 6:30 Safety
 - 7:30 Streets
 - 8:30 General
- 11/23/09 Adopt Annual Appropriation

as of 10/26/08

FINANCE MEETING

Thursday, September 11, 2008

7:00 a.m.

Mayor Brett, William Koons, Jack Binder, Fiscal Auditor Lechman, Fiscal Officer Romanowski

Mayor explained he wants to slow down the budget process this year having department heads explain each line item, what it includes, as well as any changes in it for the upcoming year and what those changes are earmarked for.

Fiscal Officer will check with Fundbalance on:

- Can explanation of line items go into the Fundbalance software
- Can we get a report of the last several years of year-end actual numbers
- Can we get a report without transfers so we know the actual budget
- Can one report be the central repository of all above information
- Can information from Excel get imported into a specialized Fundbalance Report

Delete acct #5
> Chart of acct

Minutes of the Finance Committee Meeting held on Monday, August 24, 2009, 7:00 p.m.

Attending were Danielle, Jack, Adam and Bill

Our goal was to prepare for this fall's strategic planning session by creating a three- five year revenue projection.

To create the revenue projection we decided to do the following:

Danielle was to contact Geauga County to get their latest projections on our levies. Specifically, what each levy brings or will bring in if we renew or replace each of our three present levies.

Danielle was also to ask the County to provide our aggregate tax base.

Danielle was to contact CCA to:

1. Determine the increase in income if we were to reduce our income tax credit
2. Determine the increase if we were to raise our income tax by .25%, .50%, etc.
3. Determine the increase if we reduce our "tax limit". Adam can explain "tax limit".
4. Determine each levy's effective rate

We ask each of you to be ready to provide known LARGE expenditures for the upcoming years. Don't worry about the smaller, often expenditures of doing business. We are looking at large expenditures in:

Staffing

Ambulance and fire

Dispatch

Road

Cemetery

Vehicles

Properties

**Finance Meeting
5-11-09 at 7:00 am**

Present: Mayor, Fiscal Officer, Koons, Binder and Lechman via telephone

Gross to net comparable –

\$480,000 in 2009 which is above 2004-2006

\$430,000 average

Comparing 2004 – 2006 – we are in good shape per Lechman

2006 1.63

2009 1.1

Per Lechman, not too unrealistic to come close to budgeted tax revenue for 2009

Mayor believed would still be below budget

Binder – 2009 budget contained operations mostly. Believes we should watch 2009 but not make any changes at this time but need to focus more on a 5-year structure of budget

Mayor said we need to look at keeping taxes low and services high

Koons said Thursday's paper said real estate taxes – no real changes coming.

Mayor said finance is to review cemetery board numbers by the 6/8/09 CCL meeting

Finance to recommend obtaining both renewal and replacement levy certification from Auditor

FINANCE MEETING
5/1/09 7:00 AM

Present: Brett, Binder, Lechman, Romanowski

Reviewed '07 and '08 interest, penalties and back taxes

Compare net to net

\$1,179,361 gross
84,175 expenses
\$1,095,000 approx net

Adam – happy if @ y/e we are \$100,000 down in income tax. Worse case scenario \$200,000

CCA deposit – first Monday after second Wednesday of each month

Mayor – surrounding communities not down as much – Chagrin Falls down 3%

Adam – Evaluate CCA itself regarding fees, service, effectiveness. Compare against RITA

Property taxes approximately 52% - 50%

Gas Tax – price per gallon? Per gallon tax

Interest	26,260 – down	11,000
Income Tax		150,000
Misc		50,000
Down Approx		\$ 200,000

Adam – to look at past deficits

Road \$25,000 under budget
Fuel, engineer, P/D – no OT

Options:

- Operate deficit
- salary cuts
- unpaid furlows

FINANCE MEETING
4/17/09 7:00 AM

Present: Brett, Koons, Romanowski

956,000 = 239,000 x 4 \$1,179,361

Follow up with county regarding real estate taxes for year

Big bins of revenue

Auditor – re-appraisal of 2008 ask auditor % of 1st – 2nd split

Options:

- renew levy PD
- change hours
- cut hours

FINANCE MEETING
2-9-09 7:00 a.m. Village Hall

Present: Lechman, Koons, Binder & Romanowski

1. Reviewed SRV investment policy
2. ORC – collateralized
3. State Auditor – State Treasury Asset Reserve (STAR) Ohio

Amend investment policy to include bank we have money with 2006-36

Should go through bidding process with bank. Don't have to go with lowest bidder, should just go through the process

Short term CD – lower risk

Must have 50% of years bills/expenses – liquid

Difference between collateralized CD and commercial CD in paper (22.53) – 3 year history on spread

Opportunity for banks to bid on

Village Hall

From: <wnek3@roadrunner.com>
To: <mp@mporterlaw.com>; <flaiz@jcrlaw.com>; "Jack Binder" <JackBinder@edmarchem.com>;
"Mary Beth Wolfe" <MaryBethWolfe@howardhanna.com>; "Village Hall"
<srvclerk@neohio.twcbc.com>; <johnedishong@att.com>; "Matt Brett" <mbrett@sage-quest.com>
Sent: Friday, March 13, 2009 8:19 PM
Subject: Finances

I would like to propose we spend the Monday, May 11, meeting discussing our financial situation.

I will be gone and miss the April 27 meeting. Could we move the cemetery presentation to that meeting?

--

William G. Koons, Ph.D.
61 Potomac Drive
Chagrin Falls, Ohio 44022
440-338-1524
wnek3@roadrunner.com

----- Village Hall <srvclerk@neohio.twcbc.com> wrote:

> Attached is the income tax report. It appears we are down \$142,821.95 from last year at this time.

>

>

>

> Danielle Romanowski
> South Russell Village, Fiscal Officer
> 5205 Chillicothe Road
> South Russell, OH 44022
> 440-338-6700 ext. 221
> srvclerk@neohio.twcbc.com

--

No virus found in this incoming message.

Checked by AVG.

Version: 7.5.557 / Virus Database: 270.11.15/2004 - Release Date: 3/16/2009 7:04 AM

3/16/2009

Village Hall

From: "Adam Lechman" <sr44022@yahoo.com>
To: "Jack Binder" <edmarchem@msn.com>; "Bill Koons" <wnek3@adelphia.net>; "Matt Brett" <mbrett@sage-quest.com>; "Jim Flaiz" <flaiz@jclaw.com>; "Mark Porter" <mp@mporterlaw.com>; "Village Hall" <svclerk@neohio.twcabc.com>; "John Dishong" <johndishong@att.com>
Sent: Monday, January 26, 2009 7:54 PM
Attach: New Rate Sheet 12-11-08 Updated .xls
Subject: Fw: Now's the time to lock in CD rates!

All -

The interest rates on CDs for government funds do not appear to be as attractive as commercial rates.

Attached are the rates we received from Charter One's Government banking team last month. I'd be very surprised if they've increased since December.

6 months yield 2.04% and 12 months yield 2.25%. I doubt we want to look further out than that.

We could always see if other banks offer better rates. The key is that I think we should stick with collateralized CDs for governments rather than looking at commercial rates.

The CD rates cited above are better than what we are receiving now so even if the other banks can't beat Charter One, it is still worth considering.

- Adam

----- Forwarded Message -----

From: "Cozzarin, Joanne M" <JOCOZZARIN@CHARTERONEBANK.COM>
Sent: Thursday, December 11, 2008 11:33:59 AM
Subject: Now's the time to lock in CD rates!

Good Morning,

It will come as no surprise to most of you that markets and rates continue to feel downward pressure. As we approach the next Fed meeting, we would like to direct your attention to the increasing likelihood that rates will be heading even lower.

As rates continue to respond to downward pressures, many investors examine their liquidity needs and try to lock in rates for those funds in excess of the more immediate liquidity needs in order to protect against the likelihood of lower rates to come.

We encourage you to examine your liquidity needs and then check our CD rates which are included as an attachment.

Charter One has the capacity, the collateral, and the rate structure to help you protect against further downward pressures.

Please call us if we can assist you or answer any questions as the year draws to a close and especially in the next few days in advance of the next Fed. meeting.

Please call our toll free number 866-468-8254 option #2 for our CD Desk or #3 for your Relationship Management Team.

1/27/2009

We stand by, ready to serve.

Your Government Banking team of Charter One

Jo

Joanne Cozzarin
Government Banking Officer
Charter One
1-866-GOVT BKG, option 3
1-866-468-8254, option 3
216-277-4846 (fax)

Not your Typical Government Banker

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Version: 7.5.552 / Virus Database: 270.10.12/1911 - Release Date: 1/23/2009 7:28 AM

1/27/2009



JUMBO CD RATES FOR:
Thursday, December 11, 2008

Based on 360 days

Term: Rate:	1 month <u>15-59 days</u>	2 months <u>60-89 days</u>	3 months <u>90-119 days</u>	4 months <u>120-149 days</u>	5 months <u>150-179 days</u>	6 months <u>180-209 days</u>
	0.92%	1.49%	1.72%	1.82%	1.94%	2.04%
Term: Rate:	7 months <u>210-239 days</u>	8 months <u>240-269 days</u>	9 months <u>270-299 days</u>	10 months <u>300-329 days</u>	11 months <u>330-359 days</u>	12 months <u>360-390</u>
	2.15%	2.15%	2.15%	2.25%	2.25%	2.25%
	<u>13-18 months</u>					
	<u>19-24 months</u>					
		1.90%				
		1.55%				

CD rates updated daily; these rates will be honored on 12/11/2008
Longer term investment rates available. Please contact the Government Banking Group to discuss.
Interest is based on a simple interest calculation and is paid at maturity.

Due to current market conditions and the possibility of yield curve inversion, please note that the number of days and corresponding rates in the above tiers may not be applicable for the full months referenced.

ORDINANCE NO.: 2006-36

FIRST READING 10/09/06

INTRODUCED BY: Binder

SECOND READING waived

THIRD READING waived

ORDINANCE DESIGNATING THE PUBLIC DEPOSITORIES FOR THE VILLAGE OF SOUTH RUSSELL FOR A FIVE-YEAR PERIOD AND AUTHORIZING THE TREASURER TO CONTRACT THEREFOR AND DECLARING AN EMERGENCY.

WHEREAS, Council for the Village of South Russell is required by Chapter 135 of the Ohio Revised Code to designate the public depositories of the public monies of the municipality; and

WHEREAS, Council desires to designate the active and interim funds of the Village for a five-year period, commencing with the effective date of this Ordinance and terminating five years therefrom; and

WHEREAS, Council, after appropriate review, desires to award the active and interim deposits to Charter One Bank, JP Morgan/Chase Bank, National City Bank, Huntington Bank, and Key Bank, in amounts at the discretion of the Treasurer.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of South Russell, Geauga County, Ohio that:

SECTION 1. Council awards the active and interim deposits of the Village of South Russell, for a five-year period, with the following institutions: Charter One Bank, JP Morgan/Chase Bank, National City Bank, Huntington Bank, and Key Bank. Such award is contingent upon each depository institution supplying the necessary financial information to the Treasurer and his approval of same.

SECTION 2. The Treasurer of the Village of South Russell is hereby authorized to contract with the aforesaid institutions for deposits of active and interim funds so long as the effective date of such agreements terminate five years from the effective date of this Ordinance.

SECTION 3. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees on or after December 2, 1975, that resulted in formal actions, were in meetings open to the public in compliance with all legal requirements, including Section 121.22, Ohio Revised Code.

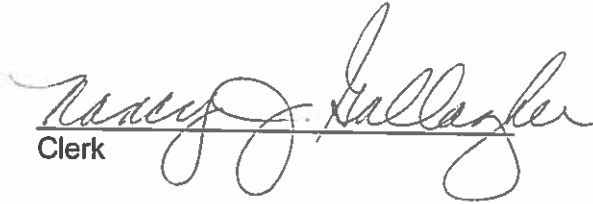
SECTION 4. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the Municipality and for the reason that the preceding designation of depositories enacted August 31, 2001 has terminated.

SECTION 4. This Ordinance shall be effective immediately upon its passage.

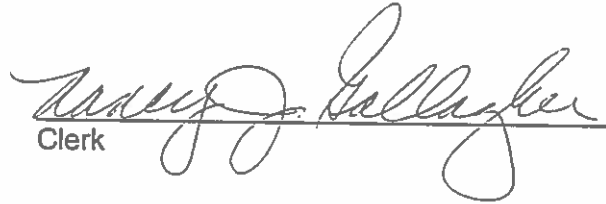


Mayor - President of Council

ATTEST:


Clerk

I certify that Ordinance No. 2006-36 was duly enacted on the 9th day of October, 2006, by the Council of the Village of South Russell, and posted in accordance with the Ordinances of the Village.


Clerk

F:\WP51\Wp\DMO\South Russell\Ordinance\2006\Depositories.doc

ORDINANCE NO. 1997-20

FIRST READING: March 10, 1997

INTRODUCED BY: Kathleen O'Donnell

SECOND READING: March 24, 1997

THIRD READING: April 14, 1997

**AN ORDINANCE ADOPTING AN INVESTMENT POLICY
FOR THE
VILLAGE OF SOUTH RUSSELL AND DECLARING AN EMERGENCY**

WHEREAS, Am. Sub. S. B. 81, effective September 27, 1996 makes changes to the Ohio Revised Code regarding the investment authority of local governments under the Uniform Depository Act and requires the adoption by the Village Council, of an Investment Policy, in writing, and filing with the Auditor of the State of Ohio prior to making certain investments; and

WHEREAS, the Village is desirous of adopting an Investment Policy in order to govern the investment activities of the Village of South Russell to maximize returns on the Village's excess cash balances consistent with complete safety of the investment portfolios' principal value.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF SOUTH RUSSELL, COUNTY OF GEAUGA, AND STATE OF OHIO, AS FOLLOWS:

Section 1. The Investment Policy of the Village of South Russell, a copy of which is attached hereto and made a part hereof as Exhibit "A" is hereby adopted in its entirety.

Section 2. The Treasurer of the Village of South Russell shall forthwith certify this Ordinance and file a certified copy of this Ordinance and the Investment Policy with the Auditor of the State of Ohio in accordance with Revised Code Section 135.14(N)(1) of the Ohio Revised Code.

Section 3. That all formal actions of this Council concerning the passage of this Ordinance were adopted in an open meeting, and all deliberations of this Council, or any of its Committees, which resulted in such formal actions, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4. That this Ordinance is hereby declared to be and is passed as an emergency measure, the emergency being the need to adopt the Investment Policy immediately and file it with the Auditor of the State of Ohio in order to be able to continue to make investments authorized by Revised Code Section 135.14 and in order to avoid any lapse in making investments for the financial benefit of the Village. Said Ordinance is necessary for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the Village of South Russell.

WHEREFORE, this Ordinance shall be in full force and effect immediately upon its passage.

Passed this 14th day of April, 1997.

ATTEST:

Nancy J. Gallagher
Clerk

[Signature]
Mayor - President of Council

I certify that Ordinance No. 1997-20 was duly enacted on the 14th day of April, 1997 by the Council of the Village of South Russell and posted in accordance with the Ordinances of the Village.

Nancy J. Gallagher
Clerk

EXHIBIT A

INVESTMENT POLICY

SCOPE:

All Public Monies of the Village not prescribed by the Treasurer or his designee to be kept as a cash reserve of the Village, may be invested by the Treasurer or his designee in the Authorized Investments described below purchased only through or from Eligible Depositories designated pursuant to the Uniform Depository Act. The treasurer is authorized to pool cash balances of the several funds of the Village for investment.

OBJECTIVES:

The achievement of sound fiscal management for the Village requires effective investment of the Public Monies of the Village:

1. Safety of Principal is the most important objective. Credit risk shall be minimized by diversifying and maintaining adequate collateralization. Market risk shall be minimized by (a) maintaining adequate liquidity so that current obligations can be met without a sale of securities, (b) diversification of maturities, and (c) diversification of assets.
2. Liquidity. The Village's investments shall remain sufficiently liquid to enable the Village to meet its operating requirements that might be reasonably anticipated.
3. Yield. The portfolio shall be managed to consistently attain a market rate of return throughout budgetary and economic cycles.

INVESTMENT AUTHORITY:

The Treasurer is responsible for insuring that personnel follow the established investment policy. The Treasurer is hereby authorized and directed to invest the Public Monies of the Village in accordance with the provision of this policy. The Treasurer may delegate the authority to invest the Public Monies of the Village hereunder to an employee or employees of the Village, provided that any such delegation shall be in writing and attached to this policy. Such a delegation may be for a limited or unlimited period of time; provided that, revocation of such delegation shall be effective only if made in writing by the Treasurer, filed with the Investment Depositories, and attached to this policy. Termination of employment of the employee by the Village shall automatically terminate such employee's authority to invest the Public Monies of the Village without the need of a written instrument.

Officers and employees of the Village involved in making investment decisions shall refrain from personal business activity that could conflict with the proper execution and management of the investment program of the Village, or that could impair their ability to make impartial decisions regarding the Village's investments.

INVESTMENT POLICY continued

The Treasurer and his designee, the Mayor, the *Solicitor* and Councilmembers shall not be held accountable or personally liable for any loss occasioned by the sale of any eligible investment if the investment policy has been followed.

The Treasurer or his designee shall maintain accounts in which he shall make appropriate entries of all transactions relating to the investment of Public Monies. Interest earned on any eligible investment shall be collected and credited to the proper fund of the Village as required by law.

ELIGIBLE DEPOSITORIES

The Treasurer may transact business with eligible Ohio financial institutions that secure the obligations by depositing with safekeeping trustees, Federal Reserve Bank of Cleveland and/or Bank of New York, and/or eligible securities in the amount and in the manner required by 135 ORC. All entities transacting investment business with the Village are required to sign this approved investment policy as an acknowledgement and understanding of the contents of said policy.

AUTHORIZED INVESTMENTS:

1. U.S. Treasury Bills, Notes, and Bonds maturing 5 years from date of settlement unless the investment is matched to a specific obligation or debt of the Village, the investment is specifically approved by Council, and it will be held until its maturity.
2. Certificates of Deposit from eligible institutions.
3. No more than 25% of investment funds in No-load money market mutual funds rated in the highest category by at least one nationally recognized rating agency, investing exclusively in the same type of eligible securities as defined under 135.14 ORC.
4. Repurchase agreements for no more than 30 days with any eligible institution mentioned in section 135.14 ORC. The market value of securities subject to a repurchase agreement must exceed the principal value of the repo amount by at least 2%.
5. STAR Ohio.

PROHIBITED INVESTMENTS AND PRACTICES:

Derivative investments
Reverse Repurchase Agreements
Investment Pools other than STAR Ohio
Stripped principal or interest obligations of issuance
Contracting to sell securities that have not been acquired on the speculation that bond prices will decline
Leveraging of current investments as collateral to purchase other investments

INVESTMENT POLICY continued

PROCEDURES FOR THE PURCHASE AND SALE OF SECURITIES:

The Treasurer or his designee will verbally authorize and confirm in writing the eligible depository to purchase or sell an authorized investment. Confirmation advices, representing the purchase and/or sale of securities, including price, will be issued by the financial institution and sent to the Village. All investments sales must be deposited in the account(s) of the Village of South Russell.

SALE OF SECURITIES PRIOR TO MATURITY:

Securities may be redeemed or sold prior to maturity under the following conditions:

- To meet additional liquidity needs
- To purchase another security to increase yield or current income
- To purchase another security to lengthen or shorten maturity
- To realize any capital gains and/or income
- To increase investment quality

SAFEKEEPING AND CUSTODY:

Securities purchased for the Village of South Russell will be held in safekeeping by a qualified trustee ("Custodian"), as provided in Section 135.37 ORC. Securities held in safekeeping by the custodian will be evidenced by quarterly (calendar) statements describing such securities. The custodian may safekeep the Village's securities in (1) Federal Reserve Bank book entry form; (2) Depository Trust Company (DTC) book entry form in the account of the custodian or the custodian's correspondent bank, or (3) non-book entry (physical) securities held by the custodian or the custodian's correspondent bank. All securities transactions will settle using standard delivery-vs-payment procedures. The records of the custodian shall identify such securities in the name of the investing authority.

STATEMENT OF COMPLIANCE:

This investment policy has been approved by the Treasurer and the Council of the Village of South Russell and filed with the Auditor of State, pursuant to 135.14 (M) (1) ORC.

All brokers, dealers, and financial institutions executing transactions initiated by the Treasurer have signed the approved investment policy.

Any amendments to this policy will be filed with the Auditor of State within fifteen days of the effective date of the amendment. The policy and any amendments thereof will be filed at the following address:

Auditor of State
ATTN: Clerk of the Bureau
P.O. Box 1140
Columbus, Ohio 43216-1140

Finance

2-23-09

6:00 PM

Mayor, Koons, Romanowski - Lechman
by phone.

Discussed costs, requirements of
GASB34 and possibly going
back to regulatory.

Stimulus money. Mayor wants
Finance to be central for that

- Bull Road
- Walking trails at park
- Multi-purpose paths
- grants.
- Sewer project

A lot of ideas for improvement
What position do you have
be in-ready

Do roads qualify? Mayor
said maybe Road Enhancements
would qualify.

Koons will talk to county, state
and ask questions. - get foot in

Village Hall

From: "Matt Brett" <MBrett@sage-quest.com>
To: <flaiz@jclaw.com>; "Jack Binder" <JackBinder@edmarchem.com>; <johndishong@att.com>; <wnek3@adelphia.net>; <marybeth.wolfe@realtyone.com>; <mp@mporterlaw.com>
Cc: "Village Hall" <svclerk@neohio.twcbc.com>; "L. Adam Lechman, CPA" <srv44022@yahoo.com>
Sent: Thursday, December 04, 2008 12:18 PM
Attach: 2009 12-1 Budget Worksession Results.xls
Subject: 2009 12-1 Budget Worksession Results.xls

All,

The Finance Committee and I had a conversation earlier today to map out a recommended strategy for our 2009 budget, given the update provided by Danielle yesterday.

It is the recommendation of the group to adopt the proposed 2009 budget attached with the following considerations.

1. After the most recent update, prior to factoring any amount of wage increases, the 2009 budget would reflect an operating deficit of approximately \$35,000. (I did not change the spreadsheets that currently reflect a budgetary increase of 3.5%, ultimately reflecting a \$78,000 deficit)
2. We would look to make up this deficit by using cash balances. We would expect to end 2008 with approximately \$1.45 million in cash balances.
3. We are not confident that we will hit the revenue projections; therefore we would look to review the status of the revenues in April. At that time, if the revenues received are falling under the first quarter projections, we will look to make some additional recommended cuts.

Please let me know if anyone would like to discuss this further or feels strongly about the need to meet again prior to Monday's council meeting.

Matt

No virus found in this incoming message.

Checked by AVG.

Version: 7.5.552 / Virus Database: 270.9.13/1828 - Release Date: 12/4/2008 8:05 AM

12/4/2008

FINANCE COMMITTEE INFO

November 10, 2008

The November 4, 2008 safety levy passed with seventy-two percent of the voters approving the 1984 levy. This 5-year, 2.0 mill levy brings in \$126,000 per year based on \$24 per \$100,000 of property valuation. The present levy expires December 31, 2009.

Tonight's agenda 5:30 Cemetery presentation by Patty Mills
 6:00 Parks presentation by Mark Porter
 6:30 Streets presentation by Darrell Johnson
 7:00 Properties presentation by Darrell Johnson

Agenda for Monday, November 17, 2008

6:00 ~~Review of the previous week's presentations-~~ DARRELL
6:30 Building presentation by Dave Hocesvar
7:00 Safety presentation by Chief Wetzel
8:00 Administration presentation by Danielle Romanowski
9:00 Possible revenue forecast by Adam Lechman

November 24, 2008 Executive session for employee compensation

December 1, 2008 Finance Committee meeting at ???????

December 8, 2008 Adopt Annual Appropriation

December 9-31, 2008 Committees present budgets to department heads

Miscellaneous

The 2009 Geauga County Official Estimate of Revenue for SRV is \$3,762,839

Our 2008 budget has revenue at \$2,721,830 and expenditures at \$2,754,472, for a deficit of \$36,642. 32,645

In 2009 Undivided Local Government should be \$82,494. Homestead Rollback should be \$152,973, which was up 20% in 2008. Real Estate Revenue should be \$983, 589.

Gauga County delinquencies are up .9% over last year

Property values are at 2005 levels

SRV delinquencies in 2007 were 4.19%	\$387,000
2006 were 4.84%	\$400,000
2005 were 4.13%	\$350,000

Our next tax levy will be in November 2009 when we renew the 2005 safety levy of 2.75 mills that brings in income of \$384,000.

South Russell Village tax rate is 11.95 mills.

FINANCE MEETING

Thursday, September 11, 2008

7:00 a.m.

Mayor Brett, William Koons, Jack Binder, Fiscal Auditor Lechman, Fiscal Officer Romanowski

Mayor explained he wants to slow down the budget process this year having department heads explain each line item, what it includes, as well as any changes in it for the upcoming year and what those changes are earmarked for.

Fiscal Officer will check with Fundbalance on:

- Can explanation of line items go into the Fundbalance software
- Can we get a report of the last several years of year-end actual numbers
- Can we get a report without transfers so we know the actual budget
- Can one report be the central repository of all above information
- Can information from Excel get imported into a specialized Fundbalance Report

Budget Process Timeline:

- 9/12/08 Fiscal Officer will distribute budget worksheets to Department Heads that will include detailed descriptions of line items
- Department Heads will complete worksheets and review with their committee
- 10/13/08 Department heads should return detailed budget worksheets that have been reviewed by their committee to Fiscal Officer
- Fiscal Officer will enter budget worksheet information into Fundbalance and print entered report. These will be given back to Department Heads to review for accuracy of data entry, and returned to Fiscal Officer prior to 10/17/08.
- 10/27/08 Finance Committee will meet at 6:30 p.m. to have preliminary budget review of worksheets
- 11/3/08 Preliminary budgets distributed to Mayor & Council for review
- 11/10/08 Council Budget Work Session @ 5:30 p.m.
Streets Department
Parks, Cemetery, Properties
- 11/17/08 Council & Mayor Review Preliminary Review @ 6:00-6:30 p.m.
Building Department 6:30 – 7:00 p.m.
Safety Department 7:00 – 8:00 p.m.
General Admin, Other Expenses, Revenue Forecast 8:00 - ???
- 12/8/08 Adopt Annual Appropriation
-

SOUTH RUSSELL VILLAGE COUNCIL

FINANCE COMMITTEE

MINUTES OF MEETING HELD 5/14/08 (date)

MEETING CALLED TO ORDER AT: 8:30 PM (time)

ATTENDANCE: COUNCILMAN BINDER, COUNCILMAN KOONS,
FISCAL AUDITOR LECHMAN, FISCAL OFFICER
ROMANOWSKI

TOPICS DISCUSSED:

- POSSIBLE CREDIT CARD POLICY - WHY IT IS NEEDED
How Policy SHOULD READ, WHAT CREDIT CARDS
VILLAGE CURRENTLY HAS
- POSSIBLE PETTY CASH FUND (LECHMAN)
COPY OF GATES MILLS POLICY FOR PETTY CASH
REVIEWED
- TAX BUDGET
 - WILL GET NUMBERS FROM AUDITOR NEXT WEEK
 - VERY ROUGH ESTIMATE
- POLICE LEVY.
 - SHOULD WE RAISE LEVY, COMBINE LEVY

RECOMMENDATIONS:

- CREDIT CARD POLICY - ALL WILL REVIEW POLICY +
DISCUSS @ MTG. @ 7PM 5/27/08 (Prior to CC MTG)
- PETTY CASH FUND - SAME AS ABOVE
- TAX BUDGET - F/O WILL GET #'S FROM AUDITOR AND
ADJUST LAST YEARS BUDGET BY CORRECT %
- LEVY - REVIEW AT MTG ON 5/27

MEETING ADJOURNED AT: 10:12 PM

SIGNED BY: Danielle Romanowski (person taking minutes)

6/19/06 Finance Committee Meeting

2007 Tax Budget -

A01

B08

B09

2006 Revised Estimate

Chelsea Creek -
Sp Investigation

South Russell Village Committee Meeting Notes

Committee: Finance
Present: Nancy Gallagher
Adam Lechman

Date: 5-15-06
Jacob Binder
Bill Koon

Binder presented a spreadsheet of actual + projected financial status from 1999 — 2011.

June 19, 2006 - Budget Hearing for 2007 fiscal year

Partnership with Muggleton family or another person to defray costs of Muggleton

- ① Sell land
 - ② Partnership
 - ③ Borrow money
 - ④ Lower CCA tax credit
 - ⑤ Levy
 - ⑥ Income Tax
 - ⑦ A Bond
- 4 ways to raise money

CCA roll back credit after "police" levy

Raise \$500,000 now but police cost \$1,000,000 a year.

Gallagher provided 2006 preliminary budget overview

Stock in Outlaw Blue Cross must be sold Presently called Hill Point and \$800 shares.

Charter One \$400,000

Star One 1.1

Key

Submitted by: Bill Koon

Date: 5-15-06

Next Mtg:

Date: 5-30-06

Time: 5:00 p.m.

Place: Town Hall

Village Hall

From: "Jack Binder" <JackBinder@edmarchem.com>
To: <adaml@1040s.com>
Cc: "Nancy Gallagher - Clerk" <clerk.srv@southerussell.com>; "Matt Brett" <MBrett@sage-quest.com>; <wkoons@mayfield.k12.oh.us>
Sent: Thursday, April 06, 2006 1:00 PM
Subject: Healthcare stock

Adam,

Did you read the article in the paper about Bainbridge picking up a large sum of money from the Healthcare provider dating back to when the provider de-mutalized. I know that my Company received a nice check from Anthem to cash out our stock a few years ago when they did the same thing. It might be worth a look at our previous carriers (I am not sure who we have used in the past).

Jack

**EDMAR CHEMICAL COMPANY**

Jack Binder
EDMAR CHEMICAL COMPANY
P.O. Box 598
539 East Washington Street
Chagrin Falls, OH 44022-.0598
Toll Free: **1-800-678-7012**
FAX: **1-440-247-9630**
Direct: **1-440-247-0948**
Email: **JackBinder@edmarchem.com**
<http://www.edmarchem.com>

5/10/2006

Village Hall

From: "L. Adam Lechman, CPA" <adaml@1040s.com>
To: "Bill Koons" <wnek3@adelphia.net>; "Jack Binder" <JackBinder@edmarchem.com>
Cc: "Matt Brett" <mbrett@sage-quest.com>; "Village Hall" <svclerk@adelphia.net>
Sent: Wednesday, March 08, 2006 10:50 PM
Subject: Borrowing Money

Gentlemen,

Per Matt's request, I looked into how South Russell could borrow money if Council chooses to take that approach to funding the Muggleton purchase.

Although it is possible for the Village to obtain a commercial mortgage, this is not the best option. We could borrow money at a significantly lower interest rate if we take advantage of our tax exempt status.

If we intend to use the Muggleton property for open space or park and recreation purposes, we can issue General Obligation debt. While the current prime rate is 7.5% (BanxQuote), we can borrow money at 4.0% (Squire Sanders) by issuing G.O. debt.

We can issue G.O. debt in one of 2 ways: with a vote (ballot issue) or by council action. Councilmatic or unvoted debt, cannot exceed 5.5% of our assessed valuation. South Russell's assessed valuation is \$151,678,740. Consequently, we can issue up to \$8.342 million by a council vote. This is more than enough to purchase the farm.

Typically, municipalities obtain this type of funding by going through a Bond Counsel (i.e., Squire Sanders). The Bond Counsel would take care of all the paperwork for us. They put the issue together and either sell it to a bank or the public. Usually the Bond Council simply sells it to the municipality's depositor. We could have them put it out to bid, but normally all the banks offer the same rate.

After speaking with Ernie Demanelis at Squire Sanders, it looks like the best way to issue GO debt is through 1-year notes. We would only be required pay interest the first five years (4% now) and have the ability to retire the debt at the end of any one year period should we come into money (appropriation, inheritance tax, etc.). This is in contrast to a long-term issue which has an 8-10 year no call provision. After 5 years, we must start paying down principal. We can issue notes for up to 20 years.

The Bond Counsel would charge a flat fee and a % per \$100K. Gates Mills borrowed \$3,375,000 through Squire Sanders at a total cost of \$6,700. Their depositor, keybank, purchased the debt. I was very surprised at how little this cost.

The lead time on a GO debt, including Council readings, is approximately 4-6 weeks.

Dale Guthman at Charter One initially suggested that we go through Bond Counsel. Recently, when Gates Mills found themselves in a position similar to ours they issued debt through Squire Sanders and highly recommend it. It is easy, inexpensive, and we can get a great rate. And, the 1-year notes would afford us a great deal of flexibility.

That's really about all I know on this subject now. If you would like to speak to Ernie Demanelis directly, his number is (216) 479-8677.

Best regards,
 Adam

3/9/2006

L. Adam Lechman, CPA
1188 Bell Rd., Suite 205
Chagrin Falls, OH 44022
(440) 338-1040

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	99-'06	01-'06	06-'11
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATE	PROJECT.	PROJECT.	PROJECT.	PROJECT.	PROJECT.			
Police Levy	271.4	281.4	277.7	283.1	275.3	310.8	286.9	519.8	520.0	520.0	520.0	520.0	520.0	13.1%	17.4%	0.01%
gas tax	81.3	82.3	82.6	83.5	92.6	113.0	119.8	120.0	120.0	120.0	120.0	120.0	120.0	6.8%	9.0%	0.00%
Interest Income	55.6	118.0	86.8	47.9	32.0	31.7	53.7	50.0	120.0	5.0	5.0	5.0	5.0	-1.4%	-8.5%	-18.00%
Base Line	1,735.3	1,665.5	1,791.9	1,834.9	1,918.8	2,048.3	2,009.2	2,028.8	2,079.6	2,131.6	2,184.8	2,239.5	2,295.5	2.40%	2.60%	2.50%
Total Revenue *	2,143.5	2,147.3	2,239.0	2,249.4	2,318.7	2,503.8	2,469.6	2,718.7	2,724.6	2,776.6	2,829.8	2,884.5	2,940.5	3.8%	4.3%	1.63%
Inheritance	140.2	1,219.8	104.1	1,040.9	175.1	33.5	47.6	0.0								
Total Revenue	2,283.7	3,367.1	2,343.1	3,290.3	2,493.8	2,537.3	2,517.2	2,718.7								
*EX. Inheritance																
Expenses **	2,024.3	2,181.6	2,294.2	2,382.1	2,368.3	2,675.3	2,501.8	2,626.9	2,718.8	2,814.0	2,912.5	3,014.4	3,119.9	4.3%	2.9%	3.50%
Surplus/Shortfall	119.2	(34.4)	(55.2)	(132.7)	(49.6)	(171.6)	(32.2)	91.8	5.7	(37.4)	(82.6)	(130.0)	(179.5)			
Spec land & bldg	152.4	397.2	30.0	200.0	173.0	691.4	432.5	87.0								
Storm Water Mit.									120.0							
After Sp land & bid	(33.2)	(431.6)	(85.2)	(332.7)	(222.7)	(863.0)	(464.7)	4.8	(114.3)	(37.4)	(82.6)	(130.0)	(179.5)	-16.3%	-21.1%	-769.41%

5/30/06
Sp. m.

South Russell Village Committee Meeting Notes

Committee: Finance

Date: 5-15-06

Present: Nancy Gallagher

Jack Binder
Bill Koon

Adam Lechman

Binder presented a spreadsheet of actual + projected financial status from 1999 - 2011.

June 19, 2006 - budget hearing for 2007 fiscal year

Partnership with Muggleton family or another person to defray costs of Muggleton

- ① Sell land
 - ② Partnership
 - ③ Borrow money
 - ④ Lower CCA tax credit
 - ⑤ Levy
 - ⑥ Income Tax
 - ⑦ Bond
- } 4 ways to raise money

CCA roll back credit after "police" levy

Raise \$500,000 now, but police cost \$1,000,000 a year.

Gallagher provided 2006 preliminary budget overview

Stock in Rutton Blue Cross must be sold. Presently called Well Point and \$80 a share.

Charter One \$400,000

Star One 1.1

Key

Submitted by: Bill Koon

Date: 5-15-06

Next Mtg: Date: 5-30-06

Time: 5:00 p.m.

Place: Town Hall

Finance Committee Meeting
April 24, 2006

Agenda

1. Lease vs. Buy Policy
2. Budget Calendar
3. Muggleton Financing
4. Local Income tax rates
5. Operating Levy
6. Unbudgeted items
 - Chelsea Ct.
 - SRO
 - Local TV Station

7. O/BWC

1. Capital acquisition Policy – Lease vs. Buy

Scope

All Departments

Parameters

Cost > \$ _____

Useful Life > _____ years

Depreciable Life > _____ years

Term of lease must not exceed expected useful life

Authorized sources of funds

Evaluation principles

Approved by Council.

Finance Committee

4/24/06

Lease vs. Buy Policy

Budget Calendar

Salaries

- performance evaluation
- across the board increase
- PD in place - 1 1/2 yrs.
- HC - evaluate same system

~~Income Tax Rates~~

Muskegon Financing
- informational -

annual debate over e-mail

* 600,000 - land conveyance or look for
LC in control of that land - 67 acres

84 drawings

waterline

- last yr $\$70,000 / \$100,000$ to be financed

V's right of 1st refusal

bonds - Colmatic - Gen'l Obligation Debt
- ^{or} noted 1 yr renewable
notes
initially 1st
5 years

costs increased

5% - 5 years

South Russell Village Committee Meeting Notes

Committee: Finance
Present: Matt Brett, Nancy Gallagher
Adam Lechner, Jack Binder

Date: 3-19-06 2:00 p.m.

Bill Korns

2:00-2:30 Use of budget, amended budget, expenditure report
by line item, monthly budget summary, etc.

Base salary annually increases around 3% each year, revenue
increases about 2% per year.

Salaries are 50-60% of our budget.

35,000 budget surplus in 2006.

Muggleton payment will reduce interest income because we will make M payment.

CCA - we have lowest income tax and highest tax credit on income.

Should we plan on \$100,000 of unforeseen expenses each year.

Tax Income from Real Estate stays the same, income goes up 2%, expenses go up 4%
so we will be in debt/red if 2007.

Lease v. Buy last truck lasted 17 years #100,000 @ 4%
\$50,000 truck + \$50,000 "add ons" for truck. one dollar buyout
Traditionally the four big trucks last 15-20 years

Muggleton \$1,000,000 already paid
\$81,000 due this year in two 40,000 interest payments
\$1,500,000 due in February 2007

Chelsea Court \$500,000 80%/20% will cost us \$100,000 in late 2006

No cable involvement \$25,000 stays in fund OK early 2007

SRO cut our involvement

Inheritance balance \$878,000

700K
needed

Finance Committee Meeting Agenda

Sunday, March 19, 2006

2:00 PM

Village Hall

- Budget schedule 2007
- Budget copies 2006
- 5 year financial plan
- Village P & L
- Lease v. Buy decision for Cap Equipment
- Income tax comparative Analysis
-
-

SOURCES OF FUNDS

- Operating Levy renewal
- Income Tax Credits
- Sale of Assets
- Debt
- Internal SRV cost savings
- Other

POTENTIAL REVENUE

\$	_____
\$	_____
\$	_____
\$	_____
\$	_____
\$	_____

USES OF FUNDS

- Muggleton Financing - debt vs. tax vs. other revenue
- Waste removal

BUDGETED

REMAINING

\$	<u>82,000</u>	\$	_____
\$	<u>- 0 -</u>	\$	_____

	<u>School District</u>	<u>Voted</u> Tax Rate	<u>Effective</u> Tax Rate	<u>Tax as % of</u> Mkt Val	<u>Tax per</u> 100K of Val	<u>% of each \$ to</u> Local Vil/Twp	<u>% of each \$ to</u> Local Schools
ja	CF Schools	133.10	69.70	2.13%		14%	60%
ja	Orange	113.70	68.70	2.10%		11%	63%
ja	CF Schools	130.10	67.50	2.07%		11%	62%
	CF Schools	138.20	67.47			19%	63%
ja	CF Schools	128.50	67.09	2.05%		11%	62%
	CF Schools	136.79	65.74			18%	64%
ja	Orange	110.50	65.38	2.00%		6%	66%
ja	Orange	111.50	65.24	2.04%		8%	65%
	Kenston	118.40	61.12			20%	60%
ja	CF Schools	122.40	60.99	1.87%		2%	68%
	West G	88.15	56.61			21%	59%
	West G	90.64	55.21			20%	59%
	Kenston	107.07	54.56			11%	66%
	West G	74.65	48.93			10%	66%

Year 2006

<u>School District</u>	<u>Voted Tax Rate</u>	<u>Effective Tax Rate</u>	<u>Tax as % of Mkt Val</u>	<u>Tax per 100K of Val</u>	<u>% of each \$ to Local Vil/Twp</u>	<u>% of each \$ to Local Schools</u>
Kenston	107.07	54.56			11%	66%
CF Schools	138.20	67.47			19%	63%
Kenston	118.40	61.12			20%	60%
West G	88.15	56.61			21%	59%
West G	74.65	48.93			10%	66%
CF Schools	136.79	65.74			18%	64%
West G	90.64	55.21			20%	59%
CF Schools	126.40	60.42			12%	69%
CF Schools	130.10	67.50	2.07%		11%	62%
CF Schools	122.40	60.99	1.87%		2%	68%
CF Schools	133.10	69.70	2.13%		14%	60%
Orange	111.50	65.24	2.04%		8%	65%
Orange	113.70	68.70	2.10%		11%	63%
CF Schools	128.50	67.09	2.05%		11%	62%
Orange	110.50	65.38	2.00%		6%	66%

ear 2006

WHO RETURNS THE HIGHEST % OF THEIR TAX DOLLARS BACK INTO THEIR COMMUNITY ?

2003 Tax Year Rates by Village/TWP.

School District	Voted Tax Rate (1)	Effect. (2) Tax Rate (2)	Tax as % of Mkt. Value (3)	2003 Tax per 100K
Kenston	117.9	59.92	1.84%	\$1,835
West G	86.9	54.41	1.67%	\$1,677
CFEVSD	130.3	66.46	2.04%	\$2,035
CFEVSD	128.9	64.98	1.99%	\$1,990
CFEVSD	131.1	67.48	2.07%	\$2,070
CFEVSD	128.1	65.27	2.00%	\$2,000
Orange	107.7	61.24	1.88%	\$1,880
Orange	106.8	60.34	1.85%	\$1,850
CFEVSD	118.5	59.64	1.83%	\$1,827
CFEVSD	125.5	63.88	1.96%	\$1,960

**2003 Tax Year Expenditures
(\$ Spent form every \$ 100 collected)**

County	School	JVS	Village	Library	Rec.
\$18.12	\$56.37	\$2.50	\$21.50	\$1.51	
\$19.96	\$57.25		\$20.95	\$1.66	\$0.18
\$16.34	\$62.92		\$19.38	\$1.36	
\$16.71	\$64.35		\$17.54	\$1.40	
\$19.92	\$61.96		\$14.67	\$3.45	
\$20.59	\$64.06		\$11.79	\$3.56	
\$21.95	\$62.49		\$11.76	\$3.80	
\$22.28	\$63.43		\$10.44	\$3.85	
\$18.21	\$70.11		\$10.17	\$1.51	
\$21.04	\$65.46		\$9.86	\$3.64	

- (1) As approved by voters
- (2) After tax reduction factor applied
- (3) Percentage of home market valued paid as property tax

	<u>2001 ACTUAL</u>			<u>2006 ACTUAL</u>		
	<u>PERSONEL</u>	<u>OTHER</u>		<u>PERSONEL</u>	<u>OTHER</u>	
	\$151.8	\$403.7	<u>TOTAL</u>	\$139.3	\$504.3	<u>TOTAL</u>
	\$203.3	\$26.3	\$555.5	\$216.4	\$20.2	\$643.6
	\$200.5	\$391.6	\$229.6	\$269.7	\$260.4	\$236.6
	\$670.0	\$160.9	\$592.1	\$837.4	\$190.3	\$530.1
			\$830.9			\$1,027.7
	\$1,225.6	\$982.5	\$2,208.0	\$1,462.8	\$975.1	\$2,437.9
	55.5%			60.0%		

ar is 4.0%

	<u>2006</u>	<u>2006</u>	<u>2005</u>	<u>CHANGE</u>	<u>2006</u>	<u>2006</u>
	<u>Cur. Mo.</u>	<u>YTD</u>	<u>Prior YTD</u>	<u>vs.</u>	<u>YTD</u>	<u>% of</u>
	<u>January</u>	<u>Actual</u>	<u>Actual</u>	<u>Prior YTD</u>	<u>Budget</u>	<u>Budget</u>
General	62,696	62,696	0	0	53,202	117.8%
Assets	29,934	29,934			43,260	69.2%
Building	17,992	17,992			73,126	24.6%
Debt	69,665	69,665			82,542	84.4%
Capital Land	0	0			7,250	0.0%
Capital Road	0	0			0	#DIV/0!
Capital Equipment	0	0			8,250	0.0%
Gr	3,645	3,645			5,250	69.4%
Total Expenses	183,932	183,932			272,881	67.4%
		0				
Revenue	212,702	212,702	436,548	(223,846)	226,933	93.7%
	28,771	28,771	436,548	(223,846)	(45,948)	-62.6%

3/17/2006

[illegible]

ar is 4.0%

	2006 Cur. Mo. January	2006 YTD Actual	2005 Prior YTD Actual	CHANGE vs. Prior YTD	2006 YTD Budget	2006 % of Budget
General	62,696	62,696	0	0	53,202	117.8%
Assets	29,934	29,934			43,260	69.2%
Building	17,992	17,992			73,126	24.6%
Office	69,665	69,665			82,542	84.4%
Capital Land	0	0			7,250	0.0%
Capital Road	0	0			0	#DIV/0!
Capital Equipment	0	0			8,250	0.0%
Other	3,645	3,645			5,250	69.4%
Total Expenses	183,932	183,932			272,881	67.4%
Revenue	212,702	212,702	436,548	(223,846)	226,933	93.7%
	28,771	28,771	436,548	(223,846)	(45,948)	-62.6%

3/17/2006

South Russell Village Tax Levy Analysis

<u>Year Voted</u>	<u>Year Expires</u>	<u>Voted Rate</u>	<u>Residential/Ag Effective Rate</u>	<u>Comm/Ind Effective Rate</u>	<u>Eff. Res. Tax per 100k MV</u>
N/A	N/A	3.00	3.00	3.00	\$105.00
1976	2007	4.20	1.015135	1.031385	\$35.53
1984	2009	2.00	0.785210	1.019816	\$27.48
2005	2010	2.75	2.533492	2.544313	\$88.67
ge		11.95	7.33	7.60	\$256.68
N/A	N/A	4.50	4.50	4.50	\$157.50
1976 & Prior	N/A	41.60	7.104531	9.529436	\$248.66
1977	N/A	5.75	1.269203	1.549354	\$44.42
1979	N/A	5.75	1.377205	1.608890	\$48.20
1981	N/A	6.40	1.964505	2.219206	\$68.76
1983	N/A	5.90	2.200452	2.494177	\$77.02
1986	N/A	5.25	2.072322	2.356945	\$72.53
1988	2010	0.90	0.90	0.90	\$31.50
1994	N/A	7.40	4.789206	5.569913	\$167.62
1997	2021	3.95	3.95	3.95	\$138.25
1999	N/A	4.20	3.189946	3.163099	\$111.65
2003	N/A	7.90	7.063334	7.853808	\$247.22
2005	2031	1.40	1.40	1.40	\$49.00
)		100.90	41.78	47.09	\$1,462.32
2002	N/A	1.00	0.807751	0.827379	\$28.27
ary		1.00	0.81	0.83	\$28.27

South Russell Village Tax Levy Analysis

<u>Year Voted</u>	<u>Year Expires</u>	<u>Voted Rate</u>	<u>Residential/Ag Effective Rate</u>	<u>Comm/Ind Effective Rate</u>	<u>Eff. Res. Tax per 100k MV</u>
1986	2006	0.70	0.263463	0.333475	\$9.22
1993	2013	1.00	0.517789	0.603566	\$18.12
1995	2013	1.00	0.619541	0.683760	\$21.68
2000	2020	1.00	0.800716	0.828725	\$28.03
100k District		3.70	2.20	2.45	\$77.05
N/A	N/A	2.50	2.50	2.50	\$87.50
1986	2006	2.50	0.940940	1.190982	\$32.93
1995	2010	1.00	0.619541	0.683760	\$21.68
1999	2009	0.70	0.478143	0.487624	\$16.74
1999	2009	0.20	0.136612	0.139321	\$4.78
2003	2008	0.50	0.444696	0.438525	\$15.56
2004	2011	0.70	0.624734	0.616791	\$21.87
2004	2009	3.30	2.945177	2.907729	\$103.08
		11.40	8.69	8.96	\$304.14
'SD		128.95	60.81	66.93	\$2,128.48

y Auditor's Office

South Russell Village Committee Meeting Notes

Committee:

Finance

Present:

Jack Binder, Nancy Gallagher
Mark Brett

Date:

4-24-06 8:00 a.m.

Adam Lechman

Bill Koma

Lease v Buy - discussion about who has control, parameters, depreciation
Should we lease to purchase new \$100K truck, life expectancy 17 years?

Budget Calendar - due to Meigs County in July, revenue is usually known
but sometimes varies

Human Resources seeks info on CPI and what is happening locally.

Salary increases begin in January, usually across the board.

Old council wanted salary changes based on performance evaluations.

Police dept has performance evaluations.

Muggleton financing - we paid fair market value for property

\$220,000 to Muggleton family due from SRV to finalize 17 acre sale

Ketchel property \$74,000 WRHC offered \$3,000 an acre, 11 acres

We are short \$700,000

Present operating levy is 4.2 mills, up in 2007

Bonds - get information on costs + procedures for bonds

CCA - get latest info on possible reduction of income tax credit
get top ten withholders
get them to do a business canvas.

South Russell Village Committee Meeting Notes

Committee: Bldg.

Date: 3/24/06

Present: Dave HOCUM
JACK BINDER JIM FLAIZ

-
- ① Chagrin Falls inspection Agreement
 - Fees
 - Hourly vs. per inspection
 - ② South Russell inspection needs
 - replacement for Jim. Holt
 - ③ Sharing Bldg. Dept Services w/ other communities.
 - ④ Gas Wells
 - Drilling
 - Gates Mills Ord.

Village Hall

From: "Porter, Mark E." <mporter@mcdonaldhopkins.com>
To: "Jim Flaiz" <Flaiz@smc-law.com>; <johnedishong@att.com>; <wkoons@mayfield.k12.oh.us>; <edmarchem@msn.com>; <marybeth.wolfe@realtyone.com>; <MBrett@sage-quest.com>
Cc: <srvbldgcommissioner@adelphia.net>; <svclerk@adelphia.net>; <DOndrey@dolan.law.pro>
Sent: Friday, March 24, 2006 2:31 PM
Subject: RE: March 27th Meeting

At what point does the vehicle become "abandoned property?"

-----Original Message-----

From: Jim Flaiz [mailto:Flaiz@smc-law.com]
Sent: Friday, March 24, 2006 2:32 PM
To: johnedishong@att.com; wkoons@mayfield.k12.oh.us; Porter, Mark E.; edmarchem@msn.com; marybeth.wolfe@realtyone.com; MBrett@sage-quest.com
Cc: srvbldgcommissioner@adelphia.net; svclerk@adelphia.net; DOndrey@dolan.law.pro
Subject: RE: March 27th Meeting

I brought this up this morning at the Building Committee meeting. Dave told me that it is not a common area but that the property is owned by that corner house. He also told me, much to my surprise, that the Village does not have anything to regulate or prohibit this. I drive by there everyday and it looks terrible. Dave told me this issue was brought up to council years ago and there was a feeling that residents should be allowed to sell vehicles on their property. Perhaps we should consider some regulation?

James R. Flaiz, Esq.
Svete, McGee & Carrabine Co., L.P.A.
100 Parker Court
Chardon, Ohio 44024
Phone 440.286.9571
Fax 440.286.7504
e-mail: Flaiz@smc-law.com

Please read the following warning before viewing this e-mail.

Important Notice: This transmission has been sent from a law firm. It may contain privileged and confidential information intended for the use

PM >>>

All-

As a quick reminder, I will be out of town for Monday's Council meeting.

One thing I would like to have someone bring up is the car that is for sale that has been sitting on the corner of Bell and Silver Springs for at least a month...Is it on common property or private property? My main concern is that it could start a very bad precedent/trend for other areas of the village.

Thanks,

John

Village Hall

From: "Dishong, John E, RTSCG" <johndishong@att.com>
To: "Matt Brett" <MBrett@sage-quest.com>; <wkoons@mayfield.k12.oh.us>; "Jack Binder" <edmarchem@msn.com>; <flaiz@smc-law.com>; <mporter@mhbh.com>; <marybeth.wolfe@realtyone.com>
Cc: "Village Hall" <srvcclerk@adelphia.net>; "Dave Hocevar" <srvbldgcommissioner@adelphia.net>; "David Ondrey" <DOndrey@dolan.law.pro>
Sent: Friday, March 24, 2006 2:10 PM
Subject: RE: March 27th Meeting

All-

As a quick reminder, I will be out of town for Monday's Council meeting.

One thing I would like to have someone bring up is the car that is for sale that has been sitting on the corner of Bell and Silver Springs for at least a month...Is it on common property or private property? My main concern is that it could start a very bad precedent/trend for other areas of the village.

Thanks,

John

South Russell Village Committee Meeting Notes

Committee: Finance
Present: Jack Binder
Nancy Gallagher

Date: 3-10-06

Bill Koon

8:10 Next meeting date established
Mayor wants budget meeting
Jack budget 2007
Operating levy for November 2006?
School levy at same time?

Renew or replacement
Rollback mills, increase revenue?

Utilities looking into waste collection
Local committee paying $\frac{1}{2}$ of W-M fees

Fixed amount or percentage per household

Leaf or limb pick up?

Storm water management	Chelsea Court
We must do preliminary work 80%	20%
* 500,000 we pay	* 100,000

Water from Harney through Sugarbush

Infrastructure levy Bike Path - cover culverts

Renewal or operating levy

Local income tax structure - I work with Adam CCA
+ Nancy

70% of SRV goes to CF Schools

75% tax credit given by SR for out of SR workers / Out of 1%

Debt financing - Adam's e-mail

Finance Committee

3/10/06

4/24/06 Monday morning 8 a.m.

- schedule budget 2007

Mayor's items

- complete budget 2007

- operating levy renewal

Utilities - waste collection

up in '07

rate - $\frac{1}{2}$

tax bill

Issue # 80/20

Chelsea Court

500,000 total

Stormwater

Infrastructure Levy

Muzzleton -

Finance / Cemetery Committee Meeting Minutes

Jan. 10th, 2002 6:30

Present: Cemetery Committee: Kathy O'Donnell, Roger Mills, Larry Wise
Finance Committee: John Dishong, Matt Brett – Finance Committee
Others Present: Gary Brockett, Mark Porter

General discussion of why the two committees were getting together. Conclusion was based upon the Mayor's request to have the Finance Comm. Work with Cemetery Comm. to clarify information that has been put together by the Cemetery Comm.

General discussion pertaining to how do we move forward and what the objectives were of the two groups. Conclusion was that the Cemetery Committee would start to put together a 'Fact' book of the information to be forwarded to Finance Comm. which would then be forwarded to Council for their review.

General discussion pertaining to time line. Conclusion was to meet in two weeks, (Jan 24th) at which point the Cemetery Comm. would present an outline or rough draft of the 'Fact' book to ensure that both groups were going down the right path. Another meeting was tentatively scheduled in four weeks (Feb. 7th) at which point the 'Fact' book would be completed for review of Finance Committee. Finance Comm. would then present 'Fact' book to Council at the next appropriate meeting.

Meting adjourned at 7:35 pm.

Matt Brett

11/17/97

7:30a.m. -

9:15a.m.

Finance Committee Meeting
Matt Brett and Roger Mills

Agenda: General Information Concerning the Finance Committee Responsibilities

Financial success in a municipality (as elsewhere, I presume) is usually the result of a team working well together. The Finance Committee should provide oversight and communication while the Treasurer and Clerk see to the day-to-day details. And, working with the Finance Committee, Council members and Department Heads must carefully manage their respective Committees and Departments so that budgets are controlled for the overall benefit of the Village.

So much of the revenue of the Village is derived from the income tax, and spread around where ever it's needed, that all of the departments and activities are intricately tied together. The majority of budgeted funds for each Department come not from specifically designated levies but, instead, from other sources – especially the income tax. Therefore, there must be an understanding and a sharing of the resources so that each Village activity is performed optimally according to the wishes of Council.

And, if all of this is to work properly, the Finance Committee must take an active role in the planning as well as the budgeting process. Some of these responsibilities include:

- Do an annual review of the long-range (five-year) forecast in March of each year for planning, budgeting, levy considerations and advice to committees and Departments.
- Keep up to date on the levies – when they are coming up, how much they are, how much money they can be expected to produce, how they fit with the budgets for the next several years, whether they should be voted early (and when, as in May or November) and how they should be treated regarding communication to the public and the media.
- Consider the instructions for the budgeting process on an annual basis.
- Start the budgeting process in February every year as follows:
 - February - Announce that the Finance Committee is beginning a review of the above items in preparation for the upcoming budgeting process.
 - March - Establish a tentative schedule and get agreement so that Council members and Department Heads can set their schedules.
 - April - Announce a final schedule and direct all parties to start their work...if they haven't already.
 - May - Hold two budget work sessions as we have in the past. Advertise a public hearing.

- Review and prepare compensation information and recommendations for Council – once in April for budgeting purposes and once in November for the annual salary increases which normally take effect on January 1.
- Work with the HR Committee at each of the salary compensation times noted above to determine what changes ought to be made in benefits – if any – and how those changes might effect the amount of the salary increases.
- Review the Village financial picture with Clerk and Treasurer periodically (quarterly?).
- Review Income Tax collection issues with Treasurer and introduce yourself to the Director and Staff of the Central Collection Agency.
- Prepare – or have prepared – materials and information that will help you to understand where we have been and where we might be expected to go in the future. These could include a history of past levies, a history of salary increases, a review of the major Village expenditures such as people vs non-people related expenses, year-end balances, and so on.
- December - pass Permanent Appropriation for the next year.

FINANCE MEETING
Thursday, April 14, 2014

Attendance: Dishong, Kostura, and Romanowski – Lechman via telephone

- Job promotion and salary increase
 - Duties change – review with Mayor and John of expectations – when
 - Transition issues
 - Communication breakdown throughout
- Levy certification
 - Ordinances to be approved at 4/14/14 meeting
 - Go out year early
 - Get numbers prior to strategic planning meeting for reference
- Strategic Planning
 - Meeting date
 - Ideas to pull numbers on
 - Cemetery cost estimates
 - Capital improvements & purchases
 - Less money from state, expenses increasing, must prioritize services
 - For meeting – need projected revenues, building dept. restructuring and impact on financials, income tax collections
- Building Department Analysis
 - 10-year analysis of revenue and expenses
 - Other income is fiduciary – not budgeted
 - Need projection
 - Options available
 - Develop a plan
- Cemetery
 - Creates new operating expense going forward
 - Consider change of necessity

FINANCE MEETING
Tuesday, November 20, 2012

- Discussion regarding local income tax collections and the state's proposed legislation addressing that issue.
 - Fiscal Auditor stated most of the proposed changes would not affect SRV drastically. Some of the issues would affect the Village some.
 - Flaiz spoke to both Matt Lynch and Eklund, who said they are not in favor of the state taking over income tax collections.
 - Sample legislation opposing this topic is not favored by the committee. Flaiz will draft legislation for the Village disapproving the state's proposed legislation on the issue. This will be presented at the next Council meeting.
- Brief discussion regarding the 2013 budget and the idea that the Bell Road project, the cemetery and the park pavilion expenses come out of the cash balances.
 - The County addressed the increasing Village cash balances at the Tax Budget hearing in August.
 - Fiscal Officer stated that these expenses are one-time expenses that cash balances would be an appropriate use for. The Village would not want to use cash balances for ongoing operating expenses, but it seems appropriate that they be used for one-time capital expenses.
 - Cash balances have grown significantly since 2006. We need to have a plan and use for that money and the Auditor and Treasurer stressed that during the Tax Hearing.
 - Fiscal Officer is to forward inheritance balance of the cash balance total to the Finance Committee

**FINANCE MEETING
May 8, 2012**

- Office supplies – receiving pushback from employees
 - Committee said this is issue to take up with Mayor
- Cemetery – Staffing Office
 - Fiscal Officer's schedule does not allow time for performing cemetery office duties
- Cloud Storage
 - After recent computer virus, FO concerned about off-site backup storage. Committee suggested looking into Carbonite.com – approximate cost for personal computer is \$60/year
- Computer support
 - Issues with current computer support. Flaiz said his company has a good computer support person – Brian Bean whom Fiscal Officer said her prior employer used Brian Bean for support in their office. Flaiz will get contact info to FO for her to look into.
- Copier Costs
 - FO noticed copier invoice amount has been increasing. Upon further investigation and research into charges
 - Invoices only include number of copies, not per copy charge
 - After calling Toshiba, found out annual increases, but they don't send out notices informing customers of that
 - Called around for service agreement costs for other companies
 - Lake Business Products looked at machine and said needs some work
 - Called Toshiba out to service machine and then will have Lake Business out again to look at it and then give us a quote on service agreement amount
- Income Tax Legislation
 - Shared information with committee on information regarding proposed centralized income tax collection. Discussed topic and FO to email committee information received from OML along with sample resolution from other communities.
- Purchase Order Amounts
 - At Department Head presentations issue of PO amount requirement came up. FO discussed this topic with the State Auditors during audit. They informed her the City of Cleveland just changed their requirement to \$200 for PO.
 - Mayor requested FO analyze how many PO between \$200 and \$250, perhaps it would make more sense to make limit \$250.
 - FO researched, Between January 2012 and April 20, 2012, only 12 PO between \$200 and \$250. Suggests making requirement \$200 per State's advice
 - FO forwarded the Ordinance 1985-7 to Solicitor Ondrey to amend to \$200
- 2013 Tax Budget
 - Budget items to be considered
 - Cemetery
 - Road Program
 - Need to set Tax Hearing for July 9th Meeting

- At May 21st Council meeting, Committee to set that hearing and verify there will be 5 in attendance to pass Tax Budget
 - Both Dishong and Flaiz will be sure to attend Tax Budget Hearing in August
- Power Point Projector
 - FO informed committee currently borrow Chagrin Falls projector for presentations. Costs have gone down, can the Village look into getting one of its own?
 - Committee agreed this should be done. FO to talk to Sgt. Rizzo on his recommendations and find costs.
 - FO to check budget and make sure funds are available for this purchase

Danielle Romanowski

MTG - 12-6-12

From: DISHONG, JOHN E. [jd7132@att.com]
Sent: Thursday, December 06, 2012 5:46 PM
To: Mary Beth Wolfe; jackbinder@edmarchem.com; mp@mporterlaw.com; wnek3@roadrunner.com; flaiz@jcrlaw.com; Matt Brett
Cc: svcclerk@neohio.twcbc.com
Subject: Finance Committee Requesting A Short Budget Work Session Prior To Monday's, 12/10 Council Meeting - 7:00 pm, Monday, 12/10 @ Village Hall
Attachments: 2013 Appropriations - Draft 3 - Finance Final Recommendations 12-6-12.xls.xls; _Certification_.htm

All-

Finance is requesting a short budget work session to be held on Monday, 12/10 at 7:00 pm at Village Hall so that we can come to some consensus on the final budget prior to the 7:30 pm regular Council Meeting.

The final budget numbers are contained in the attached workbook (see the summary worksheet) but the general recommendations from the Finance Committee are as follows:

- Wait on a decision to purchase a new truck for streets until we have more staffing/need clarified in the Spring of 2013 – even if we decided to purchase a truck today we would not take delivery of it until the Fall of 2013 so it will not impact this Winter's plans either way
- Take \$100K of the \$150K that was allocated for the new truck and put it into the road program for 2013 – which would put the road program around \$250K which is about the size of a normal road program – and eliminate the other \$50K from proposed street department expenses
- Use cash balances (recent inheritance money) for three identified capital projects - \$30K cost for the new park Pavilion, \$67K for the Bell Road West costs, and \$14.5K for Cemetery Engineering

By following those recommendations we would be looking at a projected \$120K operating deficit for 2013. We have run relatively large operating surpluses the last five years in a row during some of the most economically challenging times in our history of \$161K (2011), \$542K (2010), \$158K (2009), \$172K (2008), \$324K (2007) respectively and we have been instructed by the county to begin to bring down our relatively large cash balances so this would be an effort to start doing that slowly.

We all understand that the biggest single reason for these operating surpluses is inheritance tax revenue that is now ending however, we cannot continue to sit on large cash balances with no capital expenditure plan to use them. We believe that investing in the roads, the park pavilion, and the cemetery are the proper types of capital investments to make.

We can discuss this more on Monday night and we do need to vote on a final budget at our council meeting.

We welcome the discussion and any questions that you may have.

Regards,

Finance Committee

John Dishong Jim Flaiz Danielle Romanowski Adam Lechman

FINANCE MEETING
Friday, September 13, 2013

Attendance: Dishong, Kostura, and Romanowski – Lechman via telephone

- 2014 Budget work session
 - Timeline
 - Have department heads write up any major changes from last year in a report in attempt to eliminate dept heads from having to attend meeting
 - Crucial questions regarding spreadsheets could be asked following the council meeting the following day
 - How to handle committees such as parks and cemetery
 - Meeting at VH – FO to get food
- Department update
- Gas tax dispute



Finance Mtg - 5/7/15

Wednesday, May 06, 2015

1:08 PM

Tax Budget Time

- Sending email to dept heads that need large revenue or expenditure changes by 5/29
- FO does across board adjustments
- Submit to County in July by latest
- Tax Budget hearing is usually in August
- Would like to put into budget some money for painting VH hallway and basement next year - possibly
Service dept employees

Rental

- Appraisal - Called - will cost approx \$300
 - Koons to talk to Hocesvar to handle this

Council meeting

- Will have to amend approp for property acquisition \$300,000 and do a transfer
- Would like to get Assure Vault approved - in the budget for \$7,000
- Forward info for Treasurers website - ohiocheckbook.com

Bank -

- Bryan sign signature card

2016 Appropriations Budget -

- Do in October this year
- Plan to include long-term planning in budgeting process
- Complete earlier this year
- FO to send general timeline to committee

Projects

- Discussion regarding project approval during budgeting process to allow projects to move forward Rather than waiting for Council approval each step of the way. Will discuss with Council during Budget work sessions.

2015 - Sept

Wednesday, September 02, 2015
11:03 AM

Finance Committee Meeting

Wednesday, Sept 2, 2015 - 7:30 am @ Village Hall

Present: Kostura, Koons, Romanowski

Strategic Planning Meeting Prep

Bryan to draft agenda and distribute to committee

Danielle to forward levy information, road repair projected numbers to committee

Distribute packet of information to Mayor and Council prior to the 9/15 meeting to include:

- Agenda

- 2016 Estimated Revenue and expenses

- Levy information

- Projected road repair numbers

- Storm water repair estimated numbers

- Rental house appraisal

- Building Dept revenues and expenses

Tax Board of Review options

Consider getting accountants from Village - examples JoAnn Lechman, Mr. Kostura

Need to have this in place prior to year end

2015 - November

Monday, November 09, 2015
7:30 AM

Present: Koons, Romanowski - Kostura via phone

2016 Budget

CEMETERY

For the cemetery we estimated \$10,000 in sales (revenue)

Expenses included:

	Wages for old cemetery maintenance \$1,242
	Wages for new cemetery maintenance \$8,000
	Software contract \$1,545
	Lawn care \$4,635
	Misc. \$600
	Office Supplies \$103

For a total in expenses of \$16,125

HOWEVER:

Darrell asked me to also request the following:

Grave ditching bucket with pins \$1,500

Auger \$1,200

Snow blower for walking area and grave area to get equipment in \$500-\$800 for 2-stage walk behind

Committee decided not to include any of the additional items requested by Street Commissioner

PARK

Due to Koons recommendation as Parks representative - remove \$11,910 from Parks Misc/other line item

GENERAL -

Fire Prevention Officer - originally budgeted \$5,000, reduced to \$1,000. FPO requested \$6,250.

Committee decided to go back to original \$5,000 and if amendments need to be made next year, they can be done at that time.

Finance and Budgeting -

Bell Road project has 0% attached loan. What if took the loan and used the funds for stormwater improvement projects? Possibly consider options available.

Tax Board of Review

Can be put into place in January/February. No one will request abatements on 2016 taxes for a while - probably 2017. Therefore, this would leave ample time.

Finance Committee Meeting

Thursday, February 4, 2016

- Levies
 - Operating expires 2017
 - Earliest can go out is Nov. 2017
- Certificate of Estimated Resources
 - Slightly higher than originally anticipated due to adjustments made in property values approved by the state
 - Also due to new tax rates received from Ohio Department of Tax Equalization
- LeanOhio
 - Six Sigma training – Carroll, Nairn, Canton, Romanowski – anyone else?
 - Expires in June
- Insurance
 - Property insurance due 2/24.
 - Last year signed 3-year agreement which locked in the rate
 - Values slightly increased for 2016, new cruiser, etc., therefore insurance cost for 2016-2017 increased approximately \$340 for the year
 - Bonds vs. Crime Insurance
 - Review handout *
 - Personal Vehicles
 - Review Gary Wirtz reply
 - Employees should use Village car
 - If car unavailable, then use personal car
- Tax Board Applicants
 - CPA doing tax returns – possible conflict of interest
 - Sitting in on hearings – not advisable
- After Prom Donation - \$500
- Deferred Compensation
 - FNA as additional option
 - Need ordinance to approve
- Grants
 - Grant writing workshop educational opportunity
 - Safety grants – Ohio Development Services
 - Safety grants – BWC
 - Lean Ohio tuition scholarship grant
- Cub Scouts
 - Attending meeting? When?
 - Mayor suggested council can put pins on each of them.
- Trash Day help – workers' compensation
 - Looking at coverage for volunteers, hiring, independent contractors
- Tax Exempt –
 - 2015 Property acquisition – purchased 6/29/15
 - Need to wait one year to apply for tax exempt status

Finance Committee Meeting

Monday, April 11, 2016

- Levy
 - Received Certificate of Estimated Property Tax Revenue. Will prepare ord to introduce at 5/9 Council meeting
- LeanOhio
 - Lean & Six Sigma training
 - Earned camo belt for six sigma. Have half the training for green belt – would only have to attend 2nd week. No desire but helps gauge training level.
 - Training to eliminate and have best of the best processes
- Insurance
 - Bonds vs. Crime Insurance
 - Jennell bond – not renewing
 - Personal Vehicles
 - Review Insurance questions
 - Sovereign Immunity
- 5-year Budget
 - Finishing handbook and EOP, then 5-year budget next priority.
- Tax Exempt –
 - 2015 Property acquisition – purchased 6/29/15
 - Need to wait one year to apply for tax exempt status
- Dual Signature Authorization – Bank
 - Transfers at bank will now require dual signatures
 - Fiscal Auditor will forward follow up action items to Fiscal Officer
- Bell Road Project
 - Reviewed costs
 - Engineer to meet with ODOT supervisor this week
- Permissive Tax
 - Fiscal Officer to contact state to get information for better understanding
 - How is distribution made
 - What is the difference between what we get and what the county is holding
 - What is the process if we want to increase it?
- Homestead and Rollback
 - Fiscal Officer to forward information to committee for better understanding

EQ

Finance Committee Meeting

Wednesday, May 18, 2016 – 7:30 am

REVIEW:

- Levy
 - Ordinance should be passed 5/23
 - Will then be filed with the Board of Elections next week – placement on November ballot
- Advance of Taxes
 - Allows us to get our real estate distributions faster
 - Resolution to be introduced, and adopted 5/23/16
- Tax Exempt –
 - 2015 Property acquisition – purchased 6/29/15
 - Need to wait one year to apply for tax exempt status
- Bell Road Project
 - Engineer talked with ODOT supervisor two weeks ago. He is looking into and reviewing project costs
- Homestead and Rollback
 - Fiscal Officer forwarded information to committee after last meeting for better understanding of what it is

retro?

UPCOMING:

- Tax Budget
 - 2017 budget preparation numbers from County – attached to this agenda
 - I distributed current financials to department heads 5/16/16
 - Only need to know significant budget changes expected for 2017
 - Preparing 2017 Tax Budget
 - Sets parameters for 2017 appropriations
 - Need to publish ad for public hearing by 7/5/16
 - MUST have public hearing prior to adoption
 - MUST be adopted by 7/15 and to the County by 7/20
 - Starting preparation this week
 - Would like to introduce 6/13 Council meeting ~ if not ready 7/11
 - Council will need to pass motion of hearing date and time
- Permissive Tax
 - Fiscal Officer forwarded information to committee after last meeting for better understanding
 - Further action?
- Stipend
 - Mayor's request to give stipend to department heads for working Trash Day and Fall Festival
 - As supervisors, department heads are exempt employees
- Spending Limits
 - Set spending limits?
 - Dollar amount?
 - Per budget – accountability?
 - Eg; Village Hall picture and prints ~ Chief computer

\$1,500 limit -
motion or resolution

• Public Depositories 9/16
• Inspection solutions 5/23/16 - / budget \$3,025 remaining



Finance Committee Meeting
Thursday, September 8, 2016 – 7:30 am

REVIEW:

- Tax Exempt –
 - 2015 Property acquisition – purchased 6/29/15
 - Will be completing paperwork in near future
- Bell Road Project
 - Waiting to hear from ODOT
- Tax Budget
 - Resolution Accepting Amounts & Rates from Budget Commission –
 - Due by Oct. 1st
 - Waive and Adopt Monday
- Income Tax Ordinance
 - State mandate – effect 9/12/16
 - Ordinance Reviewed and revised
 - Waive & Adopt Monday
- Depositories
 - Solicitor is prepping new ordinance
 - Waive and adopt Monday – ~~old one expires in September 7, 2016~~
- Budget Worksheets
 - To Department Heads within next couple days
 - No YTD numbers
- Spending Limits
 - Set spending limits
 - Dollar amount
 - Per budget – accountability
 - Eg; Village Hall picture and prints ~ Chief computer

• Look into Ohio Checkbook

Finance Committee Meeting
Friday, December 9, 2016 – 7:30 am

- Tax Exempt
 - 2015 Property acquisition – purchased 6/29/15
 - Paperwork to be completed next week
- Bell Road Project
 - Have not received an invoice – will encumber expense again
 - Expense encumbered in 2014, however funds come out of cash balances when paid
- 2017 Annual Appropriations
 - Approved 11/28/16 by Council and filed with County 12/2/16
 - After year-end balances are certified by the County, we can adjust the budget as discussed in work sessions (de-certify for snow plow truck, adj. Bell Road, etc.)
- Audit
 - Multiple financial reports due in January and February
 - In 2017 will be audited for 2015 and 2016
- State Highway Fund
 - Funds assigned per ORC – 92.5% Streets and 7.5% State Highway
 - Current balance \$129,000
 - Chillicothe Road – culvert costs possible
 - State Auditor doesn't see issue but need legal opinion from Solicitor
 - Stormwater discussion – culvert enlarged could cause problems downstream. Wouldn't make public until Council decides how to proceed with stormwater issues
- Purchase Order (PO) Policy for 2017
 - Problem with purchasing (eg: service bay door springs, going over budget)
 - Require heads to get PO prior to purchases
 - Ensure funds are available
 - Ensure within budgeted amount
 - Easier posting of invoice to line item expense
- Spending Limits
 - Solicitor to prepare ordinance for \$2,500 - Bryan
- Exempt employees
 - Additional pay for add'l hours
 - Dept. heads salary compensate with responsibilities
 - Examples: Chief & Lt. patrol, Fiscal Officer newsletter
 - Employee morale
 - Management
- Training
 - Employee training slow but continues

HB920 Credit
\$1,100
\$2,100
Capture
3 years agricultural?

Finance Committee Meeting
August 18, 2017 - 7:30 a.m.

- Tax Budget Hearing
 - Summary of upcoming large expenses
 - Explanation of necessity of tax levy, sale of property, etc.
- Levy –
 - 1.5 mil would yield \$235,980/year
 - Costs resident \$52.50 per \$100,000 per year
 - Article in newsletter with the facts only – cannot ask for support
 - Post article above on website
 - CVT article
 - Informational meeting
 - Form group – get donations for printing of flyers of information and ad in
- Purchase Order Policy
 - Release issues with CT – funding issues
 - Policy for releases
 - Hold deposits longer, especially commercial deposits
 - Purchase Order required
 - PO Requisition form to Dept. Heads
 - Parks Committee – PO to Finance?
 - Emergency situations (PD flooding) – review process
- Park
 - Fall Festival – over budget
 - Will not make change plans & will pay out of pocket if necessary
 - Waive permit fees
 - Address rules and exemptions for fees
- Part-time help
 - Behind with 2016 YE payroll balance tracking, monthly reports, website, fixing cemetery files and information, etc.
 - Need help 16 – 20 hours per week
 - Consider temporary 6-month with possibility of making permanent
 - Scheduled time, computer software skills and tracking various dept time
 - Already in budget
- Monitoring possible upcoming 2017 Amendments:
 - Bldg Dept Secretary 24 hours per week
 - Police Dept. water flooding \$1,325
 - Police Dept. hot water tank \$ 1,175

Finance Committee Meeting
November 22, 2017 – 8:15 a.m.

- 2018 Annual Budget Appropriations
- Amend 2017 Annual Appropriations
 - “G” Fiduciary Accounts - \$13,000
 - Safety Fund – Shop with a Cop - \$4,000
- Bell Road – Payment
 - ODOT
 - OPWC Loan
- Purchase Order Policy
 - Mayor to review at December 11th Council meeting
 - Police Department water issues – Service Fund Expenses (A02)
 - GPD Technical (Krappe Property) - \$1,000 to Special Land/Building (D03)
- Property Insurance
 - Contract up in February

Finance Committee Meeting
May 22, 2017 - 7:00 pm

- Retirement luncheon approval on the agenda
 - Not listed in ordinance 2004-06
- New hire with 24 hours per week will increase budget at least \$9,700 at 2017 pay rate
- Road Program Budget \$350,000
 - Specialized \$259,888
 - Cascades Culvert \$48,750
 - Storm Water Study \$12,000
 - Contract as is $\$259,888 + 48,750 + 12,000 = \$320,638$
 - Two Ordinances previously introduced
- Purchase Order Policy
- Levy –
 - 1 mil yields \$157,300/year
 - Costs resident \$35 per \$100,000/year

**Finance Committee Meeting
February 7, 2018 – 9:00 a.m.**

Present: Porter, Nairn, Koons, Romanowski

- Property/Casualty Insurance
 - Phone Conference with Rob Beglin from USI Insurance
 - Review HCC Proposal
 - Must pass legislation at 2/12/18 Council meeting
 - Current coverage expires 2/23/18 – new policy beginning 2/24/18
 - Two pieces of legislation
 - One entering into agreement with broker
 - One entering with insurance provider
- Legislation for 2/12/18 Council meeting
 - Insurance broker
 - Insurance provider
 - Amend appropriations:
 - Building Inspector salary
 - Cawrse contract for landscape architect
 - Increase Income Tax expense for transfers necessary for above
 - Transfer of funds
 - Amend pay range ordinance for Building Inspector

Finance Committee Mtg

4/21/14

Attendees: DR, MEA, CN

- SRO Issue → 10K requested by School District
 - Some in summer days (185)
 - Some work in CF Valley (75) as PD
 - \$89,731 cost.
 - Days at Gurney not defined
 - JRV 80 at Gurney for drop-off/pick up; and
 - prevention
 - about 15K 2008 etc ⇒
- Recommendation - SRO contributed \$5K to CF School District
- Road Levy - proceeds
 - 236K
 - This year - Council
- PD parking lot - 2312 cost
 - part of road ~~levy~~ program or from general fund →
- Naper grant - 1500 @ 25K
- BWC - premium - \$K
- adjourn 11:07

Porter
Nairn
Romanowski

Finance Committee 9/28/18
8:30 AM

- Budget Worksheet
- Food Program 5 yrs - 350K at present
- Bldg Rd 2019 payment → 9200, /
14,821 b.o. close
- Bisswale 75K grant
- Stormwater 306 129K
- Park Budget → Jerry
- Lake Louise Bridge - 250K, grant
reduced 12.5K
- Security at Service Bldg - 7K or so
- Cemetery → 1000 Misc.
- Land. Time helpers Service Helper
\$14.
- Credit Card policy update.
- Agenda # 9:15 AM

Finance Committee
April 19, 2019 – 8:00 a.m. at Village Hall

Present: Nairn, Romanowski

Regarding the Tax Board of Review, the Village received a letter of interest and resume from resident Vince Massa to serve on the Tax Board of Review. Massa did call Romanowski to get an understanding of what the position entailed and agreed that he is interested and willing to serve.

Romanowski reported that Mayor Koons said former Mayor Brett is willing to serve on the Tax Board of Review if there was no other interest. Nairn will contact Brett to confirm this.

If Brett agrees to serve, Nairn will make a motion at the 4/22/19 Council meeting to appoint Vince Massa and Matt Brett to the Tax Board of Review for 2019-2020.

Regarding the Village park playground, Romanowski shared a draft letter from Ike Tripp that he would like to forward to individuals who said they would donate to benches (cost \$750), or trees (cost \$600) to the playground. The letter gave instructions to make checks payable to the Village of South Russell and send to Village Hall. This letter was already reviewed by the Mayor, Solicitor and Fiscal Officer. Nairn proofread the letter and approved it. Romanowski will let Tripp know it is okay.

Romanowski shared another draft letter thanking individuals for their donation to the park. This letter was also reviewed by the Mayor, Solicitor and Fiscal Officer. Nairn proofread the letter and approved. Fiscal Officer will send these letters to individuals when the Village receives their donation to the playground.

Fiscal Officer gave an update on the NOPEC grants. The Sponsorship grant for the Fall Festival has been approved and the Village will receive that money in the coming months. The NEC Energy grant for the service building generator has been approved, and the Village should be receiving \$15,217 in the next several days.

The Paychex Time Tracking was discussed, and Fiscal Officer explained why the HR Committee agreed the Village will go back to the previous Google Sheet time tracking. While the Paychex system may not be the best option for the Village, it is felt that the trial run will save the Village money in the long-run. This experimental trial made the Village aware of some internal tracking issues which have now been addressed and will be corrected moving forward. The Fiscal Officer will be working on getting things in order to change payroll from a semi-monthly payroll to a bi-weekly payroll with the anticipated change to happen in September/October.

The 2020 Tax Budget process will be starting in May.

Porter arrived at 8:50 a.m.

The tenant at the rental house paid his March rent on 4/17/19 with the \$50 late fee. The April rent is still due.

Nairn said she and Galicki have been talking to different engineering firms and will have a recommendation for RFQ details soon. CT Consultants said they would continue their services for now even though there is no contract in place. Nairn and Galicki hope to have RFQ verbiage ready by the 5/13/19 Council meeting and then get quotes in time for the June meeting.

Meeting adjourned at 9:05 a.m.


Cindy Nairn, Finance Committee Chair

Minutes prepared by Danielle Romanowski

Finance Committee
April 19, 2019 – 8:00 a.m. at Village Hall

Present: Porter, Nairn, Romanowski

- Tax Board of Review
 - Application from Massa
 - Brett interested per Koons
- Park
 - Review email regarding fundraiser/donation
 - Review Playground donation letter acknowledgement
- NOPEC Grants
 - \$1,500 for Fall Festival approved should get money in next several months
 - \$15,217 NEC Energy grant – applied, approved and waiting for reimbursement



Danielle Romanowski <fiscalofficer@southrussell.com>

Re: FW: Bench and tree installation funds request

1 message

Danielle Romanowski <fiscalofficer@southrussell.com>

To: Bridey Matheney <BMatheney@tddlaw.com>

Cc: William Koons <mayor@southrussell.com>

Tue, Apr 16, 2019 at 10:06 AM

Please see my changes in pink below.

-Danielle

Attn: applicable person

RE: Donation for installation of benches or trees around the new **playground at the** South Russell Village **Playground Park**

Dear XXXXX,

The equipment for the new playground in South Russell Village Park has been ordered. Now it is time for those who pledged to purchase benches or trees to step forward with their donations so the benches and trees can be ordered.

For those who have ordered benches, the cost per bench is \$750.00. Please remit your check **made payable to the "Village of South Russell" and send** to the attention of Danielle Romanowski, the Village Fiscal Officer at South Russell Village Hall, 5205 Chillicothe Road, South Russell, OH 44022. Please include the language that you want on the brass plaque that will be attached to each bench.

For those who ordered trees, **the cost per tree is please remit the \$600.00. Please remit your check made payable to the "Village of South Russell" and send** send fee to the Village Fiscal Officer at the address shown above. Please also indicate the language that you want to include on the sign that will be placed at the base of each tree donated to surround the playground.

If you do not remit the funds applicable to the part of the project that you are sponsoring by April 30, 2019 **[this is only 2 weeks away from today – I recommend giving people a month to get the funds in]**, you will forfeit your opportunity to sponsor the item.

If you have any questions regarding these instructions please contact Mayor Bill Koons at mayor@southrussell.com.

Thanks,

Ike Tripp

Volunteer and fund raiser

On Tue, Apr 16, 2019 at 9:31 AM Bridey Matheney <BMatheney@tddlaw.com> wrote:

Here are my minimal comments (in red):

Attn: applicable person

RE: Donation for installation of benches or trees around the new **playground at the** South Russell Village **Playground Park**

Dear XXXXX,

The equipment for the new playground in South Russell Village Park has been ordered. Now it is time for those who pledged to purchase benches or trees to step forward with their donations so the benches and trees can be ordered.

For those who have ordered benches, the cost per bench is \$750.00. Please remit your check to the attention of Danielle Romanowski, the Village Fiscal Officer at South Russell Village Hall, 5205 Chillicothe Road, South Russell, OH 44022. Please include the language that you want on the brass plaque that will be attached to each bench.

For those who ordered trees, ~~the cost per tree is please remit the \$600.00.~~ **Please remit your check** fee to the Village Fiscal Officer at the address shown above. Please also indicate the language that you want to include on the sign that will be placed at the base of each tree donated to surround the playground.

If you do not remit the funds applicable to the part of the project that you are sponsoring by April 30, 2019 **[this is only 2 weeks away from today – I recommend giving people a month to get the funds in]**, you will forfeit your opportunity to sponsor the item.

If you have any questions regarding these instructions please contact Mayor Bill Koons at mayor@southrussell.com.

Thanks,

Ike Tripp

Volunteer and fund raiser

Bridey Matheney



Visit our website: www.tddl.com

100 7th Avenue, Suite 150, Chardon, Ohio 44024 - Phone 440.285.2242 - Fax 440.285.9423

1111 Superior Avenue, Suite 412, Cleveland, Ohio 44114 - Phone 216.255.5431 - Fax 216.255.5450

THIS E-MAIL MESSAGE IS PRIVILEGED AND CONFIDENTIAL AND IS INTENDED FOR THE USE OF THE ADDRESSEE AND NO ONE ELSE. IF YOU ARE NOT THE INTENDED RECIPIENT, PLEASE DO NOT READ OR USE THIS E-MAIL AND NOTIFY THE SENDER OF THE MISTAKEN TRANSMISSION.

From: William Koons <mayor@southrussell.com>

Sent: Monday, April 15, 2019 7:36 PM

To: Ike Tripp <itripp@etna.com>; Danielle <fiscalofficer@southrussell.com>; Bridey Matheney <BMatheney@tddl.com>

Subject: Re: Bench and tree installation funds request

I will forward this to the fiscal officer and our solicitor for their comments. The deductible letter is in process. I will be in touch once they have had a chance to look at our email and confer.

• Thanks.

Mayor William G. Koons, Ph.D.

5205 Chillicothe Road

South Russell, Ohio 44022

440-338-6700

On Mon, Apr 15, 2019 at 8:26 AM Ike Tripp <itripp@etna.com> wrote:

Bill,

I want to confirm with you the instructions for the people who have agreed to donate the money for benches and for trees to be installed around the playground.

Shown below is an e-mail that I propose to send to each person who has agreed to donate money for either item. Please make any edits that you see as necessary and return the e-mail to me so I can send it out.

Thanks, Ike

Attn: applicable person

RE: Donation for installation of benches or trees around the new South Russell Village Playground

Dear XXXXX,

The equipment for the new playground in South Russell Village Park has been ordered. Now it is time for those who pledged to purchase benches or trees to step forward with their donations so the benches and trees can be ordered.

For those who have ordered benches the cost per bench is \$750.00. Please remit your check to the attention of Danielle Romanowski, the Village Fiscal Officer at South Russell Village Hall, 5205 Chillicothe Road, South Russell, OH 44022. Please include the language that you want on the brass plaque that will be attached to each bench.

For those who ordered trees please remit the \$600.00 fee to the Village Fiscal Officer at the address shown above. Please also indicate the language that you want to include on the sign that will be placed at the base of each tree donated to surround the playground.

If you do not remit the funds applicable to the part of the project that you are sponsoring by April 30, 2019, you will forfeit your opportunity to sponsor the item.

If you have any questions regarding these instructions please contact Mayor Bill Koons at mayor@southrussell.com.

Thanks,

Ike Tripp

Volunteer and fund raiser

Ike Tripp

Chairman/CEO

Etna Products, Inc.

PO Box 23609

16824 Park Circle Drive

Chagrin Falls, Ohio 44023

Toll Free in U.S.A.(800) 229-3862

Office Phone: (440) 543-9845

Office Fax: (440) 543-1789

Cell Phone: (440) 263-4857

From: William Koons [mailto:mayor@southrussell.com]

Sent: Thursday, April 11, 2019 12:11 PM

To: Ike Tripp

Subject: Re: Bench

Yes, the village will have a "tax deductible" letter ready by early next week.

Thanks.

Mayor William G. Koons, Ph.D.

5205 Chillicothe Road

South Russell, Ohio 44022

440-338-6700

On Thu, Apr 11, 2019 at 9:50 AM Ike Tripp <itripp@etna.com> wrote:

Bill,

I will not know if we have a bench to sell until we do not receive the money from people who have committed to buy.

Please confirm that the Village Fiscal officer will issue a letter indicating the standard language for a tax deduction.

Thanks,

Ike

Ike Tripp

Chairman/CEO

Etna Products, Inc.

PO Box 23609

16824 Park Circle Drive

Chagrin Falls, Ohio 44023

Toll Free in U.S.A.(800) 229-3862

Office Phone: (440) 543-9845

SOUTH RUSSELL VILLAGE LETTERHEAD

Joe and Mary Smith
99 Maple Street
South Russell, Ohio 44022

Re: Donation to South Russell Village Park

Dear Joe and Mary Smith:

Thank you for your generous donation of [\$X amount] made on [X date] to the South Russell Village Park, which is used exclusively for public purposes. Specifically, your donation will be used to [put a bench in or plant a tree in] the South Russell Village Park for the enjoyment of all who use it.

As you are aware, no goods or services were received in return for your generous donation. Also, while South Russell Village is a qualified organization for the purposes of charitable contributions under the Internal Revenue Code and your donation may be tax deductible, it is recommended that you consult with a tax professional about the tax implications of your donation under both state and federal law.

Thank you again for your generosity!

Sincerely,

South Russell Village

VINCENT J. MASSA
316 Whitetail Drive
South Russell Village, Ohio 44022
440-289-7590
massavi@aol.com

April 9, 2019

Danielle Romanowski
Fiscal Officer
Council Vacancy
5205 Chillicothe Road
South Russell, Ohio 44022

Dear Danielle:

I ask to be considered as a member of the Tax Review Board for South Russell Village. My resume is attached for your review.

Thank you for your time and attention.

Very truly yours,

Vincent J. Massa

Vincent J. Massa
Attachment

VINCENT J. MASSA

316 Whitetail Drive
South Russell Village, Ohio 44022
440-289-7590
massavi@aol.com

STRENGTHS

- **Relationship Builder** – work well with people to achieve common goals
 - **Cooperative** – work to tackle issues and solve problems by entertaining ideas from others
 - **Achiever** – strive to get the work done successfully
 - **Trustworthy** – act with honesty and authenticity
 - **Patience** – treat every person with kindness and empathy
 - **Communication Skills** – good public speaker and debater
-

PROFESSIONAL EXPERIENCE

The Cleveland Trust Company and Key Bank

- Attorney and Vice President in the Trust Department responsible for marketing trust, investment and banking services to bank customers
- Taught motivational courses to all Trust Department personnel
- Responsible for meeting with bank customers to advise them about their estate planning issue pertaining to Federal, State and income tax matters

Ulmer and Berne

- Gained expertise in the areas of real estate law, business law, which involved familiarity with corporations, partnerships, and sole proprietorships
- Ultimately specialized in the area of estate planning and probate law

The O'Brien Law Firm LLC, 2006 - present

- Specialize in estate planning and probate law which involves meeting with clients, assessing problems, discussing the legal issue involved and solving problems
 - Involved in drafting trusts, wills, financial durable powers of attorney, health care powers of attorney, real estate deeds and special needs trusts
-

ACTIVITIES and INTERESTS

- Cleveland Bar Association
 - Republican National Committee 2012
 - Instructor on the American Constitution for Chagrin Falls Adult Education Program
 - Music enthusiast, trumpet, guitar and piano
 - USTA Tennis Member – Tournament Player
 - Astrophysics and planetary science studies
 - Model airplane enthusiast
 - Served in the US Military, 1964 to 1970, Honorable Discharge
-

EDUCATION

Beaver Falls Senior High School, Pennsylvania, home of the Bengal Tigers

University of Notre Dame, South Bend, Indiana, BBA in Finance

Case Law School, Cleveland, Ohio, Juris Doctor of Law

*Additional courses at **Northwestern University, Chicago, Illinois, in Finance and Investments***

Finance Committee
June 7, 2019 – 8:00 a.m. at Village Hall

Present: Nairn, Porter, Romanowski

The Committee reviewed the legislation on the agenda for the July 10, 2019 Council meeting including: Advance of Taxes, Housekeeping transfers, Appropriation amendments.

Amendments to the appropriations included increasing the budget for Solicitor fees as the Village has spent the budget for the year as of the end of May. Discussion ensued about Village officials requesting information from the Solicitor and perhaps they should do some research on their own prior to going to the Solicitor and incurring charges. Fiscal Officer stated the Village has been doing a lot in the way of grants, legislation and policy changes and updates, as well as possible structure changes regarding the Building Department - these things require legal input and advice from the Solicitor. Porter stated the Village is on its way to possibly spending \$100,000 in legal fees this year. The Committee did agree that the new Solicitor is doing a fantastic job and is very thorough.

Porter questioned whether the Village had an up-to-date contract with Inspection Solutions, (Dave Hocevar), to the end of the year. Fiscal Officer said she didn't have any current/updated contract on file.

Regarding the rental house, as of this meeting date, the May rent had not yet been received.

Fiscal Officer reminded the Committee members that the Village Tax Budget Hearing is July 8th at 7:25 p.m. The County Tax Budget hearing is Monday, August 19th @ 11:40 a.m. The Tax Budget must be adopted at the July 8th Council meeting & filed with County by July 20th. Fiscal Officer says she intends to compute the Tax Budget two ways – one reflecting a regular size road program budget of \$350,000 and then a larger road program. She plans to also submit a narrative report with the Tax Budget to explain pending and upcoming projects and the impact those will have on the Village's cash balances going forward.

Fiscal Officer reported that the State Auditors are off site. They did question the Village's Credit Card policy and stated it did not specifically list the Officers or positions authorized to use the credit card. Solicitor Matheney reviewed the policy and feels it is fine and lawful. She said if Council wants to limit users to Department Heads and their designees, then the Village should list the names and positions in the policy. The Committee agreed to leave the policy as is in order to not be required to continually update the policy as employees come and go in their employment with the Village.

Fiscal Officer explained that the Village has bonds on the Mayor (\$1,000), Fiscal Officer and Fiscal Auditor (\$50,000/each). New legislation, HB – 291, authorizes the use of an insurance policy in lieu of bonds. Fiscal Officer will contact the Village's Property/Casualty Insurance provider and get their input on this type of insurance and find out if the Village is covered under

the current policy or find out if it would require a separate policy. This topic will be discussed at the next committee meeting.

There was a discussion about audio recording all committee meetings and what that would mean. Nairn said she brought up this issue in a recent Council meeting in an attempt to have transparency and accuracy. Porter explained if Council takes action and requires the audio recording of all meetings and then forgets by mistake, the committee will not be compliant. He said it should be the responsibility of the Committee Chair to ensure that there were minutes of the meeting and that the Chair should decide whether the meeting be audio recorded as well.

The Fiscal Officer reported that the distribution request paperwork was sent to NOPEC for the \$15,217 NEC Energy grant. The Village received confirmation from NOPEC that the paperwork was received and it will take 6 to 8 weeks for the Village to get the money.

Nairn expressed concern over the cost of seed and fertilizer that was recently purchased for the cemetery. She wants to make sure the Village shopped for prices prior to making the purchase.

Meeting adjourned at 8:43 a.m.


Cindy Nairn, Chair of Finance Committee

Prepared by: Danielle Romanowski

FINANCE COMMITTEE MEETING MINUTES
August 9, 2019 – 8:00 a.m. at Village Hall

Present: Nairn, Romanowski

Reviewed the 2020 Tax Budget and discussed the upcoming tax budget hearing which will be held on Monday, August 19th @ 11:40 a.m. In an attempt to proactively address any cash balance questions/concerns that the Tax Budget Commission has had in the past, the Fiscal Officer included a narrative report with the budget to explain upcoming costly projects that the Village is trying to plan for financially. These projects include Bell Road East to be repaved in approximately 2024 at an estimated cost of \$862,500, a possible water project to address the Manorbrook/Chillicothe Road area at an estimated \$180,000 SRV share cost and the Chillicothe Road culvert pipe replacement at an estimated cost of \$121,000.

Reviewed the full budgeting process from the Tax Budget and how it starts the process for preparing the Annual Appropriations which is done in the fall. We discussed the various steps in the process, the required preparation, etc. that goes into government budgeting.

Reviewed the draft budget process timeline and schedule. Nairn will send an email to Mayor and Council over the weekend, telling elected officials to bring their calendars to the 8/12/19 Council meeting and be prepared to schedule the Budget Work Session date to get it on everyone's calendar.


Fiscal Officer will prepare legislation for consideration at the 8/12/19 Council meeting. Appropriation amendments and transfers need to be made for the car show, police department vests and grants, and the playground expenses, (since it is a reimbursement grant and the Village has to pay the invoices first and get reimbursed).

Discussed the recent Police Department Car Show and issues regarding government entities doing charity work. Fiscal Officer discussed this issue with the Solicitor. The Solicitor, Mayor, Fiscal Officer and Police Chief had a phone meeting and have agreed going forward the Police Department should be their own entity, separate from the Village. That group would get permission from Council to hold the car show on Village property, (the same as the Farmers Market). This separates the Village from the money and reduces liability for the Fiscal Officer and the Village. The Fiscal Officer gets audited for every year on all money in and out. With the car show, there was over \$8,000 in cash collected with no paper trail, no bonds on those collecting the money, etc. It was agreed that the Fiscal Officer and Solicitor's recommendation to treat it as a separate entity would be the best way to handle the event.

There is a 2.75 Safety Levy on Ballot this November. This levy will bring in an estimated \$411,274. As the Chair of Finance, Nairn will send a letter to the editor requesting support of the levy.

Per the last Committee meeting, Fiscal Officer contacted USI Insurance, the Village's Insurance broker, to find out about the bonds versus insurance to cover employee dishonesty. The USI representative said that the Village's insurance does not include Faithful Performance on Employee Dishonesty coverage – this would be a separate policy to purchase. However, at this time, USI does not recommend it. Since insurance in lieu of bonds has been a newly approved policy by the state, PEP is recommending to their clients to hold off and see how other entities with the insurance hold up in court when they are challenged. It was agreed to take the recommendation of USI Insurance and continue with bond coverage. This issue will be reviewed again in the future once ample time has passed and there have been court rulings on the issue.

The Thrasher, Dinsmore invoice was \$12,716 for the month of July. Fiscal Officer reported that she and the Administrative Assistant are working on putting together a summary report of charges by issue so elected officials can more easily review how much different issues are costing the Village. The plan is to prepare the report monthly and include it with the Solicitor's invoice. The first report will be forwarded to Mayor and Council as soon as it is prepared.


Cindy Nairn, Chair of Finance Committee

Prepared by: Danielle Romanowski

Finance Committee
September 25, 2019 – 9:00 a.m. at Village Hall

Present: Nairn, Porter, Romanowski

Regarding contract renewal, the committee discussed the value the Village Solicitor, Thrasher, Dinsmore, and Dolan, provided in services to the Village. Porter stated that the rate of \$225 was good and felt the Village would not save any money by going out for a Request for Proposals for a Solicitor. Nairn clarified with Porter that the Village had done some price shopping for a Solicitor in the past, and Porter acknowledged there had been but not as extensively as the Village had with the Engineering contract. The Fiscal Officer acknowledged that it was good to have the stability of maintaining the same Solicitor during the upheaval in other Village departments. Nairn added that the transition from Solicitor Ondrey to Solicitor Matheney was seamless.

In order to control legal charges, Porter suggested not calling the Solicitor on every issue. Nairn stated that she and Porter advised Council to do independent research before contacting the Solicitor. The Fiscal Officer stated that she had to contact the Solicitor more often due to the Village's involvement with a variety of grants. Porter and Nairn agreed such contact was appropriate. The Fiscal Officer stated that the Solicitor's bills had gone up but were justified because of the amount of legal issues happening in the Village. Porter stated it was very reasonable. The Fiscal Officer asked if the Committee would make a recommendation relative to the Solicitor's contract at the next meeting and go through three readings. This was adequate time before the expiration of the contract. Porter added that the Village was charged a few hundred dollars an hour by Dennis Coyne, the Prosecutor, which was consistent in what the Village paid for legal issues.

The Fiscal Officer provided the committee with information from USI, the current PEP (Public Entities) insurance. They provided free property evaluations for the Village, and all the buildings were done, to include the exterior of the rental house. Porter asked what they came up with for the rental house, and the Fiscal Officer said the report indicated \$229,900. She clarified that it was an insurable value. The Fiscal Officer also provided a comparative analysis of what value the Village had placed on the buildings and what they determined. She noted that the Village had severely undervalued the police building because the equipment was not accounted for.

Nairn asked Porter what his opinion was on the rental house. Porter said it was bringing in net \$5,000 per year. It had been rented for 15 years and money had been put into the property. He questioned whether it was worth \$5,000 a year for the Village to continue to rent it, and he did not think so. There had been previous discussion of selling the property because it represented 2/3 of a Road Program. He stated that if the Village chose to bulldoze the house and keep the property, he was also good with that. Nairn stated she had always been a land person. Porter added that he did not want to get rid of the Crappe Property. He stated that the Village could make money on the rental house by selling it and could get more than the Village paid for it. Nairn asked when the Village purchased the property, and Porter thought it was possibly in 2002

or 2003 as part of a larger purchase of the land where the cemetery currently is located. Nairn and Porter discussed the merit of keeping the land, and the Fiscal Officer added that the Village would not have to pay taxes on it. Porter added that the grass would need to be maintained, but he saw value in keeping the land or selling it. The Fiscal Officer advised that although the Village made \$5,000, the liability was much more because of the potential for costly repairs. Although the Mayor stated the property brought in \$50,000, it cost the Village over \$50,000 in renovations in 2014. Porter said the Mayor was addressing rent paid in the past five years with rent of \$1,200 per month. He saw the value in keeping the property or selling it. Porter advised that the Village did not need the money. He again proposed renting the property, but then stated if the Village did not want to rent it, the house should be razed. Nairn agreed with keeping the land.

The Fiscal Officer said the committee did not need to deal with the insurance until February 2020. She added that the company added the Terrorism Endorsement and the Active Assailant coverage. There was a \$1,000 Safety Grant. She would speak to the Interim Street Commissioner to see if there was anything, he would want for Service Department staff. The Fiscal Officer advised that the insurance personnel raised her awareness to things the Village did not have on its schedule. She would have to work with the Police Chief and Street Department on this list, which included fences, flagpoles, hydrants, gates, retaining walls, free standing traffic signs, pools, playground equipment, none of which were listed.

Nairn asked if traffic lights were the responsibility of Ohio Department of Transportation (ODOT), or if streetlights were the responsibility of the individual Homeowners Associations (HOA). The Fiscal Officer advised that the traffic lights were the Village's responsibility. Nairn pointed out that her neighborhood had lighting, which was maintained by the HOA, not the Village. Porter added the need to include the pavilion to the schedule. Nairn added that with the new Veterans Memorial, the five flagpoles would need to be included. The Fiscal Officer requested that the committee think of other things that may have been omitted. Porter suggested inclusion of the Tornado Siren, and the Fiscal Officer mentioned the new antenna. She felt the list the insurance company provided was helpful. She added that the company provides cyber insurance, which is \$250,000 of coverage. Additionally, they have online training for the police, and other resource and reference material they provide to the Village. The Fiscal Officer said the Village has saved a lot with the company and has gotten a lot as well.

The Fiscal Officer explained that in the past, 16 hours per week were budgeted for her Administrative Assistant, but it was left to her discretion to add or subtract hours as needed. Earlier in the year, the Mayor told the Fiscal Officer that Council had discussed allowing her to schedule more hours for the Administrative Assistant. The Fiscal Officer had the Administrative Assistant working three days a week until she went on medical leave. She returned from medical leave early, but the Fiscal Officer did not have her work extra because of her recovery. The Fiscal Officer stated that she was at the point of needing to get things done, but that she looked at the budget and saw that it would be really tight unless the budget was amended. She indicated that there were minutes from the Boards that had not been done by the former Building Department Secretary and she did not want to overwhelm the New Building Department Secretary while she was learning the department. The Administrative Assistant offered to help get these done. Nairn agreed that the Village would not want to lose the new Building

Department Secretary. The Fiscal Officer said she was enthusiastic and had good suggestions. She was somewhat concerned that the Building Department Secretary might really want full-time work. The Fiscal Officer said she wanted to help her get caught up. Porter said there was another candidate for the Building Department Secretary who could also do the job. Regarding increasing the hours of the Administrative Assistant, Porter stated he thought it was a fine idea. He asked how many hours a week she was currently working. The Fiscal Officer stated that when Mayor Brett was with the Village, 16 hours had been budgeted, but if it was a busy year and the Fiscal Officer needed more, she could go to Council. Now, there were issues with specific hours assigned to the Building Department. Nairn advised no one would question that the Fiscal Officer was padding the request. The Fiscal Officer said that she managed the hours, and with her former Assistant, when she did not perceive a need, she asked the Assistant to rotate to other departments so that her time was filled. The Fiscal Officer said she needed to catch up and was at a point where she could not get to where she felt she could improve her own system. The Fiscal Officer asked for three days a week, and if more time was needed it could be up to her discretion. Porter suggested increasing the time to 24 hours, and the Fiscal Officer agreed but said that she did not want it set in stone. She proposed amending the budget, and then she would manage the hours. Nairn said it needed to coincide and have the flexibility that went along with the workload. Porter stated Council could authorize the Administrative Assistant to work up to 24 hours per week, and he was fine with that if she did not go over 30 hours a week because of benefits. The Fiscal Officer advised that the Employee Handbook was changed to 40 hours. The Fiscal Officer said she could not imagine going over this at least on a regular basis but knew that if the Administrative Assistant was there three days, her time would be filled. Porter stated at the next Council meeting, the committee could recommend to Council that the Administrative Assistant's hours be increased from 16 to 24 per week, and that the Fiscal Officer as her supervisor, would monitor the hours and ensure that there was adequate work being done for this period of time. If there was a need to cut it back, she could do so. The hours would be increased from 16 to no more than 24 hours. Porter said that if it went over 30 hours, it got dicey. Nairn asked if increasing to 24 hours would rectify the problem, and the Fiscal Officer said it would help. Nairn added that she would like to see the Fiscal Officer caught up. Fiscal Officer indicated that several years ago, she was able to get caught up after having a full-time help for two years. It was at this point that she had said it was time the Administrative Assistant rotate through the departments because she could not justify having her there with 40 hours. The Administrative Assistant did not want to do this and left employment. The Fiscal Officer said she would appreciate the request to increase the Administrative Assistant's hours to Council.

The Fiscal Officer advised that she did not have the Budget Worksheets ready yet but would get it done. The Budget Work Session would be on October 7th. She reminded Porter, who is on the Property Committee, that next year was the last year of the approximately \$15,000 Northeast Ohio Public Energy Council (NOPEC) grant and asked if the committee had a project idea. Porter was confident the committee could come up with something. The Fiscal Officer said there was discussion about roofing the building, but she did not know the price. During the Department Head meeting, the Mayor discussed generators and problems neighboring communities were having with them. The Police Chief tested the Police Department generator and noted there was an issue. Porter advised that there was a service agreement with Shepp Electric. The Fiscal Officer surmised with everything going on with the Building Department, no one had called to have the generator checked.

Nairn also addressed the wind and bird issue in the Street Department as a possible project idea. Porter and the Fiscal Officer recalled there was work that had been done with the roof to mitigate these problems.

The Fiscal Officer addressed the Building Department budget and explained that this would be dependent on Council's decision to keep it open or transfer it to the county. Council had agreed to decide by the end of October and questioned how the budget could be addressed. Porter said he did not know whether there would be a Building Official, but there would be a part-time Zoning Inspector, and a Building Department Secretary. He said Council could leave it open and keep its certification and then bring in a Building Official later. Porter explained that it would not be the \$189,000 budgeted last year because the Building Inspector was being paid \$77,000 and with benefits was earning around \$100,000. Porter suspected the Building Department expenses would go down \$100,000 or more and added that the Village was not offering benefits to the Building Department Secretary. Nairn asked how this would be handled in the Budget Work Session. The Fiscal Officer said it would be discussed and from there, she would get numbers.

The Fiscal Officer said a large Road Program was anticipated, but this would also be discussed at the Budget Work session. Porter said he was in favor of a double Road Program.

Meeting adjourned at 9:30.


Cindy Nairn, Chair of Finance Committee

Prepared by: Leslie Galicki

Finance Committee
October 9, 2020, 2020 – 8:00 a.m. at Village Hall

Present: Chairman Carroll, Councilman Berger, Fiscal Officer Romanowski

The proposed Petty Cash ordinance introduced at the September 28, 2020 Council meeting was discussed. Given questions and concerns at the Council meeting, Solicitor researched and shared information finding that petty cash could be established as long as Council adopts a policy (or ordinance) that incorporates risk assessment and fraud prevention techniques that will be utilized. It was felt that the proposed petty cash policy did include the necessary elements and the committee would continue to move forward with the current ordinance that was proposed.

Following discussion at the October 1, 2020 Budget Work Session, Fiscal Officer requested information from other municipalities on how they handle their legal counsel and shared this information with the committee. Reviewing the Village's Solicitor cost spreadsheet, the Village is 87% through the budget with two months of invoices remaining. The committee discussed different options including hiring legal counsel on a part-time basis, continue contracting the service, setting up parameters with amounts different elected officials and employees would have budgeted for legal counsel, or setting up an approval process to be taken before someone would be permitted to go to the solicitor for consultation. The committee will consider various options and make a recommendation to Council.

Fiscal Officer shared that she and the Police Chief are working together and researching different website update options. The Village received a quote from the previous vendor for \$8,100 but are also doing research with other website designers as well as an option to get website services through the County. The Fiscal Officer will budget \$8,100 in the 2021 budget as a placeholder, and she and the Chief will continue to do research and make a recommendation to Council prior to taking any action.

Fiscal Officer asked about the 2020 Road Program and an email she received from the Engineer about a resident having an issue with the brick apron of his driveway. The Engineer is inquiring how the Fiscal Officer was going to handle splitting the cost of the apron repair with the homeowner. He asked if she would pay the homeowner directly or if the Engineer put it as a line item in the Road Program project and then Specialized Construction would repay the homeowner. Fiscal Officer said she has never had to address an item such as this and asked for guidance on how she was to proceed. Fiscal Officer said paying the homeowner directly was the way to go for transparency purposes but questioned why this was being done and who had the authority to approve this. She said she was not comfortable moving forward with direction from only the Engineer and wanted to make sure the elected officials were aware of it and okay with this process.

Being a member of the Street Committee, Carroll explained some of the issues with the paving project on Sheerbrook Drive. Many residents are unhappy with the way their driveway aprons have turned out. There was discussion that on with the Snyder Road repaving a couple years back, homeowners' driveway aprons were fixed/replaced with like materials they had prior to the

paving program, (e.g.; concrete was replaced with concrete and asphalt with asphalt). Carroll said the Street Committee was aware of the Sheerbrook issues and agreed that Council should discuss how this issue should be handled. He will bring it up at the October 12th Council meeting.

Fiscal Officer reported that she was notified by the County Auditor's office that the additional \$134,000+ of Cares Act funding would be deposited into the Village's account by the end of day October 9th. This would give the Village a total of approximately \$211,000 in Cares Act funding.

The Committee reviewed the COVID-Cares Act Funding Potential Projects Priority list. Fiscal Officer explained she received quotes on some of the potential projects and was waiting on others. She explained that the quote for hard surface flooring in both Village Hall and the Police Department included offices, but the Cares Act money is to be used to make the property safer with disinfection purposes. Given the offices at both Village Hall and the Police Department are used by only one person, it would be a big stretch to say that replacing the carpet with hard surface would make the building safer for COVID spreading purposes. Therefore, the Fiscal Officer is asking the contractor to breakout the proposal into the areas that would be eligible for funding and the areas that the Village could pay for. The committee members agreed and said it did not make sense to leave the old carpeting in the offices, and only install hard surface in the lobbies and hallways. The committee stated the Cares Act funding should pay for the public spaces, and the Village should cover the costs of the offices.

Reviewing the list, the Fiscal Officer will change the name of "Fit testing for the Fire Department" to "Fit tester for respiratory protection".

The Samsung tablet for the Fire Marshal was added to the list for funding given this would allow the Fire Marshal to work remotely and have less exposure to the office for COVID protection.

There was discussion about replacing the Expedition in the Service Department with a pickup truck with toolboxes. It was reported that the dealer would hold the truck only until October 13th. It was decided to follow the order of the priority list as there are other vendors with vehicles, and the Village should be pressured into moving forward because of a vehicle dealer.

It was agreed to add to the Cares Act project list money for three employees to be out due to COVID for 2 weeks each. Base this off the highest paid employee to include pension, Medicare, etc.

Fiscal Officer explained that there will be legislation in the Council packets for Council to accept approving the Cares Act expenditures. Attached to this legislation will be Assertion of Necessity letters signed by the Department Head and/or Mayor that will explain why the Village was of the mind that these items qualified for the Cares Act funding. She explained she attended a webinar that indicated only these letters were required to be attached to the invoices for auditing purposes, but after talking to the County Prosecutor about items the County was purchasing with the funds, he indicated that Council should pass legislation. Given the conflicting views, Fiscal Officer contacted the Solicitor to get her opinion. While the Solicitor was of the impression that

legislation was not required, she drafted it to be on the safe side. Given not all projects will be ready to move forward on by the Council meeting on October 12th, the Fiscal Officer will prepare as many items as she could for that meeting, and then Council will need to amend the resolution adding more projects as it moves forward. Since the projects or items need to be in hand, complete and paid for by year end, it is important to get started as soon as possible.



Michael Carroll, Chair of Finance Committee

Prepared by Danielle Romanowski

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 20th 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 5th. The Mayor asked if the Fiscal Officer had Dave Hovevar 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

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 audited. 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 and added that it would be a Federal audit. 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 proposed 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 is cumbersome with Zoom meetings. 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 31st, 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 said they had gotten funds, but just from another source.

The Fiscal Officer explained that funds not encumbered by November 20 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 States 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. 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 5th. The Mayor asked if the Fiscal Officer had Dave Hoyer looking into it, and she advised she put it out to everyone.

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.

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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.

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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

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 Meeting Teleconference
April 23, 2020 – 8:00 a.m.

Members Present: **Fiscal Officer Romanowski, Fiscal Auditor Lechman, Chairman Carroll, Councilman Berger**

The Fiscal Officer advised that Berger wanted to know what the function of the Finance Committee was, and she stated that the Village did not really have any official descriptions for the committees. She stated in the past, the Mayor had favored putting the new Council members on Finance Committee because although she and the Fiscal Auditor do all the work, it is a good way for the new Council members to learn where the money goes. The Fiscal Officer did not know what the true function of the committee was and thought it would be helpful for Council to create official descriptions. Carroll advised that the committee was a mechanism for Council to review and have oversight on some of the financials. The Fiscal Officer advised that previous committee members helped develop the Village's official Purchase Order policy and a Credit Card policy. She advised that this policy required updating because of new State standards, and this would be a matter for the committee to address. The Fiscal Officer stated that the pertinent information would be provided to the committee members in the Council packets for the 4-27-2020 Council meeting. Carroll added that previously, the committee developed a requisition process for the Village as well. The Fiscal Officer explained that the purchase order policy has enabled more involvement by Department Heads with the budget. She further explained that the Village does its budgets by fund and not by line item. In the fall, Council develops the budget line item by line item, but as far as the county is concerned, it is by fund. She provided examples of how the process worked and concluded that it had taught the Department Heads how to manage the departments' money.

Berger asked if there was a process for reviewing budgetary lines throughout the year. The Fiscal Officer stated that up to this point she has watched them. At the end of the month, once the balances have been reviewed by the Fiscal Auditor and Fiscal Officer, the Fiscal Officer's balances are posted to the Village website in the elected officials section. She explained that her financials are more in depth, and include original budgeted amounts and amendments made by Council. Additionally, it reflects year to date totals and shows what is encumbered on a purchase order and what is not. Carroll added that during the budget review in fall, Council meets with the Department Heads to budget their capital expenditures and the budgets generally are approved from there. He stated that after these items have been approved, the Department heads should just follow the approved budget and make the purchases. Berger clarified that this would be dependent on the item being within the budget framework, and Carroll stated this was correct. Carroll stated that they need to follow the process and it must be within the budgeted amount. If something about the purchase exceeds the budgeted amount, it would be brought back to Council for consideration.

Berger stated that presently the Village is in a unique situation where the revenue stream is uncertain. He asked if the Finance Committee would investigate the potential revenue streams and changes to the budget. The Fiscal Auditor stated that a lot of the Village's revenue for the current year had already been determined. The real estate taxes are a year in arrears, which is

45% of the revenue. As far as Income Tax, the monies collected are based on last year's salaries. The Fiscal Officer stated she received a letter from the County Auditor that stated that with property taxes, the Village is permitted to budget 98% of projected real estate taxes. Now, they would like the Village to modify the budget and decrease it to 95% for the second half of the year and hope that the Village actually receives this. Regarding Income Taxes, the Fiscal Officer stated that the Village will not know the impact until late summer. She referred to a comment made by Councilman Porter at the April 13, 2020 Council meeting that the Village was down \$30,000. She explained that people were still working in February and paid the CCA taxes in March, which were then received by the Village in April. Things were shut down for half of March, and these taxes will be received by CCA in April. The Village will see the funds in May. She concluded that the Village will not really know the impact of the income taxes for a couple of months.

The Fiscal Auditor stated that a large part of the Village's income tax base is residential and added that the larger employers are still withholding taxes for their employees. He was not sure of the impact of the closure of the small businesses. The Fiscal Auditor addressed the potential local taxes that would be paid by residents working from home, and the Fiscal Officer addressed State legislation which waived the 20-day rule. She called CCA last week and was told there is much confusion about this rule. The Fiscal Officer explained that when someone works in the Village less than 20 days, they continue to pay taxes to their home base. If they are working in the Village more than 20 days, they must pay the taxes to South Russell. With the stay at home order, there have been many people working from home, which would suggest the Village would get this money. However, when the State passed the legislation changing the tax deadline, the 20-day rule was also waived. This has caused a lot of confusion and it appears the State will have to clarify the language, otherwise employees working from home will potentially be submitting for refunds of the local tax claiming whichever way would be most beneficial.

The Fiscal Auditor said he was uncertain of the impact the stay at home order but did not think the Village would see a large swing in income or real estate taxes this year. Berger added that real estate taxes would not be affected providing they are collectible. The Fiscal Auditor stated that looking at 2009 when there was a downturn, there was not a big problem with collections. He explained that there was more of an issue of residents rushing in to get their property values lowered. The Fiscal Auditor added that Cable Franchise Fees were also consistent. Carroll stated that the gas taxes would be going down, and the Fiscal Auditor added that interest was also decreasing. He said there would be certain revenue streams that would be hurt, but he thought overall the major income streams would probably be there. Carroll advised that other communities were doing cuts now in anticipation of what they may or may not experience after the first of the year. He explained that there had been discussion in Council of expanding the Road Program and stated he would not be in favor of doing this at this time. Carroll felt that if there are any big capital items or expenses coming up this year, perhaps it would be better to delay the purchase or at the very least be cautious.

Berger stated he was not suggesting the need to be cautious, but asking to justify the revenue stream, which the Fiscal Auditor did. If this was the case and there was an opportunity to take advantage of low oil prices or contractors desperate for business, the Village should not cut the Road Program, etc. when the Village thinks the revenue stream will be what was projected and

there is no reason to change the perspective. The Fiscal Auditor stated there are things like the gas tax that will come in lower, but the Village has a \$3.6 million budget and may receive \$100,000 less than expected. He did not think this would cripple the Village. He added that the Village has a lot of money in the bank and keeps telling the county that there is a use for the money.

Berger stated that at the April 27th Council meeting, he felt sure someone would suggest that the Village should not be spending money. Berger stated that from a Finance Committee perspective, this was not sound reasoning and the committee did not believe this to be the case. The Fiscal Officer stated that the Village really did not know. Berger stated this was why the committee needed to continually look but added that the Fiscal Auditor stated that the Village would get the money anticipated at the beginning of the year and should be following the budget. Carroll stated he was fine with spending the budget as approved for the year based on the Fiscal Auditor's recommendations, but suggested caution when taking advantage of opportunities because the Village did not really know at this point in time and there could be a delayed impact. Berger asked how this could be measured and stated that if Carroll could make a good case to him that the Village should back down 20%, he would support this. Carroll referenced the County Auditor's recommendation to decrease from 98% to 95%, and the Fiscal Officer added that during a meeting with the Municipal Finance Officers Association (MFOA), State Auditor Faber stated that the State was expecting a 20% to 25% hit in revenue. This meant that revenue received from things like the local government tax and gasoline tax would be decreased at the local level. She did not expect it to be really bad but thought reducing the budget by 20% might be beneficial to see how things look. The Fiscal Auditor reiterated that the Village's major income streams probably would not have a huge decrease. He thought there would be a delay and that next year would be a little bit worse because the income received was from the previous year. He added that if the gas tax were to decrease, this would hurt the Village the most. He thought it might be \$150,000 out of a \$3.6 million budget and stated that the Village was already budgeting a \$590,000 deficit. He added that there were some serious reserves in place, and if there were opportunities that came up, he would recommend considering them.

Berger stated he was not suggesting that the Village wanted to spend \$3,000,000 out of the reserve. He anticipated that at the Council meeting, someone would ask about suspending the Road Program, for example, and the Finance Committee was responsible for not playing to the fears of individuals but instead presenting the facts and recommending standing firm and going forward. If the Street Committee presented a great deal for the Road Program, the Finance Committee had the flexibility to say that the Village should consider it as a viable program. He viewed this as the responsibility of the Finance Committee. Carroll agreed and added that it was the committee's responsibility to examine, forecast, and to take into consideration the opinions of the Fiscal Officer, Fiscal Auditor, County Auditor, and State Auditor. He added that there were individuals in the community who work in the hospital system and UH Hospitals were furloughing and cutting pay. He added that all companies might be in this position. Carroll acknowledged that this might be a forecast for the end of the year or next year. He just emphasized the need to keep an eye on the ball. Carroll asked the Fiscal Auditor to weigh in at the April 27th Council meeting about where the cuts may come from or what problems might be initially experienced. The Fiscal Auditor referred to the situation in 2009, and Carroll advised that this was a bit different because this was not a housing and banking crises which impacted

the economy differently. He thought it would be worth looking at with the understanding that housing values dropped drastically in 2009. Carroll did not think this would be the flavor of the impact of the current situation. The Fiscal Auditor stated the 2009 downturn was hard for jobs too, and that Village employees received no raises, and there were people being laid off. Carroll agreed and suggested it be addressed.

Berger stated that the Mayor sent out a list of items he wanted to move on for this year. For the Finance Committee, he suggested that the Village end 2020 in the black with \$2.5 million in the bank. The Fiscal Auditor stated that the Village was planning on a deficit of \$600,000, according to the budget meetings. He thought ending in the black was not likely, especially now that there was discussion of possibly a reduction in revenue. Berger stated that the committee needed to be prepared to address this at the meeting and to explain it did not make sense with the information at hand. If it was expected the Village would end the year in the black, then there needed to be some serious conversations now as to how that would happen. The Fiscal Auditor thought it was about the timing and stated that the previous year it was anticipated the Village would end in the red and ended in the black. The Fiscal Officer explained that the Village had big projects that were budgeted in the past that had been put off. Currently, there was the project next to Village Hall and the Manor Brook project would be starting as well. Additionally, the Lake Louise project must be done this year, or the Village would lose the grant money. A lot of things that had been put off were starting to hit. Carroll asked the Fiscal Officer if his recollection was correct that the Village always projected revenues lower and expenses higher and then at the end of the day either would come in the black or close to it. The Fiscal Officer advised that the Village kept the revenues flat because they are set, other than the Income Tax. However, the Village had pursued all the grants and projects, which were supposed to be started but then were not. This year, the projects had begun, and she added that the project next to Village Hall and the Lake Louise Bridge must be done or there was a risk of losing the grants. The projects were previously budgeted but were only now beginning at a time when the revenues are uncertain. The Fiscal Officer concluded that she thought Council needed to be careful. She added that typically, the Village had a \$350,000 Road Program, and Council increased it to \$600,000 net. She explained that the Village received a grant for the Kensington Circle project, which would require an amendment to the appropriations to do the project since it was necessary to pay the costs up front and get a reimbursement of funds through the grant. She added that the income tax funds would be coming in later since the deadline was pushed back. The Fiscal Officer expressed her uneasiness with, for example, expanding the Road Program to \$1 million when it was unclear what the revenues this year would be.

Berger asked the Fiscal Officer if it were possible to do \$2 million worth of work for \$1 million, would it not make sense to do it. The Fiscal Officer stated it would if there was money to pay for it. Berger stated if there was \$3 million in the bank and the Village could do 150% of the Road Program for the same amount of money or a little more, would they not want to consider it. The Fiscal Officer agreed that it would be acceptable to get the bids and go through the process. Berger stated he did not think it would be wise to tell the Street Department not to even consider it. The Fiscal Officer agreed and stated she hoped they would be getting the bids and then Council could evaluate and make a decision. Carroll stated that bids would be obtained based on what Council established as the Road Program at the Budget Meeting. He advised that if the bids come in drastically lower, it may be possible to do more roads within the budget or for

marginally more money. Carroll stated there were other expenditures the Village must consider like stormwater issues. He understood Berger's point about taking advantage of opportunities but wanted to be sure the committee was looking at the situation holistically. Berger stated he concurred. He stressed the need to address the Mayor's request to end the year in the black.

Carroll asked the Fiscal Officer if it would be difficult to end the year in the black. The Fiscal Officer stated she thought so. Carroll stated this was unrealistic and was not concerned about ending in the black because of the reserves and grants. Carroll asked the Fiscal Officer if ending the year with \$2.5 million in the bank was realistic. The Fiscal Officer deferred to the Fiscal Auditor who stated it was possible. He explained that the balances go up and down throughout the year. In the beginning of the year, the Village had \$3 million. The budget was to end up \$600,000 in the red, which would leave \$2.4 million. While he did not think the current situation would be devastating, he agreed it would have an impact. He said the only way to end at \$2.5 million would be to cut expenses. Carroll added that another way would be if costs came in lower than anticipated, such as the Road Program. The Fiscal Auditor stated that if revenues and expenses came in as desired, the Village would end the year with \$2.4 million. Berger reiterated he was inquiring in preparation to answer the Mayor at the Council meeting. The Fiscal Auditor stated if this had been the goal, it should have been discussed in October in the Budget meeting.

Carroll agreed that the Village was currently in line with the budget, and Berger asked if something had changed where the Mayor would have asked for different numbers. He was trying to gain an understanding of the budget process through this conversation. Berger added that perhaps looking at specific expense accounts would be in order and provided the example of the Solicitor's account that was going through the roof. He stated that the Village would be nowhere close to what was budgeted for this. Carroll stated that the Mayor suggested that the Finance Committee examine the way that Council uses the Solicitor and how to reduce expenses. He stated that the Solicitor should not be used as a secretary or administrative assistant. In examining costs of the services, he believed more prudence was required in how the Solicitor is engaged. He admitted there had been some pressing issues that increased the line item. However, in looking how the Solicitor had been used in the last couple of years versus historically with David Ondrey, there was definitely a different approach. He acknowledged that the Fiscal Officer may have more information since she looked at the bills much more closely. The Fiscal Officer stated that in last month's report, she included a history of Solicitor bills, and stated that the Village used to pay between \$40,000 and \$50,000 per year. Last year, the Solicitor was paid \$100,000 out of the general budget, which did not include her work on the grants. She stated that the Village was currently at \$40,000 paid to the Solicitor which was 40% of the budget within three months. Carroll asked if she had any suggestions on how this process could be changed. In the past, the Fiscal Officer stated she had been consulted first, and the Solicitor was consulted in more legal matters. She added that there were ways to do independent research first. Carroll admitted that there were things that come up which require the Solicitor, but stated writing a proclamation for Joan Demirjian would not be included when the Fiscal Officer had always done them. The Fiscal Officer stated that the Solicitor should not be engaged for administrative work. Carroll added that she was engaged to explore SAFEbuilt, when he had asked the Building Committee to do this. Berger had no idea this had happened and added the Building Committee was addressing this issue. Carroll concluded that in delving into the matter, it was apparent where cuts could be made. He had asked that the invoices be broken down,

which had helped him see where the costs were. Carroll added that when he had a question, his first call was to the Fiscal Officer, who was the backbone of the organization in many ways. He added that the Street Commission and Police Chief were also good resources, and that before contacting the Solicitor, calls should be made to the Department Head and/or Committee Chair. Berger and Carroll agreed that the topic should be addressed at the Council Meeting. Berger recommended bringing the budget to the Solicitor's attention as well. The Fiscal Auditor explained that he must let his clients know when he is nearing the estimate. Carroll stated that many of the charges were the result of the Mayor calling the Solicitor on everything and asking her to attend meetings she did not need to attend, etc. He suggested that the conversation with the Solicitor should be about pushing back to the Mayor on matters for which her expertise is not required. Berger stated that since the Mayor put it on his list, it provided the opportunity to address this in Council. The Fiscal Auditor suggested that during the budget meetings in the fall for Council to allocate portions of the Solicitor's budget for use by the Mayor, by Council, special projects, etc. Berger added that the Solicitor could bill accordingly. The Fiscal Officer explained that the Solicitor currently is billing separately for the grant projects. The Fiscal Officer added that the Solicitor's contract is up at the end of the year, and this might be something Council would want to include in the contract for the following year.

Carroll noted that Berger had asked about property valuation, and Berger stated it was just a general knowledge question regarding the Building Department rather than Finance. Carroll addressed the Bell Road project loan, which is a 0% 20-year loan. The Fiscal Officer stated that although it was initially the goal of the Village to pay the expense, other expenses arose, and it was decided to take advantage of the loan. She stated the payments are approximately \$10,000 per year.

The Fiscal Officer reviewed the current grants. The Northeast Ohio Public Energy Council (NOPEC) grant still had \$7,061 remaining, and she needed to discuss this with the Property Committee about LED lighting for the Service Garage. She also submitted for the PEP Safety grant. PEP is also offering a \$1,000 COVID-19 grant for products purchased for the pandemic. The Headwater 319 grant project had started, and the Village's cost was about \$75,000. The Kensington Circle Grant is \$94,300 but is a reimbursement grant. She explained that some grants are reimbursement, and some have the Village pay up to a certain amount, and then the grant pays the rest. The Village is still waiting on the Natureworks Playground Grant, and Chagrin River Watershed Partners (CRWP) is doing the paperwork for it now. The Village should receive the \$23,000 grant some time this year. The Lake Louise Bridge project will cost the Village \$123,000 and is a reimbursement grant. The Village must do this within a specific timeframe. The Village will pay about \$184,000 for the Manor Brook project. The Village received \$1,500 from NOPEC for the Fall Festival, but with the COVID-19 issue, it is unclear whether the event will be held. There are no grants for the \$121,000 Chillicothe Rd. culvert project but funds will be taken from the State Highway fund monies. The Mayor said something about getting another culvert by Village Hall replaced before Ohio Department of Transportation (ODOT) starts improvements on Chillicothe Rd. in 2021. Carroll asked for clarification, and the Fiscal Officer stated the Mayor is trying to talk to ODOT about the replacement of the culvert across from the dentist office next to Village Hall before Chillicothe Rd. is fixed. This was not planned, but the Fiscal Officer understood the sense in the timing of the repair. It had not been

budgeted. Carroll asked if the Engineer had weighed in on this matter, and the Fiscal Officer stated she had not heard.

The Fiscal Officer reviewed that the State Auditor said to anticipate a 20% hit across the board. She reiterated that the true impact would not be known until later.

She reminded the committee that she would put the Credit Card policy information in their Council packet for review as this was something the committee needed to address and update the policy.

Meeting adjourned at 9:05 a.m.



Michael Carroll, Chair of Finance Committee

Prepared by: Leslie Galicki



Danielle Romanowski <fiscalofficer@southrussell.com>

Re: 2020 SRV budget - impact of recent events

1 message

Adam Lechman <alechman@gmail.com>

To: Danielle <fiscalofficer@southrussell.com>

Cc: CBerger@southrussell.com, mcarroll@southrussell.com

Just to reiterate, the estimates below are based on thinking as of today (April 23) points this year given how quickly things can change.

On Thu, Apr 23, 2020 at 10:57 AM Adam Lechman <alechman@gmail.com> wrote:
Hi Danielle,

Our 2020 budget is essentially comprised of the following:

- Income Taxes - 43%
- RE taxes/Homestead - 40%
- Gas Taxes - 9%
- Grants - 3%
- Ambulance - 1.5%
- Local Government - 1.5%
- Cable fees - 1%
- Interest - 1%

As we discussed after the finance committee meeting this morning, I expect the actual amount of 2020 revenues to be approximately \$150K or 4.2% lower than the budgeted amount at this point in time due to a variety of factors (e.g., conservative budgeting by Council, timing/lags related to income tax and real estate tax receipts, the tax profile of south russell, etc.). Below is more detail.

Income Taxes (43%)

The 2020 amount for net income tax revenue budgeted by Council is 13.5% less than the actual amount of net income tax revenues received in 2019.

- \$1,768,850 net income received in 2019
- \$1,530,191 net income budgeted for 2020

Given the tax profile of our Village and the lag in income tax receipts, a 13.5% reduction in income tax revenues for 2020 due to the Pandemic seems reasonable at this point in time (e.g., no further adjustment needed). However, we should expect 2021 revenues to also be impacted.

Real estate & Homestead (40%)

Real estate & Homestead receipts in 2020 are based on 2019 home values so our primary risk relates to payment defaults. However, based on our past experience (including the 2009 financial crisis), I do not expect this to be a big problem in South Russell in 2020 at this point in time.

Gas Taxes (9%)

If traffic has decreased by 45% then it is reasonable to assume that gas taxes will also decrease by 45% or \$109K on an annual basis. Given that this reduction did not occur until March, I believe a \$100K reduction in gas taxes revenue is a conservative estimate at this point in time.

Grants, Cable Fees, and Ambulance Fees (4.5%)

I don't expect any reduction in these amounts during 2020.

Local Government (1.5%)

We should expect to receive a lower allocation than planned. If we estimate a 50% reduction, revenues would decrease by \$27.5K.

Interest Income (1%)

Attach
these to
4.23.20
Finance Comm.
minutes after
Signed

**Finance Committee Meeting
June 2, 2020 – 8:00 a.m.**

Members Present: Fiscal Officer Romanowski, Chairman Carroll, Councilman Berger

Guest: Collin Cunningham, CVT

Carroll called the meeting to order at 8:04 a.m. Carroll asked the Fiscal Officer to address the 20-21 Tax Budget. The Fiscal Officer stated the Village received notice from the county that the Geauga County Tax Budget Hearing will be Monday, August 17, 2020, and the timeslot for the Village is 2:40 p.m. She explained that she, the Mayor, and representative from the Finance Committee usually attend, but it is open to the public. Berger asked the purpose of the meeting. The Fiscal Officer explained that at this time of the year, the Village starts its tax budget, which gets the Village prepared for next year's annual appropriations which are done in the fall. Through the tax budget, the estimated revenues are determined. She provided copies of the worksheets she gives to the Department Heads for their input. The Fiscal Officer explained that she does not require detail, only large expenditures, or large changes. She then compiles a rough draft of the budget for the next year, which helps her decide what the transfers will be. The Village receives property taxes, which are dedicated to specific purposes. There is also the general fund and income tax monies which are taken into the general fund and transferred to the other funds to pay for expenses. The Fiscal Officer added that at this point in the year, she must figure out what the transfers will be for next year. To do this, she runs a rough estimate of what the budgets for each department will be next year to help her determine what she will need to transfer. Berger clarified that the meeting in August is not about expenses but about income. The Fiscal Officer agreed that it is about revenue. Once this is done, the Village must have a Tax Budget Hearing, which will occur just before the July 13th Council meeting. At that time, the tax budget is read. This is then submitted to the county, and the county Budget Commission, which consists of the County Prosecutor, County Auditor, and County Treasurer, review everything. Then a hearing is held in which they approve or disapprove it and specify what changes they may have. This is the revenue to operate within when the Village does the annual appropriations for the next year which is done in October. Carroll verified that they also review the carry-over and added that the Village had received comments about carry-over, what it had in reserves, and what the Village's plan was. The Fiscal Officer concurred and explained when she prepares the tax budget, she has to estimate where she thinks the year will end and what the carry-over balances will be into the following year because this is part of the determination of the amount the Village will need to transfer into each of the funds. In the past, the Budget Commission did not like the Village's carry-overs, but the Village was trying to put money aside for stormwater issues and other projects. The last year or two, there were really no problems.

Berger clarified that the county has the authority to not approve the Village's revenue proposal. The Fiscal Officer agreed and explained that it is not lawful to build up a nest egg of money. It must be spent. If too much money is accumulated in the bank, and the Village wanted to put a levy on the ballot, the Budget Commission would say the Village had the money in the bank, so it should not go to the residents for additional money. The Village had never really had a problem. She stated that if it is explained to the Budget Commission that the Village has a purpose for the money, they are agreeable. Carroll explained that several years ago when the

road levy was passed, the Village had actually tried to go out for a stormwater levy but could not because of the requirement for levies. Instead, the Village used one for the Road Program to offset the impact on the general fund to address stormwater issues. The levy generates approximately \$200,000. The thought was to take the levy funds and apply them towards stormwater mitigation so as not to take away from the roads. The Village has done some minor projects, which would allow the Village to do a little more robust Road Program this year. Carroll summarized that having a plan for the money is key, and the Budget Commission will not let the Village bring in more money than what the Village has a plan to spend. The Fiscal Officer added that levies can only be for certain reasons as set forth in the Ohio Revised Code, which was why the Village could not do a levy for stormwater.

The Fiscal Officer explained that she had requested the completion of the worksheets by the Department Heads by the middle of June. She would bring the Tax Budget to Council and then have the hearing at the beginning of the Council meeting on July 13th. Then she would file it with the county. The Fiscal Officer said that the levies are usually estimated at 98% collection for the following year. However, with the COVID, the estimate will be 95%. She would verify this with the County Auditor. Carroll and the Fiscal Officer agreed that it would be about a \$50,000 difference. The Fiscal Officer stated that the Village would not know about Income Taxes, and Carroll added that the Gas Tax would also probably be lower.

Berger stated at the last Council meeting, the Fiscal Auditor estimated a 4.5% hit to the budget. Berger thought 95% was being safe, and Carroll clarified that Property Tax was being discussed. Carroll stated Income Tax was 1.25%, and the Fiscal Officer added with 75% credit. She said it was difficult to know where the Village stands with the Income Tax collection because usually in April, CCA does an estimated distribution based on the average, which is adjusted in May. With COVID, CCA has not caught up, so May will be another estimate. She hoped to be able to receive the adjusted balance in June.

The Fiscal Officer addressed the property taxes that were formerly paid for the rental house, which had been torn down. With the house gone, the Fiscal Officer wanted to apply to get the property made tax exempt. She spoke to the county Auditor's Office and was working on the paperwork. She would like to get it on the agenda for the June 8, 2020 meeting to get a motion from Council for her to proceed with the tax-exempt application. Carroll asked if the status would be retroactive, and the Fiscal Officer stated it cannot be done mid-year, which was why she wanted it addressed before the end of the year. She added that the request would go through the county and then move forward to the state.

The Fiscal Officer addressed the credit card policy and said she had provided the committee with the Solicitor's proposed changes. The Fiscal Officer stated the Village had been doing most of the requirements and that it was really a housekeeping issue. She explained that it used to be that the Department Heads could hold the credit card, make purchases, and submit the receipts. Now, the card is signed in and out and the Fiscal Officer and Fiscal Auditor cross check all the invoices. This information is then provided to Council for review and approval. This is part of the new state requirement. Carroll asked what the total credit limit is for the Village, and the Fiscal Officer stated it is \$8,000; \$2,000 per department. There is no card for the Building Department currently. Carroll suggested putting the policy on the agenda for the next meeting.

The Fiscal Officer stated that the Village cannot pay sales tax, and if an employee makes a purchase with tax, the employee must pay the tax. She stated that she and the Police Chief purchase things online and set up tax exempt accounts with the various vendors, but if there is a one-time purchase, it is not practical. The Fiscal Officer and the Police Chief have just personally paid the sales tax in order to get the better pricing of shopping online. Carroll asked if the Village has an Amazon Business account, and the Fiscal Officer stated no. Carroll recommended the Village get this. The Fiscal Officer said she would look into it. She stressed that the reason the purchases had been made in this manner was to save the Village money, and Carroll advised that it would be best to avoid this as much as possible.

Regarding the Solicitor's fees, the Fiscal Officer asked the committee if the report she had been providing was helpful. Berger stated there was an addition mistake on the last one. The Fiscal Officer acknowledged this and stated she had fixed it. Berger said it was helpful to see where the money was being spent. The Fiscal Officer stated that she was also starting a similar report for the Engineer. Carroll thought it would be beneficial to track this information to determine the source of the extra costs.

The Fiscal Officer reminded the committee that the Mayor asked the Finance Committee to address the Solicitor fees. She stated that some municipalities have the Solicitor attend only one Council meeting per month and didn't know if that was something the Village would want to consider. Berger concurred, and said if there were an issue requiring the Solicitor's input, it could be tabled. Carroll said he liked to have the Solicitor at the meetings because there are things that come up which require her opinion. He added that historically, the Village had a Solicitor who may or may not have attended all the meetings, but often had to look something up after the meeting, which would result in the Village incurring a fee. He felt the current Solicitor had been good about addressing questions and handling issues during the meeting instead of having to look up information after the fact and charging the Village. Carroll stated that typically there are questions for the Solicitor at each meeting. He added, however, that perhaps there were other meetings she was attending that she might not need to. She is also being given tasks like writing a proclamation for someone, which the Fiscal Officer could do. Carroll felt the Solicitor offered something to Council at the meetings which he thought was beneficial. This would be the one area that he would be leery of changing. He would rather identify other areas to reduce her use.

Berger felt that there was a need to be thoughtful about the expense before calling the Solicitor. Carroll agreed and said often the question could be answered by the Fiscal Officer or Department Heads. Berger said from an informational standpoint, the Solicitor should be the last resort. He felt that even with cutting it down to bare minimum, the Village would run over budget. The Fiscal Officer said the Village budgeted \$100,000, and Berger stated for \$100,000, a full-time Solicitor could be hired. He questioned why the Village would not want to hire an attorney instead of contracting it out at this rate. Carroll thought it would be possible to determine the source of the overages. Berger stated that the Mayor was a good source of information because he talks to the other communities and speculated what other communities pay for their Solicitors. Berger said the comment came back that there were some communities in the area that did not spend \$25,000 per year. They clamp it down and do not let people talk to the Solicitor. Berger

said whether this was good policy or not, he did not know. Carroll stated that if the Solicitor were present at Council meetings, there would be an opportunity to engage in some of the questions during the meetings versus calling her or emailing her when the question could wait for a meeting. With the grants with which the Village had been involved and the different issues like the Building Department, Carroll felt the Solicitor had been much more engaged. He agreed there were opportunities to shave some of the expenses. The Fiscal Officer agreed and said that the Village did not deal with grants previously. She added that under the previous Mayor, she was told that if she had a question for the Solicitor, she should wait until the Council meeting unless it was an emergency. On the other hand, the Fiscal Officer admitted there had been issues recently, like the grants, that needed more legal input.

Regarding Paw Paw Lake, Carroll explained to Berger that Paw Paw Lake was looking to have work done on their private road with the possibility of having the Village take it over. Berger stated it should not be called work but rebuild. Carroll stated that it must be brought up to the Village's standards, and the community is looking for concessions and trying to identify potential avenues for a public-private partnership. Carroll said that in looking at possible funding sources, he was not aware of any public-private partnership where the Village would take out a loan on behalf of Paw Paw Lake or be the co-signer on the loan. Usually, the public-private partnerships are private, like Opportunity Corridor or other big projects where the private entity is driving the project with private funds. Carroll described this project as the reverse. With regard to the community's claim that it does not benefit from the Road Program because Paw Paw Lake Drive is private, Carroll explained that in his mind, it was no different than a school levy where some people use the schools and some people do not. Sometimes taxes are paid for the greater good. The Fiscal Officer stated that a comment was made by the residents of Paw Paw Lake that millions had been paid by the community without any benefit. She explained that their calculations were based on property taxes as a whole, but of that whole, the Village only receives approximately 10.48% of the property taxes. Until two years ago when the Road Levy was placed on the ballot, none of that money was earmarked for roads. Everything for roads came out of the General Fund, which consists of Income Taxes and the General Levy money. A small portion of the 10.48% was used towards roads. The Fiscal Officer wanted the committee to understand that when the Paw Paw Lake residents said they paid \$240,000 to the Village in property taxes last year, only 10% is actually received by the Village, which is \$27,000. The remainder goes to the County. Carroll stated an additional comment was made that an improved road would improve the property values and ultimately bring in more taxes. The Fiscal Officer stated that when a levy is placed on the ballot, only the amount of money is collected from the day it is effective. The Village's Operating Levy has been on the books a very long time and have never been renewed. The amount of money brought into the Village is the amount of money designated when it was passed. The more houses that go in and as values increase, effectively everybody's taxes go down because the Village brings in the same amount as it did when the levy passed. Even if the values of the homes are improved, this does not mean the Village will get more money unless a new levy is put on the ballot, or the Village renews the levy. Carroll stated he could not see the Village co-signing on a loan and exposing it to such an obligation and position. It is a private road that the HOA must bring up to Village standards. If they did this, Carroll would support taking the road over. He had spoken to the Street Commissioner about the increase in work for the department if this were to occur, and the Street Commissioner described it as negligible. At the end of the day, however, Paw Paw Lake would

have to bring the road up to the Village's standards for the Village to even consider taking it over. Carroll stated that there was a conference call with State Representative Diane Grendell, who was not aware of any funding but said she would look into some things. She commented in the meeting that nothing like this had ever been done in this manner of public-private partnership. Carroll felt it was necessary to be cautious from a financial standpoint on how it is approached in light of the fact that there are other private streets which might want the same. He said Paw Paw Lake had some serious work that would need to be accomplished. If there were a funding source that would not affect the Village financially, he was open to discussion. To date, this had not been identified, so the community would have to determine how to obtain funding themselves. If Paw Paw Lake could rebuild the road, Carroll knew that they were interested in having the Village take over the public part of it, and he supported it since it would only be adding a mile or mile and a half of road.

Berger stated if the Village were to take over the road, it would assume the responsibility of maintaining it, which would be an additional cost. The Fiscal Officer added that it would mean future Road Programs would cost more. Berger stated it would be necessary to consider the impact of this cost structure and how it impacts the Village. Carroll agreed and said it would be the same for any new development that was built. In conversation with the Engineer, Carroll stressed that the road must be done right, with approved drawings approved by the Village, just like the Village would do with any new development. Because the community is 100 years old, Carroll stated that the Engineer compromised to say 20' instead of 24' wide roads would be accepted. The largest issue would be their turnarounds. Carroll concluded that Council needed to weigh in on the matter. From a financial standpoint, he did not see how the Village could put any funds towards the Paw Paw Lake rebuild project.

In response for a request for fiscal training, the Fiscal Officer proposed providing training for all of Council. She suggested doing it in August before budget time in September and October. Carroll thought this would be beneficial to have the Fiscal Officer and Fiscal Auditor review the budget and examine how the financial process works. The Fiscal Officer added that government accounting is different. Carroll agreed, and added that ethics issues with spending and gifts, etc. could be included. The Fiscal Officer stated she would plan the training, and Carroll suggested emailing Council to see if there were any specific questions.

Meeting adjourned at 8:42 a.m.

A handwritten signature in blue ink, appearing to read 'Michael Carroll', is written over a horizontal line.

Michael Carroll, Chair of Finance Committee

Prepared by: Leslie Galicki

Finance Committee Meeting
July 7, 2020 – 8:10 a.m.

Members Present: Chairman Carroll and Fiscal Officer Romanowski

Members Absent: Councilman Berger

The Fiscal Officer reported that she submitted the application to make the rental house property tax-free and hoped to get an answer back before the end of the year so that the Village would not have to pay taxes on it next year.

The CCA has been giving the Village distribution advances because of the limited CCA hours during COVID-19. The Village received advances again for the month of June and adjustments will be made once returns are processed with CCA. The Fiscal Officer suspected that the Village would not really know until September or October where it stood with income tax revenue for this year. By the time the budget is adopted at the end of November or beginning of December, the Fiscal Officer hoped there would be a clearer picture of the impact.

For planning purposes, Carroll asked when the budget planning would take place. The Fiscal Officer said that generally the annual Budget Work Sessions are held in early October. She advised that over the last couple years, she asked department heads to put together a report explaining big changes to their normal budgets. These are then forwarded to Council prior to the work session so they have time to review and prepare if they have any questions. This has helped the process be more timely and flow better. By the end of October, the Fiscal Officer would have the rough draft for Council to work through and review, and then potentially have the Budget adopted by the second meeting in November. Carroll recommended providing Council with tentative dates and then sending out budget requests in August for any capital items from each department. This way, they can be reviewed by the committee in September. The Fiscal Officer concurred.

The Fiscal Officer advised that the Village received \$50,924 in COVID-19 funds. She gave Carroll information provided by the County Auditor about how the funds could be spent. One idea the Fiscal Officer had relating to the playground would be to purchase a device to disinfect it so that it could be opened. Carroll asked about the breakdown of the funds, and the Fiscal Officer stated the same formula was used as for the local government money break down. The Fiscal Officer further explained that the funds must be encumbered by October 15th. Whatever is not encumbered must be returned. By December 28th, the funds that have not been spent must be returned. The Fiscal Officer also suggested that it might be beneficial to put money aside to cover mandatory paid COVID-19 sick time for employees. Continuing difficulties in obtaining PPE were discussed relative to using the funds.

Regarding the Tax Budget, the Fiscal Officer stated she gave each department a spreadsheet and asked for input with the large items that would be requested for the following year. She had the Chief's input, but not the Street Commissioner's. She explained that the Tax Budget really sets how all the transfers are made the following year; it sets the revenues to work within for the annual appropriations. Without knowing all the facts, the Village may have some restrictions on the initial budget for next year, but amendments could be made later. She did not know what changes might be occurring with the Building Department and questioned if she should address it with the same setup as for 2020. Carroll suggested asking the Building Committee, and the Fiscal Officer advised this would be difficult as any changes to the structure need to be approved by Council, and the Tax Budget hearing is prior to the next Council meeting with adoption at that meeting. In that case, Carroll suggested the Fiscal Officer budget it with the same structure as it currently has. Fiscal Officer agreed and stated changes can be made after the year end cash balances are certified in January. Carroll noted that the

Budget Hearing will be August 17th, and clarified that the Fiscal Officer, Mayor, and Finance Committee should attend.

Regarding the State Highway money, the Fiscal Officer stated that the balance was approximately \$140,000. She expected that the Manor Brook project would occur in 2021-2022, and then the culvert replacement would follow. Carroll reminded the Fiscal Officer that Council had discussed addressing the culvert when Chillicothe Road is paved in 2021. She stated that the Engineer was going to try to get the State to do the culverts, but she did not know how he accomplish this since the Village had no success with this in the past. The culvert cost is estimated at \$121,000. Additionally, the Chief was discussing redoing the traffic light at the intersection of Bell Rd. and Chillicothe Rd. and thought the State Highway money could be used. The estimated cost for that project would be about \$200,000. There would not be enough money in the State Highway fund to cover both projects. The Fiscal Officer added that she spoke to the Chief about the possibility of the Northeast Ohio Areawide Coordinating Agency (NOACA) helping with funding for the traffic light.

The Fiscal Officer thought that with the first swipe of the budget, it is possible that there would be things that could not be included until the year-end balances are certified. She added that there are a lot of big expenses coming up for the Village, and she was not sure of all the costs and whether grants would be potentially obtained. Also not known is how revenues will be impacted by COVID. The Fiscal Officer stressed the need to get the departments and Council to identify the priorities in the budget work sessions. Carroll would address this with the Street Commissioner. The Fiscal Officer said she would redistribute the departments' five-year plans to the Department Heads to use as a resource when preparing the budget work this fall.

The Fiscal Officer addressed the possibility of getting an AED for the Service Building. She stated that there is one in Village Hall and one in the Police Department. Carroll asked if there was money in the budget to purchase one in 2020, and if so, to purchase it this year. Fiscal Officer said she would look at the budget and proceed accordingly.

Regarding the copier, the Fiscal Officer explained that the Village Hall copier was moved to the Building Department when there was an attempt to consolidate. The copier remained in the Building Department when the Fiscal Officer returned to her office in Village Hall. The current copier in Village Hall does not connect to the computers for printing or scanning, and tends to jam up and chew paper. The Fiscal Officer and Administrative Assistant now print to desktop LaserJet printers, but that is much more costly than printing to a copier. Carroll acknowledged the Fiscal Officer's department makes many more copies and scans than the other departments due to the nature of their work. He suggested looking at the current budget to see if a copier could be purchased this year. She replied that she met with three copier companies and is waiting for quotes. She looked at her budget for this year and believes some line items can be adjusted to make purchasing a copier this year feasible. Carroll said it is important for the Fiscal Officer's office have the equipment necessary to do the job efficiently as soon as possible, and he thought it would be best to purchase a new copier this year. Carroll will bring this up at the 7/13/20 Council meeting.

The Fiscal Officer stated that the last time the Village website was done was in 2014-2015, at which time the Village paid \$7,700. To redesign the site would be \$4,500 which could be split into 12 monthly payments. She felt the website should be updated next year and indicated it could be more user friendly. Having it redone would also allow it to be utilized effectively with mobile devices, which it currently is not. Carroll agreed it would be good to look at updating the website in 2021.

The Fiscal Officer proposed getting tablets for Mayor and Council in 2021 rather than printing the Council packets. Previously, Council did not receive paper copies of the packets and accessed the packets through the website on their own personal computers/tablets. Carroll stated he preferred the paper packets but thought a

cost analysis could be done for 7 tablets compared to the cost of printing over a four-year period. Another reason the Fiscal Officer thought the tablets should be considered related to email and public records requests. This way it would keep all the public records on one device and when someone left office, they could simply turn in the tablet and the Village would have all the records on the device. It is not permissible for elected officials or Village employees to delete emails, and the Fiscal Officer would be providing Council with instructions on organizing emails without deleting them. Carroll acknowledged this and stated that he has a dedicated Gmail address for Council matters that includes his Google Drive, Sheets, Docs, etc. This allows him to prepare the documents he needs through the Google Suite and all of which would be turned over to the Village at such time as he is no longer involved with Council. He added that with deleting emails, Council should be advised that when using a private email for Village business, it could be subject to a public records request. It is troublesome to intermingle the accounts. He suggested giving Council Google Suite training. The Fiscal Officer acknowledged that the way the current email is set up, often responses come from the Council members' private email accounts, which then makes their private accounts susceptible to public records requests. She stated that instructions will be provided to Council in the July 13th Council packet pertaining to organization of their emails, to include not placing emails in the "trash" since they are then permanently removed after 30 days. She was considering providing the Gmail training with the finance training she had proposed for the elected officials. The Fiscal Officer concluded that she would not put anything in the budget for the tablets but would research prices for sake of discussion in October.

Carroll asked about the cost of retrieving emails for the public records request the Village received. The Fiscal Officer said was about \$200 for the computer person to come out to retrieve the deleted emails from the Mayor's account. Carroll and the Fiscal Officer agreed that the point is that the emails cannot be deleted no matter how trivial. The Fiscal Officer explained that if all of Council were to use the assigned South Russell email accounts, the Village would have access to the emails from the Gmail cloud in the event of a public records request; this is not necessarily the case with the use of Outlook. Carroll agreed that training would be beneficial, particularly for newly elected officials. He added that the use of public property for personal gain, like using Village water or electricity, should be addressed. Carroll explained that many people do not understand that what is done in the private world is not okay to do in the public world. He felt this was difficult for some newly elected officials to grasp. The Fiscal Officer stated this is the reason attending Public Records and Ethics training is important for everyone to do. While she is the designee for the required training to ensure the requirements are met for the elected officials, she strongly believes the elected officials should take the training themselves as well so they understand the laws. The Fiscal Officer explained that there are times when access to funding, FEMA for example, is contingent on meeting certain training requirements. If officials do not have the training, then the Village potentially could miss out on funding opportunities. Carroll concurred.

Regarding the timeliness of the deposits, the Fiscal Officer contacted the County and State Auditors and verified that deposits must be into the bank within 24 hours unless legislation is passed for anything under \$1,000 can be deposited within 72 hours. Council approved this legislation at the 6/18/20 Special Council meeting. The Fiscal Officer relayed that she is receiving deposits from the Building Department daily, but some of the checks were dated a week to several months earlier; such as a check she received on 7/6/20 that was dated 4/30/20. Carroll asked when the checks were received, and the Fiscal Officer stated she did not know. Carroll stated he would speak to the Building Committee about the matter. He noted that the one check was nearly expired and that it should be required that checks be dated within 30 days. The Fiscal Officer questioned why someone would submit a check in July that was dated April. Carroll advised that the daily deposit rule must be reinforced. The Fiscal Officer clarified that the checks have been brought to her daily, so she just did not know how long the check had been sitting in the Building Department office. Carroll acknowledged this but suggested asking the Building Department Administrative Assistant when she received the check. He added that best practices should be applied. Carroll verified that historically with the former Building Inspector, the checks were just put in files, which is illegal. The Fiscal Officer reiterated that the checks must be deposited,

and if a reason arises that the funds need to be returned, a refund can be issued. Carroll stated that going forward, the process must be done correctly in accordance with the State and County Auditors' requirements even though the previous Building Inspector and current contracted Building Inspector did not believe in the rule. The Fiscal Officer stated it is a matter of adjusting practices, and Carroll added that perhaps unbeknownst to them, they followed a practice that was not correct. Moving forward, things will be done the right way.

The Fiscal Officer provided Carroll information regarding how property tax levies work to help understand the revenue a levy brings and how that revenue could be affected over time. She noted that more money can be collected on a levy through new construction. Carroll asked if an addition might be considered new construction, and the Fiscal Officer relayed that according to the County Auditor, it is tricky and depends on how the legislation is written; it is a complicated formula that is used. With schools, the dollar amount does not change for the life of the levy. With the Village, the effective millage will change. As the residents' property values increase over time, the resident does not pay more in taxes, so the effective millage decreases. If a huge \$700,000 addition for example is added to a home that significantly changes its value, it is possible the Village could receive additional funds from property taxes, but the same is not true with smaller home improvements. Carroll stated he would forward this information to Kent Kristensen with Paw Paw Lake.

The meeting was adjourned at 8:55 a.m.



Michael Carroll, Chair of Finance Committee

Prepared by: Leslie Galicki

Finance Committee Meeting
Friday, August 7, 2020 8:00 a.m.

Present: Chairman Carroll, Councilmember Berger, Fiscal Officer (FO) Romanowski

Carroll called the meeting to order at 8:00 a.m. The two items on the agenda were discussion of the salary/compensation for the proposed full-time Building Department Administrative Assistant and an update on the copy machine. The Fiscal Officer added that the agenda included handling the department expenses for the Building Department.

Regarding the copy machines, the Fiscal Officer advised she obtained four quotes that ranged around \$8,000. She had only obtained prices and still needed to look at the machines. The Fiscal Officer stated it was necessary to purchase one soon because she and her Administrative Assistant were working with desktop laser jet printers, which did not connect to the copy machine. Furthermore, the copier was old and cumbersome and not suited to the tasks of the department. She hoped to be able to have comparisons of the machines by September. Carroll asked what the high quote was. The Fiscal Officer advised that the Village had always purchased the copier because it was less expensive than leasing. The copiers purchased by the Village had also lasted longer. Carroll asked how old the Fiscal Officer's copier was, and she explained that it was purchased in 2014. However, it was moved to the Building Department when consolidation was being considered and was not moved back to Village Hall when COVID hit. The Fiscal Officer currently had the old Building Department copier and could not recall its age but stated it did not have Bluetooth and could not be connected to the computers. Berger asked if a service contract would be purchased, and the Fiscal Officer explained that with the purchase comes a contract for a specified period. The contract includes copy costs, toner, and maintenance. She further explained the costs involved with the different printers she was considering. Carroll asked when the Fiscal Officer might have enough information to present to Council, and she had hoped to have it by Monday, August 10th. Carroll advised that perhaps it could be considered at the September Council meeting. The Fiscal Officer advised that she wanted to try the machines before deciding. She explained that it would come out of the Department budget and said that she had not budgeted for anything that year. The Fiscal Officer added that it would be possible to move line items around so that the budget would not have to be amended.

Berger asked when she would want it, and the Fiscal Officer stated as soon as possible. Carroll suggested utilizing the highest estimate and presenting the purchase as a not to exceed \$8553, which would give the Fiscal Officer approval to make the purchase. This would be presented at the August 10th Regular Council meeting. Carroll advised that it would be good to consider copy machine replacement in the five-year forecast capital plan. The Fiscal Officer stated that this was done several years ago with respect to equipment. Berger asked what the useful life of a copier was, and the Fiscal Officer stated most leases are for 60 months, but she thought the Village could get seven or eight years out of them. Carroll stated that the copy machine in the Building Department currently should then last several more years. Berger stated this would make sense. Carroll stated that the Village could plan on purchasing a new copy machine in four years as a known expense.

Regarding the agenda item of handling Department expenses, the Fiscal Officer explained that each department has a credit card that is assigned to a specific individual. Since there is no Department Head in the Building Department, there is no credit card. Although she was no longer in charge of this department, the Fiscal Officer continued to go to the post office and do the running around for the Building Department Administrative Assistant/Board Clerk. Before the credit cards, Village employees made purchases with cash and then were reimbursed. The arrangement was not necessarily working with the Building Department. For example, the Fiscal Officer was on vacation that week and postage was needed by the Building Department. The Fiscal Officer advised that the Village should not be asking a contractor to run errands and be reimbursed for postage, etc. The responsibility would then fall to the employee to purchase it or it would be necessary to get a Village credit card. The matter had to be addressed. She added that the Village did not have petty cash. Berger asked her recommendation. The Fiscal Officer stated the postage was not so much that an employee could not have purchased it and gotten reimbursed. Berger asked what the risk was with providing a credit card. The Fiscal Officer explained that the credit cards are in Village Hall and must be locked up and signed out. Berger stated that this would mean if the Fiscal Officer were not there, the employee would not have access to the credit card. Carroll stated if the cost were less than \$10.00, the simplest answer would be reimbursement. Berger asked what the limit was on the credit card, and the Fiscal Officer stated \$2,000 per card. If there were a \$100 petty cash fund, and the employee submitted receipts for reimbursement to it, the maximum risk was \$100. Carroll asked if postage was the main reason for reimbursement. The Fiscal Officer stated yes. Berger explained that it was postage for letters requiring a proof of mailing. The letters were for zoning violations. Berger stated he knew of a lot of employees who were uncomfortable working out of their own pockets. Berger added that the simplest solution would be to have petty cash. Carroll stated that it would need to be audited regularly because petty cash could be problematic. The Fiscal Officer proposed that the report could be included with the monthly credit card report. Berger addressed access issues to the petty cash, and the Fiscal Officer asked him to clarify. Berger stated he thought a petty cash box would be put in the Building Department from which they could submit receipts. The Fiscal Officer could go monthly to the Building Department to audit it. Berger stated that part of the problem with the process was that there was an employee who was dependent on someone else being accessible to do their job. Petty cash could be put in the Building Department and the employee would sign a document stating she was responsible for the \$100. The funds could go in the safe. If there were a shortage, it would be on the employee. Carroll agreed that it should be strictly maintained, and the receipts must equal the balance and should be audited regularly. If it did not balance, the agreement should state that there would be appropriate discipline up to and including termination. Berger agreed. Carroll clarified that the Building Department Administrative Assistant/Board Clerk would sign the agreement and be responsible and not Dave Hocevar using the petty cash. Berger stated that Hocevar should not be running to the post office for the Village. For expenses exceeding \$100, the Building Department Administrative Assistant/Board Clerk should be consulting with the Mayor, the committee, or the Fiscal Officer for guidance.

Carroll stated this would be addressed at the August 10th Council meeting, and that a form would have to be created that the Building Department Administrative Assistant/Board Clerk would sign with strict guidance as to its use. Berger stated that the Building Committee would be meeting Monday morning and he would draft the responsibility agreement. Berger asked about

how the Building Department Administrative Assistant/Board Clerk would claim mileage if she were to use her vehicle to run errands. Carroll stated if the Village car were available, the Building Department Administrative Assistant/Board Clerk should use it. If she did it on her way home, she would not receive mileage. Berger wanted to know the rules so that he could discuss it with Building Department Administrative Assistant/Board Clerk on Monday. He clarified that she did not have to use the Chagrin Falls Post Office, and the Fiscal Officer stated that with cash, other post offices could be used.

Regarding the agenda item relating to salary for the new Building Department position, Carroll asked Berger how the Building Committee determined the salary suggestion. Berger explained that the Mayor and Canton spoke with surrounding communities, to include Moreland Hills, Chagrin Falls, and Bainbridge. Consideration was also given regarding consolidation of different jobs under one job title. Carroll advised he had asked the Fiscal Officer to obtain information as well. Carroll noted that the Building Department Administrative Assistant/Board Clerk was currently making \$23.59 and the committee was recommending \$25.00. Carroll asked if this was with or without healthcare, which the employee did not need. Berger stated yes. Carroll clarified that the Village would provide a payment of \$1,000 per year for not taking healthcare. Carroll clarified that his question was whether the \$25.00 was the pay based on what the position should be regardless of whether the employee took health care. If she accepted health care, would the rate be lower? Berger stated in his opinion, yes. Carroll clarified that if she had accepted health care, she would have received a lower rate and Berger agreed. Carroll reiterated that there was a provision for reimbursing an employee for not taking health care, so the position should be worth "x" whether the employee took health care or not. Berger asked if this should be addressed by HR, and Carroll advised it was also a Finance issue. Carroll explained that previously Council voted to eliminate personal opinions and have a third party examine many comparables without cherry picking. Carroll stated that in looking at comparables, it was beneficial to look at similar communities with like make-up, dynamics, and workload, etc. With that, it was a Finance question because it involved budget. He reiterated that if Berger was saying that the rate was based on not taking health care, and it should be less if the employee were to take health care, the less amount was what they should be considering because there was already a built in reimbursement for not taking health care. Berger stated that the employee would be giving up a \$14,000 benefit for \$1,000. Carroll asked the Fiscal Officer how many employees of the Village did not accept health care. She stated all full-time employees took it. Carroll then asked if one of the employees decided not to take it, would they automatically get a raise? Berger stated they would receive a quarterly payment of \$250. Carroll stated that his point based on Berger's rationale, was that an employee would decline health care and the Village would increase the employee's hourly rate and pay him/her \$1,000. Berger asked why her hourly rate would be increased. Carroll explained that this was what Berger was suggesting for the Building Department Administrative Assistant/Board Clerk. He stated his position was that the hourly rate was the hourly rate regardless of whether the employee accepted health care.

Carroll stated that Laura Heilman previously held the full-time Building Department Secretary position and did many of the job functions the current Building Department Administrative Assistant/Board Clerk does, less the Board Secretary duties. However, she was paid a little more for being the Assistant Building Inspector. Looking at this hourly rate and compounded raises, it

might align at \$25 per hour. Berger figured with an average of 2% raises, the position would currently pay \$25 per hour. He stated compensation would need to be added for the Board Secretary job. Carroll suggested looking at other comparables but emphasized that his point was that there were no reference points other than saying that two or three communities had been called without looking at historical perspective and other communities. Berger stated it could be reviewed with HR and a range could be established.

Berger stated from an expense standpoint, the overall budget went up for the Building Department. He asked if Carroll were willing to accept more cost to the Village or was there something that could be done to offset the increased costs. Carroll asked for specifics. Berger stated revenue generation. In the budget provided by the Building Committee, they looked at the permits and fees. He said there was a current permitting process whereby permits were a flat fee of \$100 regardless of the project cost. Based on information obtained from surrounding communities, he stated that this did not make sense. Carroll asked to which communities Berger referred, and Berger stated Pepper Pike, Moreland Hills, Chagrin Falls, and Russell Township. Carroll asked about the Geauga County Building Department. Berger stated they use a percentage as well. Carroll thought it was more appropriate to look at the Geauga County Building Department and stated that this should be considered in terms of value added to the community since it was the residents paying the fees. Carroll acknowledged it would be a way to offset some of the revenue potentially, but he suggested if it were being done just because they wanted someone in the Building Department, he would be reluctant. He did not want to be the highest charging community. Carroll agreed that the fee should be based on the project cost. Berger stated the 1% structure would generate between \$20,000 and \$25,000 per year in additional revenue. If this were done, it would mean cost control for the new position. Because it would take time to pass the ordinance for the permits, the Village would incur the cost of the position until then.

By 2021, Berger stated it would be revenue neutral. Carroll advised that the position might be, but the department would not. Berger stated it should not be because and likened it to a service like the Police Department. Carroll stated that the Building Department was not a public safety issue, but a service. Berger stated from a zoning perspective, it promoted public safety. Carroll disagreed, and pointed out all the zoning issue failures in the community. He agreed with Carroll on the zoning failures but was not on Council when it occurred. Carroll reiterated that he agreed with the permit change and felt it was important to balance it with what the county did. He reiterated that he would compare the salary information provided by the Fiscal Officer and speak to the HR Committee about it. Carroll felt strongly that the salary should just be reflective of the position and not benefits the employee elected to decline or accept. The Fiscal Officer agreed.

Carroll asked why the pay would be made retroactive. Berger stated he did not know and did not recall the effective date. Berger stated he had no problem saying that the effective date would be the date legislation was passed. Carroll concurred and stated it seemed illogical for it to be retroactive especially since the employee was not currently working full-time. The Fiscal Officer questioned how someone would be paid for a position when the position did not exist. Berger stated he had no problem using the effective date, even if it were January 1. Carroll advised that the Mayor was suggesting overtime for the employee for attending meetings. Instead, Carroll supported the idea of having Fridays serve as a flexible hours day. Carroll stated

that he did not think the committee was considering overtime situations. Berger stated that this was the Mayor's opinion, and not his. His opinion was a flat 40 hours. Justification would be needed for more than this, and no one had made this argument to him.

Berger stated that from a larger budgetary standpoint, when SafeBuilt asked about the revenue, the number he gave them for permits and registrations was \$84,000 per year, which he thought was high. Berger stated he did not know how he determined this number. They responded that the cost would include the \$84,000 plus an additional \$50,000. This would equal \$134,000. Additionally, there was a building cost in the budget which would be roughly \$15,000. Berger stated the realistic Building Department budget should be \$150,000. Looking at salaries and costs, his concept was \$150,000. SafeBuilt did not talk about a Fire Marshall. Berger included this in his proposed budget. He did not want anyone saying the budget should be \$112,000 because he said this was not realistic. Carroll advised that the discussion of right sizing the department had preceded his time in Council. He stated that his concern was the value added to the residents. Was it worth paying \$150,000 to have someone sit there and do three inspections a week? Should the Village spend \$30,000 to \$40,000 on a Zoning Inspector, which was required, and then go with the county for inspection services for everything other than roof and siding? Zoning codes would still be enforced by the Zoning Inspector. Berger stated this would mean someone else must be hired as Zoning Inspector and added that this person would need a place to work. Carroll viewed Zoning as the most important service to provide to the community. The Building Department services could be obtained for free through the county because resident taxes pay for these. Carroll asked if there was a value added to have someone sitting in the Building Department doing it versus the county? When it was said, 'we're getting \$150,000 value for \$120,000' actually the Village could be getting it for free and the outcome was really only \$60,000 or \$80,000. Carroll cited the saying, "liars figure, figures lie" and explained that it all depended how one looks and measures it. Carroll agreed that the SafeBuilt option was not practical but advised that the inverse was the county option. Berger and Carroll agreed the committee was landing somewhere in the middle.

Carroll stated that he would be interested in seeing Hocevar's other contracts and whether he charged different inspection rates. He questioned whether the Village was at the point of looking at hiring a part-time Building Inspector, but not a contractor. The Fiscal Officer stated that with Hocevar's current contract, he would receive \$75 an hour. This would include zoning, which did not require certifications. Something to keep in mind would be that if Hocevar retired, he would have to be replaced with a Building Inspector and a Zoning Inspector. She further advised that through interviews the previous year, it was evident that most Building Inspectors did not want to do zoning. The Fiscal Officer asked if it would not be more beneficial to make the current Building Department Administrative Assistant/Board Clerk the Zoning Inspector? Carroll stated this was what he thought was being done initially. Berger stated that from discussions he had had, that eventually she would, but they were not at that point yet. Carroll added that what would then follow would be a request for more money. Berger stated that perhaps something different would be done like splitting it up. He said this was down the road and he was trying to fix the current issue. Carroll advised that he was considering a history of events occurring over the past seven years. Berger stated that finding a part-time or full-time Building Inspector was nearly impossible. Most were contractors. Carroll stated that the contractor should not be sitting in interviews picking his replacement, which was essentially what occurred. What better way

not to fill your position if you say no one else is qualified? Carroll suggested the option of sharing a Building Inspector with Chagrin Falls, or potentially hiring a full-time Inspector that the Village could offer to another Geauga County municipality. He felt that Hocevar's costs were getting to the point that reevaluation of the Village's options should be done. Carroll added that there was no succession plan, and Berger agreed. Carroll added that if Hocevar were to leave, he felt certain the county would help at least while the Village found someone else.

Carroll concluded that he thought the committees had arrived at a point where the Building Department was right sized with the appropriate pay and salary benefits.

Berger asked the Fiscal Officer about a bank deposit issue, and the Fiscal Officer explained that the policy was that the deposit must be made within 24 hours. The Building Department Administrative Assistant/Board Clerk could have kept the deposit in question in her safe and it could have been deposited in the morning. Berger asked if he needed to take action, and the Fiscal Officer felt the issue had been resolved. She added that she did not like that blame was pushed off on other people when it was a matter of taking responsibility. The Fiscal Officer added that her response was direct and to the point and provided options. Berger stated he would address the matter and stressed the importance of complying with the law. The Fiscal Officer added that she explained that with the policy, it did not matter if there were 10 \$100 checks, once \$1,000 was reached in total, it must be deposited in the bank within 24 hours. Berger stated he would make sure the problem was resolved and that there would be no problems going forward.

Carroll clarified that the next Finance Committee meeting would be September 1, 2020.

The Fiscal Officer stated that the bank reconciliation would be done and sent to Council by email. Typically, during the month of April, the Village would receive, and estimate based on the previous year. With COVID, CCA had reduced hours and the Village was receiving advances. However, the CCA office reopened and currently May is being reconciled. By October, the Fiscal Officer felt everything would have been reconciled and caught up. The Fiscal Officer stated there is an effort to estimate revenues low, and she hoped that the Village would come in at that point. She added that a number of the big projects were hitting this year like the Village Hall project and the Lake Louise Bridge project. The Manor Brook project would also be starting, and the Village would be incurring engineering costs on that. Berger clarified that none of these were unexpected. The Fiscal Officer concurred and said they were budgeted, but Council should not be surprised when the Village ends in the red. Carroll stated it was understandable and budgeted and had no issues with any of it. Berger wanted to make sure there were no surprises.

Carroll adjourned the meeting at 9:10 a.m.



Michael Carroll, Chairman of Finance Committee

Finance Committee
September 1, 2020 – 8:00 a.m. at Village Hall

Present: Chairman Carroll, Councilman Berger, Fiscal Officer Romanowski

Carroll called the meeting to order. The Fiscal Officer addressed the \$50,000 in COVID-19 funding received by the Village. Thus far, approximately \$7,000 to \$8,000 had been spent. The Fiscal Officer distributed a list provided by the State containing ideas of what could be purchased with the money. Among the ideas were purchases to enable employees to work from home. She wanted to purchase a laptop for her Administrative Assistant with software. She added that this would also benefit the Village because the current computer used by the Administrative Assistant needed to be replaced. The Fiscal Officer also planned to encumber money for payroll in the event employees were to get sick or be required to quarantine. She asked the committee to review the list since she must encumber (or write a purchase order) by October 15th.

Carroll inquired with Chagrin Falls Fire Department about a fit tester. The fit tester is used for SCVA masks, Air Purifying Respirators (APR's), and N95 masks. It would be a qualified purchase, and the Police could then be fit tested for APR's and all employees with N95 masks. The Village would provide the Fire Department with the equipment to do testing for the Village. It would cost between \$13,500 and \$15,000. It could be done annually for the Village by Chagrin Falls Fire Department. He further explained that because Chagrin Falls Fire Department is set up as a nonprofit, it does not receive COVID-19 funds.

Another idea would be to purchase cardiac monitors, Lifepatch 15, which cost \$36,000. The newer generations have a temperature probe, which is a requirement for COVID-19. They last seven to eight years.

Carroll also suggested that the Village could consider adding teleconferencing equipment to Council chambers in Village Hall. Carroll received a quote for his department in Lyndhurst, which would be approximately \$9,000. This would include cameras and audio equipment. It would provide the ability to do teleconferencing and training. Additionally, the Council meetings could be better hosted than through Zoom. Carroll said that he understood there would be a second round of the funding whereby 50% of the amount would be offered again. This might mean an additional \$25,000 for the Village. He recommended having John Miller Sound Com come out for an estimate and offered to be present when they came. The Fiscal Officer concurred that this would be helpful to the Village especially since it is not known how long virtual meetings will be necessary. Carroll added that eventually, live meetings could be streamed.

Carroll recommended that the Properties Committees also be involved. He suggested that Council could prioritize the potential purchases for encumbering the \$50,000 and wait to see if a second round of funding occurs. He added that the Village could also consider contributing to one or more of the items if the Village exceeded the \$50,000.

The Fiscal Officer stated she would provide the State suggestion list to Council, and the committee could present its ideas to Council. By the second meeting in September, decisions should be made so that she may encumber the funds. The Fiscal Officer would contact the Fiscal Auditor to inquire about the additional funds. Carroll stated he would obtain quotes for the fit tester. Carroll would also email Miller about a quote for the video conferencing.

Berger asked about how work would be conducted remotely if the Village were to shut down due to COVID. The Fiscal Officer stated she has a laptop that she uses for work. Berger asked how the Mayor would operate, and the Fiscal Officer stated he has a personal laptop. Berger questioned what the Street Department had and added that the Building Department had a computer. The Fiscal Officer added that there was also a laptop in the department. Carroll advised that essential services do not work remotely like Police, Fire, and Service Departments. He stated that with COVID, other communities rotated employees from home to reduce the footprint of the staff in the building. Berger asked if it would make sense to purchase two laptops instead of one to have them as an option for other people who might need to work from home. Carroll thought this was a good idea. Berger suggested speaking to the Chief to see if there would be a need for a remote option for his department. Carroll addressed the need to have a VPN set up to work remotely and asked what this would take. Berger explained that a VPN would be set up for the Village with employees having the ability to log onto it remotely. A slave computer would serve as the server. The Fiscal Officer stated that the Village did not have a server and that everything was independent. Carroll suggested getting an estimate of setting up a VPN. The Fiscal Officer stated it should be to set up a server. Berger asked who the Village used for IT, and the Fiscal Officer stated Personal System Plus. Carroll suggested getting a couple of quotes and suggested contacting Data Serve in Lyndhurst as well. Berger suggested hiring a cloud server, which would entail paying a monthly fee. Berger stated the benefit would be access and not having to deal with a server going down or having to maintain it.

The Fiscal Officer reported attending the Tax Budget Hearing on August 17 and said it went well. She provided what was approved to the committee and stated there was legislation that would need to be passed on September 14th stating that the Village accepted the numbers the County Budget Commission provided. This would then be filed with them.

The Fiscal Officer advised that the committee needed to determine dates for the 2021 Budget Work Session. The committee recommended September 30th at 5:30 with backup dates of September 29th and October 1st. The Fiscal Officer said she would send these dates to Council.

The Fiscal Officer said she was going to include updating of the Village Website in her budget. She contacted the company that originally designed the site and received an estimate of \$8,100 to redo the website. She also reached out to Company 119 in Chardon. This company will be redoing the Geauga County website, and the county has extended the offer to the Townships to pay to redo their websites. The Village would have access to update its own information, but it would be a fraction of the cost. The Fiscal Officer spoke to the County Auditor and found that Villages can also take part. She explained that with the arrangement, features designed for individual municipalities can then be used for other municipalities. It would be a fraction of the cost for the Village. The Committee agreed that \$8,100 was high and liked the idea of sharing

with the county. The Fiscal Officer stated that they also back up everything else which would be helpful in accessing emails for public records requests.

The Fiscal Officer reported that she spoke to the State and found that the former rental house property had been approved tax free status for the property. She is waiting for the official letter.

Regarding the copy machine, the Fiscal Officer stated that the companies had been providing copiers for the Village to try. She hoped to choose by the end of the week.

Sales of Cemetery lots had increased recently. One of the burials was problematic because of weather. Carroll asked if there were more cremations than full burials. The Fiscal Officer stated that there were four or five full burials. She added that cremations were easier to plan.

Berger asked about the Capital Improvement Schedule. The Fiscal Officer advised that she asked each Department Head to update it. Berger stated that this was on the agenda for the Building Committee meeting on Thursday. Berger asked about updating it, and the Fiscal Officer said they could be updated. She explained that replacements are planned, but if the department finds the replacement is not necessary, it is pushed back. Carroll stated that for the replacement of larger items like the Service Department trucks, he favored replacing them as planned. He felt this was important for planning purposes, and it helped with the county. This allowed for the Village to put money aside for the required expenditures. Berger advised that one of the snowplow trucks was projected to have a 20-year useful life and was purchased in 1998. It was now 22-year-old and it would cost \$160,000 to replace. He asked if it was in the budget to replace it, or would the Village be pushing it. The Fiscal Officer said the Village would push it. She explained that in the Budget Work Sessions, Council decides. The Village just replaced a 1992 truck last year. Carroll advised that purchases like the trucks should be spaced out, like every four years, regardless of the condition. Carroll and the Fiscal Officer agreed that the largest capital expenditures come from the Service Department with the trucks. Carroll added that the Village did not have a good strategic plan for the Village infrastructure. Council should be looking at a master plan and a budget, but the Village did not have a master plan.

Carroll acknowledged there had been discussion about a strategic plan and emphasized that from a budgetary standpoint it was necessary. He addressed Village infrastructure, plans for Village property, and the potential for updating zoning. Carroll said it should be done in such a way that there is community input. He also addressed a plan for the Park. Berger stated he did not understand how the Village now had the Tea House. He considered it to be one more thing the Village had to take care of every year. Carroll agreed and said it did not fit into the plan. He did not want to shoehorn things into the park. Carroll emphasized the need for a plan. The Fiscal Officer thought the tea house still required approval by Council but advised that Village manpower was used to transport it to the Village and now it was unclear where it would go.

The Fiscal Officer advised that the HR Committee met on Friday with the Mayor. He was worried about employee burnout. He asked if the Fiscal Officer's Administrative Assistant needed more hours. Her response was that she would like to manage the hours. In the past, the hourly rate was multiplied by the estimated hours and that would be the annual budget line item.

She would then manage hours per week. In the last two years, there had been a focus on identifying specific hours. As a result, when there was a heavier workload, she could not have her assistant stay and she had to work extra to get the job done. The Fiscal Officer wanted to return to being allowed to be the Department Head and manage the hours. In the HR Committee meeting on August 28th, Porter said he would talk to Berger. Berger stated this was the first he had heard of this. Berger advised that Carroll previously told him that it was managed by setting the budget, setting the line item, and letting the Department Heads run to the budget. If there was a problem it was on the Department Head to come back to say they could not meet the budget. Berger said what the Fiscal Officer was asking would be how he wanted it run. However, he said that if this was how it was to be done, it should be the same in all departments. The Fiscal Officer agreed. Berger said this had not been done, and the departments had been micromanaged. If everyone could agree to run to a financial budget and depend on the Department Heads to tell Council that they were meeting the budget or not, then what happened internally was the discretion of the Department Head. Carroll agreed, but said that historically what happened was that the hours kept going up in the Building Department and it was never presented as being over the budget. Berger said from a Building Committee perspective, he was willing to say the department would operate inside the budget. Carroll said he would like to know ahead of time that the Department Head had reached the budget. Berger stated on March 31, there was discussion about how much money was being spent on the Solicitor and that the Village would be running over the budget number for the year. The Fiscal Officer stated that she now provides Council with a spreadsheet, and added that for the employees, she provides the Part-time Overtime Report monthly. She offered to add the budget percentage to this report. The Fiscal Officer stated a motion would be required because the hours of the Administrative Assistant would have to be amended.

The Fiscal Officer addressed the topic of petty cash and said the discussion was muddled by bringing up making change. Carroll advised it was not for making change, and the Fiscal Officer stated it was for the purpose of getting postage. Change was not being made now. Berger stated that there is the situation of contractors coming in and only having big bills in their pocket. Berger advised it would be discussed at the Building Committee meeting. He would try to get rid of the concept of making change and say it should either be a check or exact change. The Committee discussed the concept of accepting credit cards and the rules surrounding it. There was also discussion of completing some of the registration and permit applications online which would include payment. Carroll asked the Fiscal Officer to explore electronic/credit card methods of payments. Berger thought that the Fiscal Officer should investigate Paypal, and suggested that she would manage it. Berger also addressed the practice of taking a deposit for a resident who must appear before one of the Boards, and then return the deposit. He said this was a meaningless process. The Fiscal Officer explained that the Village is permitted to take costs out of it, but in the past, it was not done. Berger stated the Building Committee is looking for ways to change this so that this process will not happen, which may mean changing from a deposit to a flat fee that the Village would keep.

The Fiscal Officer addressed the timeliness of checks, and explained that on August 26th, she received a check in the deposit dated June 1. She asked if there were still checks sitting in the Building Department Office. Berger heard of a situation where the Building Department Administrative Assistant/Board Clerk gave a check back to an individual who had incomplete

paperwork. Berger surmised that the contractor held the check until he had all the paperwork and then resubmitted it. Berger said he would investigate the matter.

Carroll addressed Dave Hocevar's contract. He reviewed the information from other communities for Hocevar's services and noted that some had retainers and others did not. Looking at what the communities were paying Hocevar, Carroll wondered whether collectively these communities could hire a full time Building Inspector for less cost. This concept was considered previously by the Village. He saw this as a good regional collaborative effort to take the lead on this. Carroll explained that the Village would hire a full-time Building Inspector and under contract the Village would provide the service to the other communities at a fair share cost so that everyone was paying the same, much like Chagrin Falls Fire Department. Carroll thought that this would be an opportunity to have the same level of service with a possible cost savings to all the participants in the group. Carroll thought it was important to look at a succession plan for Hocevar. The workload would be appropriate, based on Hocevar's activities, and the individual could work out of the Village Building Department while providing services to the contracting municipalities. Carroll wondered if this were a workable model on which the Village could take the lead. He added that a three-year contract should be required with the communities. Carroll also questioned the value the Village received from the retainer when some of the other communities serviced by Hocevar did not pay the retainer. Berger stated that in several of the cases, Hocevar is not the primary inspector.

Berger asked what would happen if the Building Inspector were to be hit by a bus. Would the Village be responsible in finding another for all the communities involved? Berger preferred the contract basis and said there is risk. He added that the Village has enough problem managing itself much less managing it for other communities. Carroll stated the Village has a fall back in that it has the County. The other communities, however, do not.

The Fiscal Officer asked the committee if Porter had spoken to them of his idea to hire a part-time Building Inspector to learn from Hocevar so that there was a succession plan. Carroll stated they discussed this last year, and Carroll stated his issue was that it would be like having the Solicitor or Engineer go through all the resumes to identify their replacement. This was problematic. He is a subject matter expert, but so is the Solicitor and the Engineer. However, he has something to lose if someone is hired. Berger stated if Hocevar is looking for an exit strategy, he has nothing to lose. Carroll advised this could be three years down the road or tomorrow. Berger advised that if Hocevar were to declare himself as being on a two-year exit strategy, he might be the right person to help the Village. Carroll said he could support this. He thought hiring a part-time Inspector had been considered in the past and should be kept on the table.

Berger stated Hocevar is cost effective compared to having a full-time Building Inspector. Carroll said he did not disagree. It was a smart consideration to look for a part-time Building Inspector, and perhaps the Village should have the exit strategy. He added that the contractor should not drive the bus, and Berger agreed that the Village should drive the bus. Carroll added that for value added as a service to the community, it would be beneficial to the Village to have a part-time Building Inspector with a set schedule. Berger said if such a person was available, the Village needed to consider it.

Carroll addressed a meeting that occurred concerning Chagrin Lakes that Berger attended as Finance Committee Chairman. Berger stated he was called the Finance Committee Chairman, but he did not know why. He sent an email to correct this. Berger stated the meeting was about a pond issue. Carroll asked if the Mayor wanted someone from Finance involved. Berger said there were 11 homeowners involved in the pond issue. The residents need to do a major rebuild of the dam. They were asking the Village to finance the project and then to assess the 11 homeowners on a 20-year tax basis. There had been a couple of meetings with the Mayor and the residents. There will be a Zoom meeting to determine their level of interest as they do not have all 11 signed off on the process and they do not know the expense. Carroll asked that if this were a Finance issue, at the very least Berger could have had a conversation with him as the Finance Committee Chair that he was discussing financial issues. Berger stated it was very preliminary. Carroll stated that it would be like him being on a committee and working outside of it at a completely different angle. He reminded Berger of his comment about letting the committees do the work. Carroll asked Berger if he did not think it would have been appropriate if the Mayor was bringing in a Finance Committee representative. Berger stated a friend of his was leading the charge for the pond issue. The friend called him and asked if there was something the Village could do to help them. Berger suggested getting together with the Mayor to discuss it. They had two meetings. It did not come from him as Finance. Carroll said he understood this, and it was a friend of his from this neighborhood who brought it to his attention.

Carroll asked how this matter was different than what Paw Paw Lake wanted. Berger explained that under Ohio Revised Code, there is a section that pertains to ponds, dams, and financing as opposed to a private road. Carroll cautioned that there are other communities like Lake Louise and Bellwood and if the Village does it for one, it must do it for all. Berger stated that the section to which he referred in the ORC was 715.47, which allows the Village the ability by resolution to direct the owners of Royal Oak Parkman Drive to repair a potential nuisance and remove obstruction silt and substances as necessary as to avoid the nuisance and to then assess those owners as part of their tax bills over a 20-year period. The Fiscal Officer clarified that the Village would pay it, and Berger stated the Village would pay it up front and then assess those owners. To clarify, Carroll said how this would apply to Bellwood if it wanted to repair its dam, and the neighborhood is a club not a HOA. Berger asked who owned the dam. Carroll explained that it was one person, but the whole neighborhood uses the lake. If the neighborhood wanted to have the lake dredged and the dam repaired, the resident could ask for the cost of this to be put on the tax bill for 20 years. Berger stated this was correct. The ORC section information was provided to Berger by a resident of Chagrin Lakes who is an attorney who works with communities. Berger added that there were also Special Investment Districts (SID), which would be a possibility for Paw Paw Lake. Carroll concurred and advised he had suggested this as a possibility for Paw Paw Lake. Berger added there were other ways to address the issue as well. He had several meetings where different solutions were discussed and who would be involved since it would not just be the residents surrounding the lake, but residents downstream who were also affected. Carroll asked if it was a possibility that some of the residents involved may not want the repair and ask, instead, that the lake be drained and eliminated.

Berger stated that the strategic plan starts at Bull Frog Pond in Kensington Green which sends water to Village Hall and across Chillicothe Rd. then down to Chagrin Lakes. It then flows down to Sugar Bush. If the work were done at Kensington Green, this would alleviate some of

the issues. The work that needs to be done in Chagrin Lakes could alleviate issues down the road. Berger stated there needed to be an entire process plan. Carroll agreed. Berger stated that Kensington Green was the hardest because they did not want to deal with it, but this was the Mayor's issue to deal with his people.

Regarding the expense, the Chagrin Lakes project could be between \$200,000 and \$350,000. An engineer is involved, and preliminary studies have been conducted. Berger saw this as being different than Paw Paw Lake, which was one million to two and growing, and there was a question of what they would do with their bridge.

Carroll said this issue was intriguing to him because of Bellwood and Lake Louise. Berger stated these were the right projects for the Village to do. Carroll stated when the Village passed the Road Levy it was for the narrow purpose of putting money into stormwater mitigation issues. This project would fit the funding. Carroll and Berger discussed various neighborhoods in the Village with ponds and lakes that impacted each other.

From a finance perspective, Berger stated that although there was a bushel of money, he would not want to go out and do five projects around the Village that encumbered all the money. At what point was a bond issue discussed or a financing issue through the State? Berger thought the Village could handle a \$200,000 to \$300,000 project without any problem. Carroll stated this would be the first one, but what about the second or third? Berger stated the Village had no experience in getting financing. Carroll advised there was grant funding available for infrastructure, although he was unsure this would fall into it. He said there might be avenues where the Village could borrow money at a low interest rate to fund the four projects at the same time because the Village would be getting the money back over time. Berger stated that the Village would just be financing the projects but would not oversee them or dictate how the project works. Carroll asked if other communities had done this, with a pond and dam and Berger said he was not aware of any. However, the attorney, Mark Bloch, said that several had been done in Medina. Carroll thought Bloch could be helpful to Paw Paw Lake.

Berger stated that the other issue was grant money and not knowing what was available from the State. This was another avenue that was being explored as something that could reduce the cost of the project for Chagrin Lakes. Regarding SID's, Berger said they were primarily commercial. Carroll stated that in the research he conducted, there were Special Districts for critical infrastructure, which included roads. Paw Paw Lake could do this, but there would be a question of how long they could do it, as well as creation of the Special District to include the entire neighborhood. Berger stated that with Chagrin Lakes, only 11 homes are involved in the process because the lake is owned by the 11 homeowners. Carroll clarified that it is not the lake utilized by the community. Berger concurred.

Carroll stated his concern would be how to prioritize and finance other neighborhoods with projects. Berger said having eight projects would not be a bad thing in concept, but the Village would need to determine how to manage and fund them. Carroll also addressed the issue of some HOA's being undercapitalized in covering such costs. He was cautious about the Village being the financial arm to HOA's and residents who did not take the necessary steps to fund projects. At the end of the day, the residents purchased homes on a lake knowing they were

responsible for it and should have had a plan for it. Berger said that Chagrin Lakes had been dredged and money had been spent on repairs to maintain the lake. They were looking for someone to finance it over 20 years rather than telling 11 residents they had to pay \$30,000 immediately. Carroll emphasized that there are two parallel paths whereby the Village wanted to support Chagrin Lakes, it also still wanted to support Paw Paw Lake in some fashion. However, it must be legal, right, and equitable across the Village. Berger said that whoever brings the project to the Village, if it made sense, the Village needed to do it, which was why the Village needed to know how to get the money. He thought the Village could end up with \$4 to \$5 million in projects in the Village. The Village did not have the cash to back it up, so it needed to determine how to finance it. Carroll added that if the Village were going to look at one project, it should look at all of them and prioritize the ones with the greatest impact on the community. Berger said he had a test case with Chagrin Lakes, and he would not want to walk away from the process because it received a low priority. They came with the best plan and the Village needed to follow through if it made sense. Berger continued to say that Chagrin Lakes would then serve as a model for other projects in the Village. Carroll cautioned that before doing the first, there must be a plan because other communities would surely come forward with similar requests. It would be necessary to let the communities know so that plans could be presented and prioritized unless a critical need arose. Berger said that handling it by resolution for a dam would be different than creating a Special District.

The Fiscal Officer stated that because the issue involved water, the order of the projects would need to ensure that others were not negatively impacted. Berger stated this would go back to the strategic plan with working on the high ground first.

Berger clarified that he was not stepping outside his lane but was asked to attend the meeting and he suggested the involvement of the Mayor. Carroll asked if the meeting occurred over Zoom, and Berger stated the meeting occurred on the resident's back porch. Berger stated there will be a Zoom meeting for the 11 residents, and Carroll asked if Berger would be participating. He said yes and invited Carroll. Berger explained that the Mayor's intention was that after the Zoom meeting, there would be a conversation at the next Council meeting. Carroll advised he would sit in on the Zoom meeting.

The meeting was adjourned at 9:45 a.m.



Michael Carroll, Chair of Finance Committee

Prepared by Leslie Galicki

Finance Committee
September 25th, 2020 – 9:00 a.m. via Zoom

Present: Chairman Carroll, Councilman Berger, Fiscal Officer Romanowski

Carroll called the meeting to order at 9:00 a.m.

The Fiscal Officer discussed the COVID CARES ACT funding. The first installment was \$50,924 and the second was \$25,400. The Village currently has \$76,387 and has spent just over \$10,000. She advised that the State passed legislation changing the deadline from October 15th to November 20th to encumber the money. However, the money must still be spent by December 28th meaning that the projects must be finished and paid before this date. Additionally, she was notified that the Village would be getting an additional \$135,000. She watched a video by the County Auditor and County Prosecutor explaining use and documentation of the funds since there will be Federal audits. Assertion of necessity statements must be placed with each receipt. She explained that one example provided was the changing of carpeting for hard tile for cleaning purposes. This could be used to put new flooring in Council chambers and hallway as well as the public areas of the Police Department. The fabric chairs in chambers could also be replaced. She verified with the County Prosecutor that equipping Council chambers with teleconferencing equipment would be a legitimate expenditure. Additionally, she was informed that a justified expense would be replacing vehicles with upholstery with vehicles with vinyl or leather interior and no carpeting. The Fiscal Officer advised that the Street Department had an old Expedition that was slated to be replaced. The Village could replace this vehicle with a pick-up truck. Additionally, the Village would not want to do a trade-in, but instead purchase the vehicle with the CARES ACT money and sell the other truck later. The Chief is exploring whether he could get a police car with vinyl interior because the front seats of the cruisers are cloth. The Department was scheduled to replace a car the following year.

Carroll asked when pricing could be obtained for the suggested expenditures, and the Fiscal Officer offered she could try to get estimates as soon as possible but did not think she could have them by the September 28th meeting. She suggested having the committee prioritize the expenditures and then obtain quotes. She explained that purchase orders could be written for a bit more than the expected cost. Carroll suggested discussing those quotes the Fiscal Officer could obtain at the October 1st Budget Work session, and then by the October 12th meeting have the remainder. At the next Finance Committee meeting, a recommended list would be compiled to bring to the October 12th meeting.

Berger asked when the Village would know definitively about the additional \$135,000, and the Fiscal Officer hoped it would be soon. Berger asked on which figure the priority list would be based, and Carroll suggested prioritizing on the \$200,000. He thought by the Budget Work Session, the Village would know about the \$135,000. The Fiscal Officer agreed and said some of the quotes could be obtained by then.

Berger thought that anything dealing with Village Hall or the Police Department was the first priority. He asked Carroll about the Fit Testing equipment, and the Fiscal Officer stated it would be \$17,200.

Berger reminded the Fiscal Officer that two laptops were discussed for purchase, and she clarified that she already had one, and there was one in the Building Department as well. One was needed for her Administrative Assistant. Berger stated that the laptop at the Building Department was from 2004. The Fiscal Officer thought this laptop was not that old and clarified that if the Village has a piece of equipment that works, it must be used and cannot just be replaced. Carroll thought the Village could get another laptop because the Village has the Fire Marshall and potential Zoning Inspector who might possibly work from home. Berger suggested the computers be held by the Fiscal Officer and given to staff who might need it. The Fiscal Officer added that an employee working from home would probably need a printer and scanner. The equipment could be rotated as needed. She would get quotes for two laptops and printer scanners.

Berger reiterated that projects in Village Hall and the Police Department to include flooring, chairs, touchless fixtures, and a pocket door would have priority. The Fit Testing machine would be in the second tier, and the vehicles would be in the third. Carroll agreed, and added that he would replace the Expedition before the cruiser.

The Fiscal Officer would work on getting quotes and have them for discussion at the Budget Work session. Then at the October 12th Council meeting, she would have purchase orders for Council to approve.

The Fiscal Officer addressed the petty cash fund and asked if the legislation should be put on the agenda for the September 28th meeting. Berger said there is no urgency now, but that it is still the simplest solution. As long as there is a Building Department, there would be a need for petty cash. Berger addressed the exact use of the petty cash fund and asked if the ordinance should contain the information or should there be a broad ordinance and a policy statement that would be limiting and could be changed. The Fiscal Officer stated there were no ordinances to amend because the Village had not had petty cash. The main use for the petty cash would be postage. Regarding making change, if it were an even exchange, she did not care as long as the cash balanced to \$100. Berger asked about the forms needed for reconciling. The Fiscal Officer advised that the legislation provided by Berger called for reconciliation of the fund at the end of every month. However, she suggested when the fund hit \$50.00 it could be reconciled at that point and replenished. Berger agreed with this and said the legislation could be changed accordingly.

The Fiscal Officer addressed the 2021 Annual Budget. She hoped to have the budget ready for Council before the Budget Work Session.

Carroll advised that the Street Commissioner would be asking for a new loader but did not have a cost yet. Carroll told him to get the cost, the trade-in value since the current one is not that old, and justification as to why he wants a bigger loader. The Fiscal Officer had not heard of anything big. She asked the Chief and the Street Commissioner to get their budgets done and she

would put the worksheets together for the Budget Work session. This would be the first swipe at the budget. She explained that at the Budget Work sessions, the Department Heads review their budgets in terms of significant changes. Council then discusses what they may approve. The Fiscal Officer then puts the budget together. It is modified until it is to a point where Council is ready to approve it. The goal is to adopt it by the second Council meeting in November. She expected a bigger discussion on Roads and Stormwater since this year the Village did a very big Road Program, but stormwater issues remain.

Carroll offered that the CARES ACT funds would offset some capital costs the Village would have had over the next several years, which would affect the way Council could look at stormwater and road issues for the following year.

Berger stated that there was grant money involved with the Road Program and thought the net cost to the Village was not a significant increase. The Fiscal Officer advised that the Village did a \$700,000 Road Program and received \$200,000 in grants. Carroll stated this was a \$500,000 Road Program, which is higher than normal. The Fiscal Officer stated normally the Village spends \$350,000. Carroll did not want to take his eye off the ball on the stormwater issues. He reiterated the purpose of the road levy was to allow the Village to put funds towards stormwater management, not to double the Road Program. He thought that a new study was needed to assess the Village's stormwater issues to identify the areas that need to be addressed to help residents. The Fiscal Officer advised that the first step would be to budget next year for a new study, which would be costly. Carroll thought it would be wise to maintain a \$350,000 Road Program and not spend money just because the Village had it. He saw the need to be both fiscally responsible and strategic. The Fiscal Officer reminded the committee that the Engineer would be applying for two Ohio Public Works Commission (OPWC) grants, one of which would be for Bel Meadow. This would not be approved until June 2021 and would provide for a larger Road Program. Carroll added that Bell Road East was on the horizon and would be a costly project. The Fiscal Officer thought the Engineer quoted over \$700,000 just for this road, and this did not include widening. Carroll felt widening would be beneficial for safety.

Carroll asked the Fiscal Officer if she had any updates on the Financials regarding collections and the impact of COVID. The Fiscal Officer said she did not and would be doing the reconciliation with CCA. CCA had not caught up yet.

Carroll adjourned the meeting 9:34 a.m.



Michael Carroll, Chair of Finance Committee

Prepared by: Leslie Galicki

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Carroll adjourned the meeting 9:34 a.m.



Michael Carroll, Chair of Finance Committee

Prepared by: Leslie Galicki

Joint Finance/HR Committee Meeting

Thursday, January 30, 2020 – 8 am – Village Hall

- Update Pay Range Ordinance
 - SRV previously adopted and amendments
 - Clemans Nelson recommendations
 - 3% increases
 - Need ranges Zoning Inspector, Building and Zoning Inspector, Adm Asst to Bldg Dept/Board Clerk, Part-time Zoning Inspector
 - Issue with Adm Asst to Bldg Dept/Board Clerk range
- Comparable salary rates other communities
- Street Commissioner
 - Interim (hourly) to Street Commissioner (Exempt)
 - Interim salary or new rate
 - Exempt or non-exempt
 - Current job description exempt – this pay period treated exempt with flex time
 - Payout of approximately 64 comp hours (42.67 at 1.5 of rate when earned \$42.60 OT)
 - Tiered catch up
- Adm Asst/Board Clerk
 - ABR days 11 hours or late arrival (ex; 10-6)
 - 25 hours max or plus meeting time with 2 hour minimum
- Office Move
 - Cross training – Document the process and create book/manual
 - Office hours
 - Expectations
- Job Ads
 - Ads posted - resumes received
 - Pay range
 - Interviews

• In future – make interview question – Are you eligible to be rehired?
– Request – personnel file + discipline

** Finance - Will need to update our credit card policy and review possible changes to purchase order policy in next few months

VILLAGE OF SOUTH RUSSELL
PROPOSED IMPLEMENTATION COST

PLEASE NOTE
RECOMMENDED PAY
RANGES FROM
CLEMANS NELSON

	Position	Department	Minimum	Midpoint	Maximum	Current	Progression
9	Chief of Police	Police	\$33.07	\$40.51	\$46.29	\$45.22	91.88%
9	Street Commissioner	Street / Service	\$33.07	\$40.51	\$46.29	\$41.71	65.38%
9	Fiscal Officer / Tax Administrator ¹	Administration	\$33.07	\$40.51	\$46.29	\$44.15	83.82%
8	Lieutenant	Police	\$29.52	\$36.17	\$42.81	\$41.10	87.14%
7	Sergeant	Police	\$26.36	\$32.29	\$38.22	\$37.50	93.94%
6	Patrol Officer - PT ²	Police	\$24.50	\$30.01	\$35.53	\$32.38	71.43%
5	Building & Zoning Inspector - PT	Building / Zoning	\$22.16	\$27.15	\$32.14	Vacant	
5	Patrol Officer - PT	Police	\$22.16	\$27.15	\$32.14	\$24.14	19.83%
4	Maintenance ³	Street / Service	\$19.79	\$24.24	\$28.69	\$27.18	83.05%
4	Zoning Inspector - PT	Building / Zoning	\$19.79	\$24.24	\$28.69	Vacant	
2	Board Administrative Assistant ⁴	Administration	\$15.75	\$19.29	\$22.84	\$17.51 \$17.51	17.64%
2	Administrative Assistant / Board Clerk - PT	Building / Zoning	\$15.75	\$19.29	\$22.84	\$17.51	24.83%
2	Administrative Assistant	Administration	\$15.75	\$19.29	\$22.84	\$16.98 \$16.98	17.35%
1	Summer Help	Street / Service	\$12.50	\$15.31	\$18.13	\$12.88	6.76%

¹ Combined the annual salaries for Fiscal and Tax Admin. to get the current hourly rate
² Average of three patrol officers to get current hourly rate
³ Average of three maintenance workers to get current hourly rate
⁴ I didn't see the current wage rate listed on updated spreadsheet

WORKSHEET FOR 2020 PAY RANGE ORDINANCE

		MINIMUM		MAXIMUM	
	Mayor	\$ 19,618	per year	\$ 26,828	per year
	Council	\$ 4,635	per year	\$ 5,923	per year
1	Administrative Assistant	\$ 13.74	per hour	\$ 18.59	per hour
2	Board Administrative Assistant	\$ 13.74	per hour	\$ 18.59	per hour
3	Building Inspector	\$ 65,663	per year	\$ 88,838	per year
4	Fire Marshal	\$ 17.77	per hour	\$ 23.95	per hour
5	Fiscal Auditor	\$ 8,034	per year	\$ 11,330	per year
6	Fiscal Officer-Tax Administrator	\$ 75,190	per year	\$ 101,803	per year
7	Lieutenant	\$ 65,920	per year	\$ 88,580	per year
8	Maintenance-Laborer - Service Department	\$ 20.60	per hour	\$ 31.42	per hour
9	Part-time Patrol Officer	\$ 19.57	per hour	\$ 26.78	per hour
10	Patrol Officer	\$ 49,440	per year	\$ 82,556	per year
11	Police Chief	\$ 77,250	per year	\$ 104,030	per year
12	Police Corporal	\$ 19.57	per hour	\$ 26.78	per hour
13	Police Sergeant	\$ 62,624	per year	\$ 84,460	per year
14	Street Commissioner	\$ 71,070	per year	\$ 95,790	per year
15	Summer Help - Service Department	\$ 10.30	per hour	\$ 14.42	per hour
16	Zoning Inspector	\$ 20.39	per hour	\$ 29.55	per hour
17	Zoning Secretary	\$ 13.74	per hour	\$ 18.59	per hour
18	Building and Zoning Inspector	\$ 22.83	per hour	\$ 33.11	per hour
19	Admin Asst to the Bldg Dept & Board Clerk	\$ 16.23	per hour	\$ 23.53	per hour
20	Part-time Zoning Inspector	\$ 20.39	per hour	\$ 29.55	per hour

Per previous SRV adopted legislation increased 3% to update range

Per Clemans Nelson recommendation increased 3% to update range

Based rate of Adm Assistant rate previously adopted with 3% adjustment

STATE OF NEW YORK

PAY RANGE, SALARY AND HOURLY INCREASES

POSITION	Employees	Employees	Employees	Employees	Employees	Employees
	2.25%	2.25%	2.50%	2.50%	3.00%	3.00%
	EFFECTIVE	EFFECTIVE	EFFECTIVE	EFFECTIVE	EFFECTIVE	EFFECTIVE
	JAN - 15	JAN - 16	JAN - 17	JAN - 18	JAN - 19	JAN - 20
ELECTED OFFICIALS	Mayor & Council	Mayor & Council	Mayor & Council	Mayor & Council	Mayor & Council	Mayor & Council
	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
MAYOR	19,369	22,547	23,336	24,153	24,998	25,873
COUNCIL	4,361	4,514	4,672	4,836	5,005	5,180

ADMINISTRATION												
PT ADMIN ASSISTANT	13.05		15.69		16.08		16.49		17.51		18.04	
FISCAL AUDITOR	8,913		9,114		9,342		9,576		9,863		10,159	
FISCAL OFFICER	71,341		77,946		79,895		81,892		84,349		86,880	
TAX ADMIN	6,768		6,920		7,093		7,270		7,488		7,713	
FIRE PREVENTION	19.53		19.97		20.47		20.98		21.61		22.26	

94,592
CONTINUATION

BUILDING DEPARTMENT												
B/D ADMINISTRATIVE ASSISTANT/BOARD CLERK	22.80		23.31		16.08		17.00		22.84		23.53	

POLICE DEPARTMENT												
POLICE CHIEF	85,000		86,913		89,086		91,313		94,053		96,874	
LIEUTENANT	72,316		73,943		80,975		82,999		85,489		88,054	
SERGEANT	69,848		70,448		72,209		75,735		78,007		80,347	
PATROLMAN 1ST CLASS	67,296		68,810		70,530		72,293		74,462		76,696	
PATROLMAN 2nd CLASS	60,566		61,929		63,477		65,064		67,016		69,026	
PATROLMAN 3rd CLASS	54,719		55,950		57,349		58,783		60,546		62,363	
P/T PATROLMAN	21.82		22.31		22.87		23.44		24.14		24.86	

STREET DEPT.												
STREET COMMISSIONER	78,413		80,177		82,181		84,236		86,763		89,365	
INTERIM STREET COMMISSIONER									33.07		34.06	
F/T MTC HELPER #1	25.66		26.24		26.89		27.56		28.40		29.25	
F/T MTC HELPER #2	25.25		25.82		26.47		27.13		27.94		28.78	
F/T MTC HELPER #3	22.79		23.30		23.88		24.48		25.21		25.97	
SEASONAL SUMMER HELP					12.50		12.50		12.88		13.26	

SRV ADOPTED PAY RANGE ORD

ORDINANCE NO.: 2015-41

FIRST READING November 23, 2015

INTRODUCED BY: JOHN DISHONG

SECOND READING December 14, 2015

THIRD READING Waived

ORDINANCE AMENDING ORDINANCE No. 2013-8 BY AMENDING PAY RANGES FOR SOUTH RUSSELL VILLAGE EMPLOYEES due to increases over time.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of South Russell, Geauga County, Ohio that:

SECTION 1. The pay schedules for the following officers and employees of the Village of South Russell shall be as follows:

	MINIMUM	MAXIMUM
Mayor	\$ 19,047 per year	\$ 26,047 per year
Council	\$ 4,000 per year	\$ 5,500 per year
Fiscal Auditor	\$ 7,800 per year	\$ 11,000 per year
Tax Administrator	\$ 6,000 per year	\$ 8,000 per year
Fiscal Officer	\$ 67,000 per year	\$ 90,838 per year
Administrative Asst.	\$ 36,000 per year	\$ 49,000 per year
Building Inspector	\$ 54,000 per year	\$ 73,000 per year
Part-Time Board Clerk/Secretary	\$ 13.50 per hour	\$ 18.50 per hour
Police Chief	\$ 75,000 per year	\$ 101,000 per year
Police Lieutenant	\$ 64,000 per year	\$ 86,000 per year
Sergeant	\$ 60,800 per year	\$ 82,000 per year
Patrolman - Agreement	\$ 61,000 per year	\$ 83,000 per year
Patrolman	\$ 59,000 per year	\$ 80,151 per year
Patrolman 2nd Class	\$ 53,300 per year	\$ 72,000 per year
Patrolman 3rd Class	\$ 48,000 per year	\$ 65,000 per year
Part-Time Patrolman	\$ 19.00 per hour	\$ 26.00 per hour
Streets Commissioner	\$ 69,000 per year	\$ 93,000 per year
Full-Time Maintenance - 1	\$ 22.50 per hour	\$ 30.50 per hour
Full-Time Maintenance - 2	\$ 22.00 per hour	\$ 30.00 per hour
Full-Time Maintenance - 3	\$ 20.00 per hour	\$ 27.50 per hour
Fire Prevention Officer	\$ 17.25 per hour	\$ 23.25 per hour

SECTION 2. The date upon which the pay schedules shall be effective immediately.

SECTION 3. Any position and pay range previously adopted which is not in conflict with this Ordinance and in effect as of the date of this Ordinance remains in full force and effect.

SECTION 4. Pay rates for new employees and pay rates for existing employees who change positions will be established by the Mayor within the Pay Schedules in effect at the time. Pay rate adjustments within the Pay Schedules will be established by motion by Council.

SECTION 5. This Ordinance amends Ordinance No. 2013-08.

SECTION 6. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees on or after December 2, 1975, that resulted in formal actions, were in meetings open to the public in compliance with all legal requirements, including Section 121.22, Ohio Revised Code.


SECTION 7. This Ordinance is hereby declared to be an emergency measure for the immediate preservation of the health, welfare and safety of the residents of the Village of South Russell and for the further reason that the pay schedules need to be amended immediately in order to retain experienced personnel in the Village departments.

SECTION 8. This Ordinance shall be effective immediately upon its passage.



Mayor - President of Council

ATTEST:



Fiscal Officer

I certify that Ordinance No. 2015-41 was duly enacted on the 14th day of December 2015, by the Council of the Village of South Russell, and posted in accordance with the Ordinances of the Village.



Fiscal Officer

ORDINANCE NO.: 2016 - 33

FIRST READING September 12, 2016

INTRODUCED BY: John Dishong

SECOND READING Waived

THIRD READING Waived

**ORDINANCE AMENDING THE VILLAGE'S PAY RANGE
ORDINANCE BY ESTABLISHING A PAY RANGE FOR
THE PART TIME ADMINISTRATIVE ASSISTANT AND
DECLARING AN EMERGENCY.**

NOW THEREFORE BE IT ORDAINED by the Council of the Village of South Russell, Geauga County, Ohio that:

SECTION 1. The Pay Range for the position of Part Time Administrative Assistant for the Village of South Russell shall be:

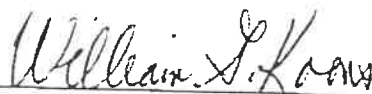
	MINIMUM	MAXIMUM
Part-Time Administrative Assistant	13.34/hr	18.04/hr

SECTION 2. The Pay Ranges established in this Ordinance shall take effect with the effective date of this Ordinance. All other Pay Ranges previously adopted which are not in conflict with this Ordinance remain in full force and effect.

SECTION 3. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees on or after December 2, 1975, that resulted in formal action, were in meetings open to the public in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 4. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the Municipality and for the reason that the Council may fill the full time administrative assistant position immediately.

SECTION 5. This Ordinance shall be effective immediately upon its passage.



Mayor - President of Council

ORDINANCE NO.: 2017-08

FIRST READING April 10, 2017

INTRODUCED BY: JOHN DISHONG

SECOND READING Waived

THIRD READING Waived

**ORDINANCE AMENDING THE VILLAGE'S PAY RANGE
ORDINANCE BY ESTABLISHING A PAY RANGE FOR
THE PART TIME SEASONAL SUMMER HELP/LABORER
AND DECLARING AN EMERGENCY.**

NOW THEREFORE BE IT ORDAINED by the Council of the Village of South Russell, Geauga County, Ohio that:

SECTION 1. The Pay Range for the position of Part Time Seasonal Summer Help/Laborer for the Village of South Russell shall be:

	MINIMUM	MAXIMUM
Part-Time Seasonal	10.00/hr	14.00/hr
Summer Help/Laborer		

SECTION 2. The Pay Ranges established in this Ordinance shall take effect with the effective date of this Ordinance. All other Pay Ranges previously adopted which are not in conflict with this Ordinance remain in full force and effect.

SECTION 3. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees on or after December 2, 1975, that resulted in formal action, were in meetings open to the public in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 4. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the Municipality and for the reason that the Council may fill the full time administrative assistant position immediately.

SECTION 5. This Ordinance shall be effective immediately upon its passage.



Mayor - President of Council

ORDINANCE NO.: 2018-07

FIRST READING February 12, 2018

INTRODUCED BY: MARK PORTER

SECOND READING Waived

THIRD READING Waived

**ORDINANCE AMENDING THE VILLAGE'S PAY RANGE
ORDINANCE BY REVISING THE PAY RANGE FOR THE
BUILDING INSPECTOR AND DECLARING AN
EMERGENCY.**

NOW THEREFORE BE IT ORDAINED by the Council of the Village of South Russell, Geauga County, Ohio that:

SECTION 1. The amended Pay Range for the position of Building Inspector for the Village of South Russell shall be:

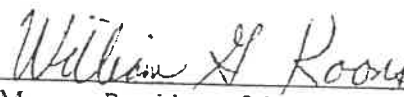
	MINIMUM	MAXIMUM
Building Inspector	63,750	86,250

SECTION 2. The Pay Ranges established in this Ordinance shall take effect with the effective date of this Ordinance. All other Pay Ranges previously adopted which are not in conflict with this Ordinance remain in full force and effect.

SECTION 3. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees on or after December 2, 1975, that resulted in formal action, were in meetings open to the public in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 4. This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the Municipality and for the reason that the Council may fill the full time administrative assistant position immediately.

SECTION 5. This Ordinance shall be effective immediately upon its passage.



Mayor - President of Council

Other Laws & Collective Bargaining Agreements

The FLSA provides minimum standards that may be exceeded, but cannot be waived or reduced. Employers must comply, for example, with any Federal, State or municipal laws, regulations or ordinances establishing a higher minimum wage or lower maximum workweek than those established under the FLSA. Similarly, employers may, on their own initiative or under a collective bargaining agreement, provide a higher wage, shorter workweek, or higher overtime premium than provided under the FLSA. While collective bargaining agreements cannot waive or reduce FLSA protections, nothing in the FLSA or the Part 541 regulation relieves employers from their contractual obligations under such bargaining agreements.

Where to Obtain Additional Information

For additional information, visit our Wage and Hour Division Website:
<http://www.wagehour.dol.gov> and/or call our toll-free information and helpline,
available 8 a.m. to 5 p.m. in your time zone, 1-866-4USWAGE (1-866-487-9243).

When state law differs from the federal FLSA, an employer must comply with the standard most protective to employees. Links to your state labor department can be found at www.dol.gov/whd/contacts/state_of.htm.

This publication is for general information and is not to be considered in the same light as official statements of position contained in the regulations.

U.S. Department of Labor
Frances Perkins Building
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FLSA Coverage

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Coverage under the FLSA

Most jobs are governed by the FLSA. Some are not. Some jobs are excluded from FLSA coverage by statute. Other jobs, while governed by the FLSA, are considered "exempt" from the FLSA overtime rules.

Exclusions from FLSA coverage.

Particular jobs may be completely excluded from coverage under the FLSA overtime rules. There are two general types of complete exclusion. Some jobs are specifically excluded in the statute itself. For example, employees of movie theaters and many agricultural workers are not governed by the FLSA overtime rules. Another type of exclusion is for jobs which are governed by some other specific federal labor law. As a general rule, if a job is governed by some other federal labor law, the FLSA does not apply. For example, most railroad workers are governed by the Railway Labor Act, and many truck drivers are governed by the Motor Carriers Act, and not the FLSA. Many of FLSA exclusions are found in §213 of the FLSA.

Exempt or Nonexempt.

Employees whose jobs are governed by the FLSA are either "exempt" or "nonexempt." Nonexempt employees are entitled to overtime pay. Exempt employees are not. Most employees covered by the FLSA are nonexempt. Some are not.

Some jobs are classified as exempt by definition. For example, "outside sales" employees are exempt ("inside sales" employees are nonexempt). For most employees, however, whether they are exempt or nonexempt depends on (a) how much they are paid, (b) how they are paid, and (c) what kind of work they do.

With few exceptions, to be exempt an employee must (a) be paid at least \$23,600 per year (\$455 per week), and (b) be paid on a salary basis, and also (c) perform exempt job duties. These requirements are outlined in the FLSA Regulations (promulgated by the U.S. Department of Labor). Most employees must meet all three "tests" to be exempt.

Salary level test.

Employees who are paid less than \$23,600 per year (\$455 per week) are nonexempt. (Employees who earn more than \$100,000 per year are almost certainly exempt.)

Salary basis test.

Generally, an employee is paid on a salary basis if s/he has a "guaranteed minimum" amount of money s/he can count on receiving for any work week in which s/he performs "any" work. This amount need not be the entire compensation received, but there must be some amount of pay the employee can count on receiving in any work week in which s/he performs any work. Some "rules of thumb" indicating that an employee is paid on a salary basis include whether an employee's base pay is computed from an annual figure divided by the number of paydays in a year, or whether an employee's actual pay is lower in work periods when s/he works fewer than the normal number of hours. However, whether an employee is paid on a salary basis is a "fact," and thus specific evaluation of particular circumstances is necessary. Whether an employee is paid on a salary basis is not affected by whether pay is expressed in hourly terms (as this is a fairly common requirement of many payroll computer programs), but whether the employee in fact has a "guaranteed minimum" amount of pay s/he can count on.

The FLSA salary basis test applies only to reductions in monetary amounts. Requiring an employee to charge absences from work to leave accruals is not a reduction in "pay," because the monetary amount of the employee's paycheck remains the same. Similarly, paying an employee more than the guaranteed salary amount is not normally inconsistent with salary basis status, because this does not result in any reduction in the base pay.

With some exceptions, the base pay of a salary basis employee may not be reduced based on the "quality or quantity" of work performed (provided that the employee does "some" work in the work period). This usually means that the base pay of a salary basis employee may not be reduced if s/he performs less work than normal, if the reason for that is determined by the employer. For example, a salary basis pay employee's base pay may not be reduced if there is "no work" to be performed (such as for a plant closing or slow period), and a salary basis employee's base pay may not be reduced for partial day absences. However, employers may "dock" the base pay of salary basis employees in full day increments, for disciplinary suspensions, or for personal leave, or for sickness under a bona fide sick leave plan (as for example if the employee has run out of accrued sick leave).

Thus, there can be "permissible" and "impermissible" reductions in salary basis pay. Permissible reductions have no effect on the employee's exempt status. Impermissible reductions may, in that the general rule is that an employee who is subjected to impermissible reductions in salary is

no longer paid on a salary basis, and is therefore nonexempt. However, employers have several avenues by which they can "cure" impermissible reductions in salary basis pay, and as a practical matter these make it unlikely that an otherwise exempt employee would become nonexempt because of salary basis pay problems. The salary basis pay requirement for exempt status does not apply to some jobs (for example, doctors, lawyers and schoolteachers are exempt even if the employees are paid hourly).

The duties tests.

An employee who meets the salary level tests and also the salary basis tests is exempt only if s/he also performs exempt job duties. These FLSA exemptions are limited to employees who perform relatively high-level work. Whether the duties of a particular job qualify as exempt depends on what they are. Job titles or position descriptions are of limited usefulness in this determination. (A secretary is still a secretary even if s/he is called an "administrative assistant," and the chief executive officer is still the CEO even if s/he is called a janitor.) It is the actual job tasks that must be evaluated, along with how the particular job tasks "fit" into the employer's overall operations.

There are three typical categories of exempt job duties, called "executive," "professional," and "administrative."

Exempt executive job duties.

Job duties are exempt executive job duties if the employee

1. regularly supervises two or more other employees, and also
2. has management as the primary duty of the position, and also,
3. has some genuine input into the job status of other employees (such as hiring, firing, promotions, or assignments).

Supervision means what it implies. The supervision must be a regular part of the employee's job, and must be of other employees. Supervision of non-employees does not meet the standard. The "two employees" requirement may be met by supervising two full-time employees or the equivalent number of part-time employees. (Two half-time employees equal one full-time employee.)

"Mere supervision" is not sufficient. In addition, the supervisory employee must have "management" as the "primary duty" of the job. The FLSA Regulations contain a list of typical management duties. These include (in addition to supervision):

- interviewing, selecting, and training employees;
- setting rates of pay and hours of work;
- maintaining production or sales records (beyond the merely clerical);
- appraising productivity; handling employee grievances or complaints, or disciplining employees;
- determining work techniques;
- planning the work;
- apportioning work among employees;
- determining the types of equipment to be used in performing work, or materials needed;
- planning budgets for work;
- monitoring work for legal or regulatory compliance;
- providing for safety and security of the workplace.

Determining whether an employee has management as the primary duty of the position requires case-by-case evaluation. A "rule of thumb" is to determine if the employee is "in charge" of a department or subdivision of the enterprise (such as a shift). One handy clue might be to ask who a telephone inquiry would be directed to if the caller asked for "the boss." Typically, only one employee is "in charge" at any particular time. Thus, for example, if a "sergeant" and a "lieutenant" are each at work at the same time (in the same unit or subunit of the organization), only the lieutenant is "in charge" during that time.

An employee may qualify as performing executive job duties even if s/he performs a variety of "regular" job duties as well. For example, the night manager at a fast-food restaurant may in reality spend most of the shift preparing food and serving customers. S/he is, however, still "the boss" even when not actually engaged in "active" bossing duties. In the event that some "executive" decisions are required, s/he is there to make them, and this is sufficient.

The final requirement for the executive exemption is that the employee have genuine input into personnel matters. This does not require that the employee be the final decision maker on such matters, but rather that the employee's input is given "particular weight." Usually, it will mean that making personnel recommendations is part of the employee's normal job duties, that the employee makes these kinds of recommendations frequently enough to be a "real" part of the job, and that higher management takes the employee's personnel suggestions or recommendations seriously.

Exempt professional job duties.

The job duties of the traditional "learned professions" are exempt. These include lawyers, doctors, dentists, teachers, architects, clergy. Also included are registered nurses (but not LPNs), accountants (but not bookkeepers), engineers (who have engineering degrees or the equivalent and perform work of the sort usually performed by licensed professional engineers), actuaries,

scientists (but not technicians), pharmacists, and other employees who perform work requiring "advanced knowledge" similar to that historically associated with the traditional learned professions.

Professionally exempt work means work which is predominantly intellectual, requires specialized education, and involves the exercise of discretion and judgment. Professionally exempt workers must have education beyond high school, and usually beyond college, in fields that are distinguished from (more "academic" than) the mechanical arts or skilled trades. Advanced degrees are the most common measure of this, but are not absolutely necessary if an employee has attained a similar level of advanced education through other means (and perform essentially the same kind of work as similar employees who do have advanced degrees).

Some employees may also perform "creative professional" job duties which are exempt. This classification applies to jobs such as actors, musicians, composers, writers, cartoonists, and some journalists. It is meant to cover employees in these kinds of jobs whose work requires invention, imagination, originality or talent; who contribute a unique interpretation or analysis.

Identifying most professionally exempt employees is usually pretty straightforward and uncontroversial, but this is not always the case. Whether a journalist is professionally exempt, for example, or a commercial artist, will likely require careful analysis of just what the employee actually does.

Exempt Administrative job duties.

The most elusive and imprecise of the definitions of exempt job duties is for exempt "administrative" job duties.

The Regulatory definition provides that exempt administrative job duties are

- (a) office or nonmanual work, which is
- (b) directly related to management or general business operations of the employer or the employer's customers, and
- (c) a primary component of which involves the exercise of independent judgment and discretion about
- (d) matters of significance.

The administrative exemption is designed for relatively high-level employees whose main job is to "keep the business running." A useful rule of thumb is to distinguish administrative employees from "operational" or "production" employees. Employees who make what the business sells are not administrative employees. Administrative employees provide "support" to the operational or production employees. They are "staff" rather than "line" employees. Examples of administrative functions include labor relations and personnel (human resources employees), payroll and finance (including budgeting and benefits management), records maintenance, accounting and tax, marketing and advertising (as differentiated from direct sales), quality control, public relations (including shareholder or investment relations, and government relations), legal and regulatory compliance, and some computer-related jobs (such as network, internet and database administration). (See [Computer employees](#).)

To be exempt under the administrative exemption, the "staff" or "support" work must be office or nonmanual, and must be for matters of significance. Clerical employees perform office or nonmanual support work but are not administratively exempt. Nor is administrative work exempt just because it is financially important, in the sense that the employer would experience financial losses if the employee fails to perform competently. Administratively exempt work typically involves the exercise of discretion and judgment, with the authority to make independent decisions on matters which affect the business as a whole or a significant part of it.

Questions to ask might include whether the employee has the authority to formulate or interpret company policies; how major the employee's assignments are in relation to the overall business operations of the enterprise (buying paper clips versus buying a fleet of delivery vehicles, for example); whether the employee has the authority to commit the employer in matters which have significant financial impact; whether the employee has the authority to deviate from company policy without prior approval.

An example of administratively exempt work could be the buyer for a department store. S/he performs office or nonmanual work and is not engaged in production or sales. The job involves work which is necessary to the overall operation of the store -- selecting merchandise to be ordered as inventory. It is important work, since having the right inventory (and the right amount of inventory) is crucial to the overall well-being of the store's business. It involves the exercise of a good deal of important judgment and discretion, since it is up to the buyer to select items which will sell in sufficient quantity and at sufficient margins to be profitable. Other examples of administratively exempt employees might be planners and true administrative assistants (as differentiated from secretaries with fancy titles). Bookkeepers, "gal Fridays," and most employees who operate machines are not administratively exempt.

Merely clerical work may be administrative, but it is not exempt. Most secretaries, for example, may accurately be said to be performing administrative work, but their jobs are not usually exempt. Similarly, filing, filling out forms and preparing routine reports, answering telephones, making travel arrangements, working on customer "help desks," and similar jobs are not likely to be high-level enough to be administratively exempt. Many clerical workers do in fact exercise some discretion and judgment in their jobs. However, to "count" the exercise of judgment and discretion must be about matters of considerable importance to the operation of the enterprise as a whole.

Routinely ordering supplies (and even selecting which vendor to buy supplies from) is not likely to be considered high- enough to qualify the employee for administratively exempt status. There is no "bright line." Some secretaries may indeed be high-level, administratively exempt employees (for example, the secretary to the CEO who really does "run his life"), while some employees with fancy titles (e.g., "administrative assistant") may really be performing nonexempt clerical duties.

Rights of exempt employees.

An exempt employee has virtually "no rights at all" under the FLSA overtime rules. About all an exempt employee is entitled to under the FLSA is to receive the full amount of the base salary in any work period during which s/he performs any work (less any permissible deductions). Nothing in the FLSA prohibits an employer from requiring exempt employees to "punch a clock," or work a particular schedule, or "make up" time lost due to absences. Nor does the FLSA limit the amount of work time an employer may require or expect from any employee, on any schedule. ("Mandatory overtime" is not restricted by the FLSA.)

Keep in mind that this discussion is limited to rights under the FLSA. Exempt employees may have rights under other laws or by way of employment policies or contracts.

Rights of nonexempt employees.

Nonexempt employees are entitled under the FLSA to time and one-half their "regular rate" of pay for each hour they actually work over the applicable FLSA overtime threshold in the applicable FLSA work period. (See, "[FLSA Overtime](#)")

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Policies on Compensatory Time for Exempt Employees

by Wilhelm Schnotz, studioD



FLSA-exempt workers draw their salary even when work isn't available.

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Employers who hire workers in positions that are exempt from Fair Labor Standards Act overtime provisions -- usually known as exempt employees -- agree to pay their employees the same weekly salary no matter how much work or time on the job they put in. While compensatory time is frequently provided to hourly employees in qualifying circumstances rather than paying overtime wages, the FLSA allows employers a wide amount of flexibility in determining their policies for compensatory time for salaried workers.

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FLSA Exempt Employees and Compensatory Time

By definition of their exempt status, an exempt employee may work any number of hours in a single workweek and not receive overtime pay. Because of this, many employers don't extend compensatory time to exempt workers when they work unusual amounts during a workweek -- their job description is created to avoid overtime or compensatory time. Employers who provide compensatory time to exempt employees as a reward for extended hours don't place employees' exempt status at risk, as 29 C.F.R. §553.28 allows employers to provide exempt workers with additional benefits beyond FLSA-mandated salaries without altering their FLSA status.

Non-FLSA Mandated Compensatory Time

The FLSA requires that employers must provide hourly workers compensatory time equal to 1.5 times the amount of overtime they work but doesn't address compensatory time for exempt employees. Because of this, employers can provide exempt workers with comp time at any ratio they choose, just as they can opt not to provide compensatory time at all to those employees. Unlike hourly employees, who must be paid for unused compensatory time when they leave their position, exempt employees aren't entitled to receive compensation for unused time, according to 29 C.F.R. §553.28(e). However, employers may choose to pay for unused comp time.

"Docking" Exempt Employees' Compensatory Time

Some employers enact policies that allow salaried employees who receive compensatory time to place that time in a bank to be used at will, similar to personal leave. While this policy doesn't violate regulations for FLSA-exempt employees, employers must allow workers to use the compensatory time as needed. Employers who "dock" salaried employees' accrued compensatory time for hours not worked during a normal work week may risk losing their FLSA exemptions. Because exempt employees must receive a consistent salary regardless of the time spent at work each week to maintain their exempt status, punitively using accrued compensatory time for absences violates FLSA exemption rules.

Bonus Hourly Compensation

Rather than providing exempt employees with paid time off as compensation, some employers provide cash compensation for overtime hours worked. This compensation must be paid in addition to the employee's standard salary and is considered additional compensation that doesn't threaten an employee's exempt status, according to 29 C.F.R. §541.604(a) and positions advanced by the Department of Labor. However, some circuit courts disagree with the Department of Labor's stance on the matter, claiming that additional compensation violates the spirit of a salary agreement, according to the Texas Workforce Commission.

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About the Author

Wilhelm Schnotz has worked as a freelance writer since 1998, covering arts and entertainment, culture and financial stories for a variety of consumer publications. His work has appeared in dozens of print titles, including "TV Guide" and "The Dallas Observer." Schnotz holds a Bachelor of Arts in journalism from Colorado State University.

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Can Exempt Employees Be Required to Work Overtime?

by Miranda Morley, studioD



Compensating exempt employees with a bonus is legal and can help you get better employees.

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Even in small businesses, certain jobs lend themselves more to overtime than others. From journalists to plumbers, workers whose job depends on circumstances they cannot control may work long hours one week and short hours the next. As an employer, paying these employees overtime can be costly; however, employers are not required to pay overtime to exempt employees, those who work certain jobs or make a certain amount of money. The law also allows employers to require mandatory overtime from exempt employees in most cases.

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Fair Labor Standards Act

According to the Fair Labor Standards Act (FLSA), an exempt employee is one who is paid on a salary basis of at least \$455 per week, performs duties that are classified as exempt or is covered by another labor law. The FLSA does not place any restriction on the amount of hours that exempt employees can work; it only mandates that they be given their regular salary. Thus, under the FLSA, an employer can require that an exempt employee work over 40 hours per week. However, the law does allow exempt employees to lose their exempt status if an employer begins to make deductions from the employee's salary. Certain deductions, like those for personal absences of more than a day or suspension without pay, are allowed.

Federal Acquisitions Regulations

The Federal Acquisitions Regulations do not bar an employer from requiring that an exempt employee work more than 40 hours per week. However, they do recommend that the employee be paid for her time. According to BTLG Attorneys at Law, the Federal Acquisition Regulations do not require federal agencies to pay exempt employees for overtime. The regulating body does, however, suggest that federal agencies pay contractors for their work over 40 hours a week when the contracts are "based on time and materials."

State Laws

Labor laws differ from state to state, and some states may place restrictions on the amount of overtime employers can require from exempt employees. For example, in 2008, Pennsylvania passed the Prohibition of Excessive Overtime in Health Care Act, which mandates that health-care organizations not work employees more than their contracted amount unless an emergency arises. Thus, in this state, employers are not allowed to require nurses, who may be considered exempt under the "professional job duties" test, to work overtime.

Child Labor Laws

Employers with teenage exempt employees may not be allowed to require overtime. Although most teenagers work in nonexempt positions, it is illegal for employers to require 14- or 15-year-olds to work mandatory overtime. In fact, teens in this age group are prohibited by law from working more than 18 hours in a school week or 40 hours in a non-school week. These teenagers are also permitted to work only three hours on a school day and eight hours on a non-school day. Thus, even teenagers who qualify as exempt under FLSA may not be made to work overtime. For example, if you pay a 14- or 15-year-old a salary of \$25,000 a year to be the "face" of your teen magazine on social networks, you still cannot require her to work mandatory overtime, even though she qualifies as exempt because of her salary.

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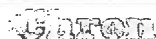
About the Author

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**Finance and Human Resource Committee Meeting
January 30, 2020– 8:00 a.m. at Village Hall**

Present: Berger, Carroll, Nairn, Porter, Romanowski

Porter called the meeting to order at 8:00 a.m. The Fiscal Officer addressed the Village's Pay Range Ordinance. She explained the purpose of the ordinance was to allow the Village to pay employees. It was updated in 2015. Since that time, positions had been added and modified, and the ordinance was amended. The committee was provided with these ordinances. Through discussion with the Solicitor, the Fiscal Officer advised that it was necessary to put the information into one ordinance which would include new positions. The issue had been discussed the previous year with the HR Committee, to include increasing the old maximums 3% for cost of living for all employees. However, there were new positions that only had recommended pay ranges that had not been approved by Council. She provided the recommendations to the committees. Carroll explained that Clemans Nelson developed these pay ranges through study of similar communities so that the Village had a fair representation of what it should pay. The Fiscal Officer concurred. She advised that an ordinance would have to be adopted and should be made retroactive.

The Fiscal Officer explained that the raises granted by Council for most of the job descriptions fit within the pay range. However, she was unsure whether the committee was comfortable with the suggested Clemans Nelson pay ranges for the Zoning Inspector and Zoning Secretary. She further explained that the Zoning Secretary position was essentially the same as the Building Department Administrative Assistant and should be the same range. However, a different job description was adopted, and she wanted to reflect it on the pay range ordinance.

Nairn asked why one entry said Building and Zoning. The Fiscal Officer explained that Council adopted this. She stated that the Village had a Building Inspector and a Building and Zoning Inspector. This could be one person or two. Carroll stated that just because it was listed as a job description did not mean the job had to be filled. The Fiscal Officer explained that what she distributed to the committee was a list of all job descriptions, which would all require pay ranges. Porter stated that historically, the Building Inspector had always done Zoning. He further stated that Dave Hocevar was the Village's Zoning Inspector.

Carroll stated the Clemans Nelson suggestions seemed reasonable. Porter clarified that there was a job description for a full-time and part-time Zoning Inspector. The Fiscal Officer clarified it was the same pay range. Although she was unsure whether Clemans Nelson included a pay range for Zoning Inspector only, she included data from Russell, Bainbridge and Newbury on what their Zoning Inspectors are paid. She pointed out that they are townships and not a village. Nairn asked if there was a difference in expected pay between the two, and the Fiscal Officer explained that townships must answer to the State Code for some pay ranges. Porter added that pay can also be based on the volume of work in a municipality.

Porter felt that the ranges were reasonable and compatible with the other municipalities. Berger stated that what was not included was a consideration of benefits. He advised that if the

employee was full-time, the employee received benefits on top of his/her salary. In terms of a total cost to the Village, it was not only adding the hours, but adding the benefits package as well. He used an example of paying a part-time employee \$22.00 per hour but paying a full-time employee \$18.00 per hour but adding health care and other benefits on top of it. He stated that it was not truly reflective of the total cost of the employee to the Village. This was a significant increase in cost to the Village. Berger said the compensation package should be recognized.

Berger said that absent additional comparative information, the pay ranges were acceptable.

The committee agreed that the Fiscal Officer could prepare the ordinance accordingly.

The Fiscal Officer addressed the pay of the Street Commissioner. She advised that this position is an exempt position, which means Alder no longer gets overtime. Carroll said that the Street Committee should explain this to the Street Commissioner. Porter added that the Street Commissioner receives flex time. The Fiscal Officer stated that the Street Commissioner has some comp time for which he would like to receive a payout. This would occur at the rate he was receiving when he put in the time. Berger asked what other positions were exempt, and the Fiscal Officer replied that it was Police Chief, Lieutenant, Street Commissioner, and Fiscal Officer. The Fiscal Officer asked the committee if the Street Commissioner's rate of pay would be what it was when he was the Interim Street Commissioner, which was \$34.07. Porter stated that the pay range states \$71,070 up to \$95,790. The Fiscal Officer stated that the Street Commissioner's current rate would bring him in at \$70,865 per year, which is slightly below the range for Street Commissioner. Carroll asked what Darrell Johnson made before he left. The Fiscal Officer stated he was paid \$86,763. Porter asked if the current Street Commissioner should be paid at least the minimum range, and the Fiscal Officer said he must at least meet the minimum of the range, whatever they decide the range should be. Carroll agreed and said he would support more than the minimum. The Fiscal Officer cautioned promising future pay raises. Carroll emphasized that employees cannot be promised pay increases and added that it gets the Village into trouble. He added that over the past five years, there had been trouble with people being given promises that could not be met. Porter stated that these promises should not be made at all.

The Fiscal Officer relayed to the committee that the move/administrative consolidation to the Building Department went well. Regarding the Building Department Administrative Assistant/Board Clerk, the Fiscal Officer asked for clarification about hours. She reminded the committees that when the Building Department Administrative Assistant/Board Clerk was hired, she was given 25 hours per week, but then there was a question of two hour minimum for coming to the Board meetings. On ABR days, she had been coming in at the regular time and would stay until the end of the meeting, which made for an 11-hour day. This would mean that on Thursday of that week, she would leave early. The Fiscal Officer asked the committee for guidance on the expectations for the Building Department Administrative Assistant/Board Clerk. Porter stated an 11-hour day is a long day and suggested having her come in later on those days. The Fiscal Officer agreed and further explained that in the Employee Handbook it said overtime after 8 hours. Carroll did not think this was necessary for part-time employees. Carroll deferred to the Fiscal Officer to make the best recommendation. Nairn asked what time the Building Department Administrative Assistant/Board Clerk would come in on these days, and the Fiscal

officer said it would be 10:00 a.m. to 6:00 p.m. instead of 8:00 a.m. to 6:00 p.m. Porter stated that if she were to come in late, it would not be a case that the office would be empty. Porter doubted that the requirement to pay overtime applied to part-time personnel. Nairn did not think the Village was putting itself in a good position when not compensating for extra hours regardless of whether the policy pertained to full or part-time.

The Fiscal Officer verified that the Building Department Administrative Assistant/Board Clerk would normally have 25 hours, but if there were a Board meeting, she would be allowed 27 hours or however long the meeting lasted. The committee agreed. Nairn asked how many meetings the Building Department Administrative Assistant/Board Clerk attended per month, and the Fiscal Officer explained it could be up to four.

The Fiscal Officer reiterated that she and the Administrative Assistant had moved spaces the previous day. She said she would like to have some cross training so that there was enough knowledge to help residents in the event the Building Department Administrative Assistant/Board Clerk were unavailable. The committee agreed this was a good idea. Berger suggested writing the process down in a handbook, so that in the future the procedure would be available. The Fiscal Officer agreed.

Berger addressed the pay issue of overtime after 8 hours, and read that overtime was based on hours worked in a day and not hours paid. He did not know what this meant. The Fiscal Officer explained that full-time employees receive sick and vacation time. On occasion, an individual on vacation could be asked to work. The employee would be paid for working the shift and not receive overtime as if it were above his 8 hours of vacation. Porter further clarified that if a full-time employee worked over 8 hours, the employee would receive overtime. Berger stated that the handbook did not say this. Nairn advised the verbiage needed to be clarified. The committee concurred.

The Fiscal Officer reported that she posted the job ads for part-time Zoning Inspector and Fire Inspector in the Chagrin Valley Times and Indeed.com. The resumes received thus far were provided to the HR Committee.

Porter asked if there were any pressing fire inspections of Village businesses that were required. Carroll stated that the daycare facilities have a yearly State requirement. He added that he had not heard back from the Solicitor to determine whether he could, without pay, cover emergency inspections. Carroll understood the concern with the perception of undue influence of an elected official. Carroll offered, with the committees' approval, to stop by the daycare center in question to determine how urgent the inspection need was. He could then provide this to the Solicitor. The Fiscal Officer advised that efforts to reach the former Fire Marshall had been unsuccessful.

Berger asked about the Village's process in hiring, and the committee explained it to him. Porter stated that typically it was the committee for the department for which the individual would be working. Carroll stated that in the past year, the HR committee had also been involved in the process and both he and Porter agreed this was beneficial. Berger asked which department the Fire Marshall worked under, and Carroll stated that the Fire Marshall works for the Mayor and is independent. However, in the past, the Fire Marshall had worked with the Building Inspector.

The first interviews for Fire Marshall would be conducted by the Building Committee and Carroll, because of his experience in the field.

Regarding the part-time Zoning Inspector, Porter stated that the interviews would be conducted by the Building Committee, Fiscal Officer, and Dave Hocevar. Carroll questioned why Hocevar, a contractor, would be involved. Porter said he would be involved because he is a subject matter expert. Carroll said this was true, but there were issues experienced the last time he was involved in the interviews, and he was concerned about a conflict of interest. Berger agreed. The Fiscal Officer relayed that the Solicitor also questioned Hocevar's involvement. Carroll advised that he has nothing to gain in his involvement with hiring a Fire Marshall, where a contractor conducting interviews and background is problematic. The interviews, he felt, should be conducted by the Building and HR committees. Porter said this might be the way to go as part of a screening process, but the interviews are done by Building Committee, HR Committee, and the Mayor. He added that the Mayor appoints subject to Council's confirmation. Berger asked for the job description of the Fire Marshall, and the Fiscal Officer said she would provide this.

Carroll raised the issue of the inconsistencies of background investigations of prospective employees. With some, the Village had gone back 20 years, and some were just a phone call. Carroll suggested the committee should ask the applicant the question, "would you be eligible to be rehired by your former employer." He reiterated requesting previous personnel files. Porter said this would be easier to do with public sector jobs than private sector.

The Mayor interjected in the meeting that there was another request for an inspection, and so a decision was required quickly. He asked if the committee members were available for a Special Council Meeting if the decision had to be made Saturday morning. Carroll asked who made the new request, and the Mayor stated Gurney daycare. The Mayor added that the Chagrin Early Learning Center also needed one by the following Thursday. Carroll said he spoke to the Solicitor about covering the emergency inspections and she was going to investigate the matter. He added that these were probably both State required inspections and he could do those but would confirm with the Solicitor. The Mayor stated he just spoke to her and she said that it was not a good idea to have an elected official conducting the fire inspections. Porter asked if the Village wanted to rush to hire a Fire Marshall because of a deadline. The Mayor clarified he was asking if Council wanted to hire someone to do the two pending inspections. Nairn asked if the Mayor was saying Chagrin should be called. The Mayor said there were other people who could be called, but Chagrin had three or four people who could do the fire inspections. Nairn stated that Chagrin was very pricey. The Mayor said he did not know if or how they can moonlight. Carroll advised that the Mayor could call Bainbridge or Russell and have an independent contractor conduct the inspections. The Mayor reiterated that someone needed to be hired quickly. Carroll concurred with Porter that he did not want to see the Village rush into hiring a Fire Marshall. Porter stated that despite the Solicitor's reservations, he supported Carroll doing the inspections. The Mayor suggested Carroll call to confirm.

Porter departed the meeting at 8:45 a.m.

The Fiscal Officer explained that the credit card policy needed to be updated again per the State Auditors. The purchase order policy also needed to be updated because the State did not like blanket purchase orders. Carroll asked what the issue was with the credit card policy, and the Fiscal Officer explained that with the general credit card, the cards cannot be carried and must be signed out. The log would be checked against every receipt. The Fiscal Officer advised that she checks everyone's receipts against the bills, and the Fiscal Auditor checks the Fiscal Officer's charges and double checks all other employees. The Fiscal Officer advised that the State is making things more and more strict but did not have auditors to do the audits. As a result, the Village still did not have the State report. She added that the auditors would also be checking the Sunshine notices.

Carroll asked if the process of monies taken in by the Building Department would change with the consolidation. The Fiscal Officer thought it would. Berger stated the cash taken and held by the Building Department was discussed at the Building Committee meeting. Berger said that he was told the cash was turned over to the Fiscal Officer at the end of the week. The Fiscal Officer said it should be done daily. She added that the Department did not get cash often. Berger advised that there was no safe place to keep the cash and that a locked file cabinet was being used. He agreed that the process was not right and should be fixed. He added that a fireproof safe should be acquired.

Scheduling Finance Committee meetings was discussed. The Fiscal Officer stated she would email the two job descriptions to the committees.

There was further discuss of the general obligations of the Human Resource Committee.

Carroll stated that the Mayor had forwarded him information about NOPEC grants to consider from a Finance perspective. The Fiscal Officer had gotten quotes for the roof, which may have been cosmetic, but she also knew that the generator at the Police Department needed to be replaced. Carroll said there was \$14,000 in grant funds to be used for energy efficient projects. The Fiscal Officer said this was the last year the funds would be available.

Berger suggested coordinating committee efforts so that they don't work at cross purposes. Nairn and Carroll agreed.

Carroll made a motion to adjourn, seconded by Nairn. Voice vote – ayes, all. Motion carried.

Meeting adjourned at 9:08 a.m.



Michael Carroll, Chair of Finance Committee



Mark Porter, Chair of HR Committee

Prepared by: Leslie Galicki

**Joint Building, Finance, and Human Resource Committee Meeting
July 31, 2020– 8:00 a.m. at Village Hall**

Present: Berger, Canton, Carroll, Koons, Nairn, Porter, Romanowski

Guest: Collin Cunningham, CVT

Porter called the meeting to order at 8:00 a.m. He stated the meeting pertained to the Building Department. Porter referred to the Building Department recommendations distributed by Canton and asked him to explain this report compared to the previously distributed report. Canton referred to page 2 and indicated there were five points of interest. Porter asked Canton to explain why the Building Department needed a Building Department Administrator instead of the current staffing. Canton explained that the committee had done quite a bit of research which included contacting the county and a private organization to see what they could do to help with the Building Department. Canton stated that the county was short staffed and could not help the Village as much as one would think. SafeBuilt did not seem like a feasible option because of its philosophy and cost. Canton reported that the Building Department was experiencing an increase in activity, even during the pandemic. He and Berger felt that the responsibilities in the Building Department and the role the Building Department Administrative Assistant/Board Clerk had as the secretary should be expanded.

Carroll stated that the county would have to conduct the Village's inspections if the Village were to eliminate the Building Department. This is part of the tax structure. Members of Council met with the county a year ago and had discussions with the Building Inspector. Carroll referred to the committee's analysis and asked if the committee's recommendation was based solely on the number of permits. Canton stated no. Carroll explained that in reading the report, it appeared to be based on permits. Carroll addressed the Clemans Nelson analysis and advised that at the time of the analysis, someone had described the Clemans Nelson personnel conducting the analysis as "college kids." Carroll clarified that one of the individuals was an attorney and the other had a BS in HR and Business Administration as well as a certification in HR Management and Analysis. They have done job task analysis for multiple communities in the State and within Geauga County. When they conducted the analysis, they looked at not only permits, but workload, call volume, walk-in traffic, and some of this data was not easily provided to them. As a result, some of the analysis was difficult to determine. This was not a new topic. The right sizing of the Building Department had been studied for numerous years by previous Councils. Carroll had previously discussed with the former Building Department Administrative Assistant/Board clerk the concept of her becoming the Zoning Inspector. He clarified that what was discussed was about making the position because making the position and the person who would fill the position were two different issues. In just discussing the position, if it were going to include Zoning Inspector and Administrative Assistant, it would make sense for the position to be 24 hours a week with potentially an additional maximum of 10 hours for Zoning. With an additional five hour factor, this would bring the position up to 40 hours, which made sense to him. Carroll further explained that the previous committee also had discussions about combining the Fire Inspector and Zoning Inspector positions. This concept fell off the radar.

Based on what the current Building Committee put together and based on what Clemans Nelson previously stated, making the position full-time without the Zoning Inspector duties did not make sense to him. The position would include being an Assistant Zoning Inspector where Dave Hocevar would be the Zoning Inspector. Carroll acknowledged that Hocevar had been doing it, but Council had been made aware on numerous occasions that he did not like, nor did he want to do it. Carroll stated he struggles with the dysfunction coming from the Department and struggles with the fact that Council has looked at this issue for well over 18 months.

Carroll advised that he was not even addressing the person the committee was proposing for the position, because he had serious concerns with this. Referring to the proposal, making the position full time just because the Building Department Administrative Assistant/Board Clerk was busier would only make sense if the Zoning Inspector were added. This would be additional responsibilities. Carroll advised that he was aware that there could be some issues with the taking of money by one person who is acting as both Administrative Assistant and Zoning Inspector, but he understood there could be a way to work around this. Carroll stated he struggled with the report that was put together by the committee and flagged areas of concern which included disparaging remarks against Clemans Nelson, whom Carroll believed did a good job with the analysis. What he derived from the committee's report was that permits had increased, but he indicated these were remodels and some tear-down/rebuilds. Some of the permits were for single occupancies. In looking at quantity and impact on residents, he questioned how many residents received direct inspections. He pointed out that a single project may have four or five permits. Relating to there being more work, he did not want to be jaded that the committee was just counting permits. He was not convinced that the permits were not blown up. Council had discussed right sizing the Building Department, which was included in strategic plans. It was not a new discussion. It just seemed like the discussion kept coming back to it having to be full-time. In conclusion, Carroll stated that if the position would be doing Zoning Inspections, there would be hours to justify it increasing to full-time. However, without taking the primary responsibility of Zoning Inspections, Carroll did not see the justification for 40 hours. Additionally, regarding the salary, the first Carroll had heard of it was at the last Council meeting without the benefit of it being discussed by Finance and HR Committees. Clemans Nelson had been brought in to do a detailed salary analysis. Council wanted an independent analysis because there were very arbitrary salaries. There were previous employees who would say how much they should make, and the Mayor would come to Council and say that was right. It was very contentious. Clemans Nelson was brought in to do a comprehensive salary analysis to see where the Village was. The findings were that some people were paid a little lower and some were at the high end of the recommendation. Carroll expressed concern with the \$26.00 per hour recommendation, noting that the individual already started at the top of the pay range because of her experience. Usually, a part-time employee was paid a little more than a salaried employee because of the difference with benefits. Carroll stated the salary was another concern for him. He wanted to see the justification for it.

Berger stated he was not on Council when Clemans Nelson did their analysis. He was not hung up over the fact that because they were paid \$5,000 that the quality of their report somehow became sacrosanct. He could not recall how many times he had read consultant reports in his private industry. His opinion stood that the report was written to justify a position, and not to come to a conclusion. He believed this. He believed they were handed a note that said, 'here is

what you have to come up with' and that was what they wrote the answer for. Why the Village hangs its hat on Clemans Nelson, Berger stated he did not know.

Berger stated the Village currently had a Zoning Inspector, adding that it was in Hocesvar's contract that he was the Zoning Inspector. The thought was that the Building Administrator needed additional hours to work on zoning issues and they were working together between Inspection Solutions and the Building Administrator to accomplish this task. Berger stated that it was clear that more hours were needed to do all the things that were listed as job functions for the Building Department. He questioned hiring another part-time person, or two part-time people, or splitting the job into four or five pieces, and added that maybe this was an answer. He did not know where these people would be found, but said it was a possibility. Berger stated that the committee looked at the situation and said they had someone capable of doing all the work that needed to be done and needed to create a job description that covered all the work. If this made sense, this would be the direction they would take. The committee chose a path based on what the jobs were that needed to get done and what they knew to be talent available to them.

The suggestion that the permits were based on remodels and not new buildings and therefore somehow the permit process was easier was a misconception. Porter asked why this was the case. Berger stated it was the same amount of paperwork whether someone was doing a completely new project or a mechanical permit for a rebuild. The work was the same irrespective of the type of project being done. The main job functions of the Building Department Administrator included permits, registrations, management of the septic tank cleaning process, Board Secretary positions, and the zoning issues. Berger provided the committees with the job description for this position. Rather than rewrite three job descriptions, he just attached them as additions to a main page. He stated that if the committees were interested in looking at it from a budgetary or HR perspective, he was all ears. However, if it were a matter of being critical of the structure, it could be a short meeting.

Porter asked if the committee envisioned the full-time Building Administrator to be in addition to having the part-time or full-time Building Department Secretary. Berger stated this replaced all the pieces. Carroll asked if the position would be a Department Head. Berger stated no, it was not intended that this person would be the Department Head. Carroll asked if the individual would be reporting to Mayor and Council. Berger stated the position would report to the Mayor as Department Head. Carroll stated that some positions previously adopted report to Mayor and Council, which was the recommendation of the Solicitor. Porter asked if there was an advantage to only reporting to the Mayor instead of Mayor and Council. Berger stated he was a proponent that the lines of authority be clear, and stated it was tough to serve multiple masters. If the individual reported to the Mayor, then it was very clear who the boss was and who was making the decisions in terms of how the work was being accomplished. If Council were added, then there was a potential issue of the individual going from one to the other to get the desired response. If it were one person to whom the person reported, then it would be clear.

Carroll stated it was ironic because this position had a direct report, but the individual in that position would go to the committee, to the Mayor, and was not following the direct chain of authority that was granted to the position's supervisor. While he believed Berger believed his own words, in practice this did not occur with the current individual in the position. Carroll

stated it was a Pandora's Box, and clarified that Council had been in this position before where there were employees who started at one position and then who wanted more and needed more help. Carroll stated he was still open minded about allowing the committee to make the position full time but was being cautious. If the position were used properly, he could see it being full-time. He added that when talking about part-timers, there was an awesome opportunity for a period of six weeks before COVID-19 when the Fiscal Officer and her Administrative Assistant and the Building Department Administrative Assistant/Board Clerk were working out of the same office. There was the opportunity to cross train, and the potential to have coverage of the office from 8:00 to 4:00 p.m. However, COVID hit and the individuals were separated, which did not help. The Village did not have this flexibility currently, and probably would not in the foreseeable future.

Porter stated that Carroll referenced full-time and asked if he was speaking of the Building Department Administrative Assistant transition from part-time to full-time, or was he referring to the Building Department Administrator full-time. Carroll stated that it was still the Administrative Assistant. He cautioned about the use of the title Administrator and stated if there were a Village Administrator, there were titles and responsibilities that go with this. Porter agreed. Carroll stated it was a full-time Building Department Administrative Assistant because she would be assisting the Zoning and the Building Department. Carroll said he would be more inclined to keep it as a full-time Building Department Administrative Assistant versus Administrator. The Administrator title gave him the impression that this person would oversee Hoyer. Carroll asked the committee if this was what they were thinking. Would Hoyer be reporting to the Building Department Administrator or would both positions report to the Mayor. If this were the case and the committee was recommending full-time, he would keep it as the Administrative Assistant versus the Administrator.

Berger stated he did not get hung up over titles. He looked at the work that was being done. That position would not be signing the contract for Inspection Solutions. That contract was being signed by the Department Head, who happened to be the Mayor. Berger stated no, Inspection Solutions would not report to that position.

Porter asked Nairn if she wanted to comment. Nairn advised she was taking notes.

Regarding Clemens Nelson, Canton asked Carroll if he knew how many hours the staff was on the Village campus actually observing the work being done. The Fiscal Officer did not have the information on hand but stated it would be on the billing statement. She would provide this to Council. Canton stated that his experience with time studies occurred when he was working in industry. There were times he worked five to seven days a week, 80 hours a week, depending on business. Several times in private industry, time studies were conducted of his position, and it involved the staff being present for eight hours every day for two weeks.

Regarding part-time wages, Canton acknowledged Carroll's statement that part-time workers might make a little more money hourly without other benefits. He wanted to make sure the committees knew that the current Building Department Administrative Assistant/Board Clerk would not be taking any health care benefits. He believed that would amount to \$14,000 per year for a family. However, Canton stated the Building Department Administrative

Assistant/Board Clerk was interested in the Health Savings Account (HSA). The Fiscal Officer stated that the Building Department Administrative Assistant/Board Clerk could not have this without having the health care benefit. She added that in government employment, service time with other employers was carried over. The Building Department Administrative Assistant/Board Clerk could possibly have over 14 years past service time, which would make the individual possibly eligible for three weeks' vacation after a year and then after that, four-weeks' vacation. 45 days of sick time could also be carried over from a previous employer.

Canton stated he wanted to refresh everyone's memory that the Village had well over a half billion dollars of assets in the Village. He believed an amount like that deserved a full-time person in the Building Department. He stated the Building Department was a service like the Service Department and like the Police force. Although it was true that if needed, the county could serve as the Building Department. He added that after speaking with the county, they did not seem enthusiastic about this because of budget restrictions and the fact that they were understaffed. Canton said that Council was not enthusiastic about defunding the Police Department and having the Sheriff's Department take over. Canton stated that the local government was there to serve. The Building Department, like the other departments, played a significant role in what made the Village a special place to live.

The Mayor addressed Carroll's statement about the dysfunction of the Building Department and stated he had not seen that. He added that he had received zero complaints from anyone. The Mayor said that the United States Geological Survey (USGS) would be coming to make proposals for the water wells, which was an \$8,000 situation and they come every year. The Mayor stated he did not respect what Clemans Nelson did because they never came to Council with a presentation. He never spoke to a person from Clemans Nelson although the report stated they spoke to the administration. The Mayor added that they never spoke to past or present employees. They came on a Monday morning and were gone Monday afternoon. They sat and watched the former Building Department Administrative Assistant work. He did not respect what they did. The Mayor researched Clemans Nelson and spoke to people in other communities and the Mayor said they have some things they do very well and some things they do not. He was not impressed with them and is still not.

As far as staffing levels of the Building Department, he spoke of 15 years ago when it was staffed by "Dave, Laura, and Maggie." The Mayor stated this was 84 hours a week. When the economy was slow, Hocevar would be rented out to Chagrin Falls for \$75 per hour, which is his asking price ten years later. When Hocevar left, Maggie left. The Mayor stated that Laura (Heilman), who had been a part-time Building Inspector and secretary worked 40 hours a week and was given an assistant, which was 65 hours a week. The Mayor stated that Council was asking the Building Department staff to do the work in 25 hours a week plus five hours from Hocevar. He stated that the job cannot get properly done in 30 hours. As for more employees, he stated that the Village was half a guy short in the Service Department without the high school summer help. He stated the Village had only added an assistant in the Fiscal Office who probably should be a full-time assistant. The Mayor did not know why in the ten weeks from January until COVID-19, cross training did not get done any better than it did. He looked at the numbers of 84 down to 30 and two guys trying to cover 400 square miles. He added that the Village had a guy who was one of the best in the state. Porter pointed out that the Village was 4

square miles. The Mayor stated it got done well. The Mayor added that the department had been busy with Architectural Review Board (ARB), Planning Commission (PC), and Board of Zoning Appeals (BZA). They had seven items at the last ARB meeting. There was a lot going on and no complaints about the performance of the Building Department from anybody from those boards, who are all volunteers. He thought they were functioning but scrambling. The Mayor stated it was bad when there were no minutes coming in on time because the work was not getting done.

Nairn appreciated the research that had been done on the matter and added that it had been ongoing for a very long time. She stated that she had concerns that every resident in this Village who paid taxes was paying for two Building Departments, the Building Department in Chardon and the Building Department in South Russell Village. It was difficult for her as a tax payer to justify two full-time Building Departments. Porter asked Nairn what she thought about having a separate Village Police Department and paying for a county Sheriff's Office. Nairn stated that she saw Porter's point, but for her, safety preempted everything. She added that perhaps the department was a little top heavy although there were officers who were retiring and leaving. She clarified that the Village still had nine officers, and added that in an emergency, she would want to rely on South Russell Police and not the Sheriff's Department because of the geography. Porter added that the Village was a long way from Chardon. Nairn thought the comparison was that of an orange and an apple. The Building Department could not be compared to the Police Department. She understood there was a lot of activity and that although the Village was built-out, it was cycling over into an era of remodeling. This was how she justified the existence of the South Russell Village Building Department. However, she expressed her concern about using tax dollars to fund two full-time Building Departments. She added that it was a small community of four-square miles with a population of approximately 3,700. To have a full-time Building Department for this area and population was hard for her to get her brain around currently.

Berger asked Nairn if she was willing to give up all the local zoning that had been passed by Council. If the Village used the county services, the county would not enforce any South Russell ordinances regarding zoning issues. They would only enforce county regulations. Berger cited the Septic Ordinance as an example. Nairn stated she was not in favor of giving up the Building Department nor had she said that. Berger clarified that there would be a different set of rules living under the county jurisdiction as opposed to having a Building Department for South Russell. He wanted to be sure Council was aware of this, that the Village would lose the BZA and ABR and there would be no control of how the county managed what happened in the Village in terms of building.

Carroll agreed that control would be lost and clarified that the value added in having a Building Department gives the Village the ability to have zoning that is stricter in some things that the Village wants. He added that he could argue that in looking at the lighting issues and house on Daisy Lane despite strict zoning, the Village had some really goofy things that had occurred, nonetheless. Carroll posed the question of whether there was value added. He answered there was value and said to dismantle everything would be very challenging. The part-time model worked well. Coming full circle and making it a full-time Administrative Assistant would keep

the value added with zoning and some of the control the Village had. He did not want to belabor this.

Regarding the health care and salary issue, Carroll advised that if he were to waive health care with his job in Lyndhurst, his salary would not increase. It is a benefit offered to the employee. He added that sometimes there is an ancillary benefit that provides a payment for someone who waives health insurance. He clarified that he would not receive \$14,000 more in his pay for not taking health care benefit. Carroll asked the Fiscal Officer if there was an ancillary benefit, and Berger stated it was \$1,000 per year. Carroll stated that with this benefit he would never increase someone's salary just because they were not taking health care.

Regarding dysfunction of the Building Department, Carroll stated there had been dysfunction. Perhaps it was not with the residents, although there had been some minor issues, but within the department itself and with previous employees. Carroll stated that at a previous Council meeting, a former disgruntled employee wrote a letter to Council that was completely off-base. He believed this implied dysfunction. Another example was when Council recognized the fact that the past practice of what this employee and the Building Inspector, who was on retainer were doing in the department was an illegal process according to the State and County Auditors. When Hocesvar was full-time, there was big value added. Now, the Village was in a position where it could live with a part-time inspector and full-time Building Department Administrative Assistant. The remainder of the matter to be addressed would be the job description, salary, and benefits package, which the Finance Committee would need to discuss. He was unclear how the committee determined the salary and suggested contacting Clemans Nelson. Carroll acknowledged that the Mayor did not like the report but stated that there were things Clemans Nelson did well including the salary analysis. Carroll wanted some substance on how the salary was determined and the justification. He added that he was addressing the position, not the person.

Porter asked Canton or Berger to address how the salary range was determined for the Building Department Administrator position. Canton stated that the individual who was currently working in the Department was at \$23 plus per hour. Berger clarified it is \$23.59. The individual wanted to be bumped up to \$26.00 per hour because of the added responsibility. Canton indicated the high end was to allow for future raises. He added that they could have made it \$1 to \$100. Porter clarified that Carroll was asking how the committee determined that this was the appropriate range for that position. Did they compare it to other positions in other Villages with similar job duties and descriptions? Did they then determine that the range was not at the high or low end but in the middle? Canton stated it was difficult when he was making the calls and spoke to individuals from different areas of Geauga County. They might have had one person that wore many hats and there was no way for them to come up with how much of the hourly wage went towards the different aspects of the job. The townships were of no help because they did not have a Building Department. Porter clarified that the committee called other villages and townships about their Building Departments in order to figure out what was done. Canton stated he called a couple of townships and was told they could not help him because they use the county. Canton asked Berger or the Mayor to expand on the matter.

Berger deferred to the Mayor. The Mayor stated he spoke to Karen Indress of Bainbridge and asked her what the Administrative Assistant was paid. He spoke to Dan Fritz, the Mayor of Moreland Hills, and was told they pay in the mid \$50,000 for full-time. This would be more than \$26 per hour. The Mayor spoke to Laura Heilman and found South Euclid paid \$24.23 per hour. He thought this was a good range and added that he always looked to Moreland Hills and said it was the only real Village to which South Russell could compare itself. He had not looked at salary schedules for Chagrin Falls, but in the past had asked and was told the office workers made \$55,000 per year, which was less than \$26 per hour. The Mayor could not remember what the Building Department Administrative Assistant/Board Clerk received in Brecksville.

Carroll stated that although the Mayor preferred to look to the west, he thought that Cuyahoga County communities were very different. Carroll stated he identified as a Geauga County resident in South Russell, OH, not as a Chagrin Falls resident. Although he appreciated the analysis, he wanted more information. He added that it was unfortunate that the Village no longer had Clemans Nelson because this would be something they do very well. They looked at a lot of comparable communities when they determined the salary data. The Finance committee could look at this more to see what would make sense and work with HR on a detailed job description through a query with other communities.

The Mayor said he did not know what county Building Department staff earned. The Fiscal Officer stated that through her clerks' group, she could easily contact surrounding communities for job description and salary ranges. If they were to provide the title, Administrator, it would create an issue where it would be difficult to do the comparable. Job descriptions could be compared with the actual duties and then associated with a pay range. She would do a records request of the clerks and finance employees in Geauga and Cuyahoga Counties.

Porter addressed a community identified by Galicki previously that was the Village's twin. The Mayor stated it was Plain City. The Fiscal Officer advised Clemans Nelson had contacted this community, and she could utilize this information. The Mayor stated that he receives information from Plain City and added that they had a swimming pool, splash pads, concerts and noted how it was amazing how different they were. The Mayor stated that Council would be back to apples and oranges with what Plain City was doing.

Carroll stated there was information the Finance Committee needed to obtain to present to the full Council about salary for the position, assuming it went full-time. Additionally, HR should have an opportunity to look at the detailed job description again so that when they reconvened, suggested changes could be made. Carroll asked what the office hours would be if it were to become a full-time position. The Mayor stated that his opinion was 8:00 a.m. to 3:00 p.m. Monday through Thursday. The office would be closed on Friday, but the employee would be frankly hiding in Dave's office so she could get her work done and minutes done. This would be seven hours a day, five days a week, which was 35 hours. Then there would be nighttime meetings and the minutes that would go with this which would make a 40-hour week. He thought in some cases, some weeks there would be a situation where there might be two meetings in one week, so there would be two nights out and two sets of minutes. There would be weeks when the person would work over 40 hours and then in that week or the next week that person would not work on Friday just to keep the hours averaged at 40 hours.

Carroll stated that often, the board meetings were cancelled. The Mayor agreed. Carroll continued to explain that often, the meetings are short. The Mayor agreed that some are. Carroll asked how this would work. He understood the concept of flexing the schedule, but keeping the office open 8:00 a.m. until 4:00 p.m. Carroll thought the hours seemed too arbitrary. He noted there were 27 times since October that the Building Department Administrative Assistant/Board Clerk was there after 8:00 a.m. when the office opened at 8:00 a.m. Carroll advised that the matter of tardiness was discussed at the previous Council meeting. It was not feasible to have someone who would come in at 8:15 a.m. and who would stay until 4:15 so that time was made up. If the office opened at 8:00 a.m., the employee should be there by 8:00 a.m. Nairn added that the individual should be there before 8:00 a.m. so that the employee was ready to work at 8:00 a.m. Carroll added that the employee had an issue with the previous employer, and he did not want to go down the same road. He saw the Mayor's proposed schedule as opening the Village up to an opportunity of a lack of accountability for the time, as the person currently is not. It concerned Carroll. If this employee planned to take this position, Council needed to hold employees accountable. Carroll wanted the position to be concrete, strict, and laid out decisively on the expectations, roles, and responsibilities, and not that the employee had to work from home for some reason. Carroll clarified that Council would need to weigh in on the actual Building Department hours. He stated that if the employee had two evening meetings, having Friday as a flex day worked well. If there were no meetings, it would be expected that the employee would report for a full day of work on Friday.

Berger stated he wanted to keep the conversation separate between the individual doing the job and the job description for the position. He explained that regardless of the hours determined for the Building Department, it would be up to that person to meet those requirements. If the person could not, the Village would have to find someone else. He felt they were getting bogged down in the person and not the position. Every time Berger would say position, Carroll would say person. Every time Berger would say person, Carroll would say position. He wanted to just talk about the position and set the rules. If it was decided the current employee was appropriate, great. If not, they move on to Plan B.

Carroll asked about what conversation had occurred with the current employee about the position. He said it had been crossed over. Carroll agreed with Berger and said that through discussion, they had been able to wrap their heads around making it a full-time position and they had discussed the topic of salary and benefits. He then asked the question about time and what it was. They also had discussed the current employee taking it and added that the matter had been discussed with this person to the extent that she had indicated she did not want health care. This was how the discussion led over to the person. While Carroll agreed with Berger that the position was first and foremost what was being discussed and the hours of the position, if that person wanted the position, they needed to know that 27 times being late in the last quarter of 2019 was unacceptable if the employee wanted the position.

Concerning time, Canton stated that in his 36 years of education, he was never on time but always early. He strongly believed in this. When he became a Council member, he could not believe that the Village did not use purchase orders. He also could not believe that there were no employee evaluations, but that employees were granted 2 and 3% raises. Canton had never

worked anywhere that did not have employee evaluations. When it comes to being on time, every employee must be on the same plane. Dock the person! If the person was three minutes late, dock them three minutes. He did not know what was so difficult about this. Canton stated that they had gone back and forth, and he heard an individual say that the individual was chronically late. How was chronically defined and how did that person know? Were there telescopes looking at the door? If any employee were tardy, that person should call to say they would be late, and they should be docked. Canton thought that docking pay would be motivation to get in earlier. Canton suggested HR investigate the Service, Police, Building Departments, and Village Hall to make sure every single employee was where they were supposed to be at a particular time. If a person were late, they could get a verbal warning. If the person were late a second time, they could get a written warning. The third time, they would get docked. Fourth or fifth time, they would be dismissed. Porter agreed and said there was progressive discipline in the Village.

Carroll addressed meeting with Berger for a Finance committee meeting, and he asked HR to look at the job description to make sure it was in line. He expressed his concern with the title of Administrator and added that it was necessary to be careful with it. Full-time Administrative Assistant seemed more appropriate or Executive Assistant. Administrator would give it the connotation that the person was a department head and in charge. Porter stated that Administrator covered a lot of territory and could mean more than one would think.

Carroll acknowledged that it had been a long process but stated he thought he could get behind the understanding that the position should be a full-time position given the job description, responsibilities, and workload. He added that the hours needed to be examined and questioned the issue of paying overtime. He thought there were ways of building it into flex time. Overtime becomes self-fulfilling at times. Council needed to be tight on this. If it was earned, he had no problem with it. However, if it were kept too flexible, he was concerned. Nairn stated it was too loosey goosey and she did not like the sound of the employee hiding out on a Friday. Whether or not the Mayor meant it this way, overall, the ambiguous Friday was a gigantic can of worms. Carroll stated he could not disagree.

The Mayor stated that in his opinion, time would start when the computer was turned on. If employees were smart, they would not take off their coats or put down their lunch before turning the computer on. This would be the timeclock and time sheets would be unnecessary. He thought they had trained the current Building Department customers so they were not showing up on Friday and he would like to keep it that way. In January and February, it should slow down. He did not see why it needed to be open five days a week. The Mayor stated that if customers come knocking on the door or they called her and she was hiding out, she would come out and take care of them, which was what she did now.

There was discussion of using a phrase other than 'hiding out.' Carroll stated it had a bad connotation and had concerns about Friday, speculating perhaps the Building Department could be open from 8:00 until noon. Nairn stated it had to have structure. Carroll advised that they had just discussed for an hour about the value added and why it was needed because of time and hours involved in serving the residents. Carroll wanted to be sure the Village was serving the residents first and foremost. It was not for the convenience of the person holding the position. If

that person could not accommodate the schedule, then the Village would find someone else. Carroll wanted to be sure Council was driving the bus for the residents versus the employee driving the bus.

Porter adjourned the meeting at 9:05 a.m.

Michael Carroll, Chair of Finance Committee

Mark Porter, Chair of HR Committee

Gerald Canton, Chair of Building Committee

Prepared by Leslie Galicki

Finance Committee Meeting
March 2, 2021 8:00 a.m. via Zoom

Members Present: Chairman Chris Berger, Michael Carroll, Fiscal Officer Romanowski, Solicitor Matheney

Visitor: Greg Heilman

Berger stated the first agenda item to address would be to review and revise meeting notes from February 2nd. Berger asked the Fiscal Officer what part of the minutes she wanted revised, and she explained that under number 4, where it said, "an issue was brought up to the Mayor about the CARES Act project." She stated that the committee did not discuss the matter of there being a different quality of material for a different scope of work. Berger clarified that it would be everything after "including local vendors," which was the fourth line which should be struck, and the Fiscal Officer agreed. Carroll asked how this matter was included in the minutes when it was not part of the discussion. Berger explained that the Fiscal Officer sent him an email asking him if he was going to submit the minutes. Berger anticipated that the minutes were being recorded.

He suggested they stop the discussion right there and ask the question if the minutes were being recorded. He asked if this meeting was being recorded - the Fiscal Officer stated it was. Berger asked if this should be the first order of business for every meeting to advise people that the meeting is being recorded. Carroll stated that it is a public meeting, and all public meetings are recorded. Berger stated no, not all public meetings. Carroll advised that in the email thread, Berger knew that the meeting was recorded. Carroll was confused because Berger made the claim that he did not know the meeting was recorded, but part of the email thread said it was going to be recorded or he assumed it was being recorded. Carroll reiterated that it was a public meeting and explained that he could walk into any public meeting and record it. Berger agreed. Carroll stated that the email thread that Berger had about questioning the recording of meetings was confusing nonetheless because it was a public meeting. First and foremost, Carroll did not understand what the issue was, and bluntly, Carroll believed that whether it was called editor's prerogative or editor's choice, something was added to the minutes that was not part of the meeting. At least it was possible to listen to a recording to find out exactly what was said. This is done with Council meetings. Sometimes things are misstated or taken out of context and corrections are made. Not every meeting is recorded, he conceded, but Carroll stated his meetings had been recorded including the upcoming Streets Committee meeting. He has no issue with it because it is a public meeting. Berger said his problem was that the recording of the meeting was not for the purpose of transcribing and providing meeting notes. The Fiscal Officer stated that it was. Berger asked why it was not done as a matter of course. The Fiscal Officer explained that following the meeting, she sent Berger an email because she did not know if he wanted the first portion of the meeting where he attended to be transcribed. When she was part of the Building Department, he did not want her to do the minutes, he wanted to do them. She recorded the meeting because it was Berger's first Finance Committee meeting where he was in charge as Chairman, and she was unsure of whether he was going to do the minutes or he wanted her to do them. Following the meeting, she sent him an email asking him if he was doing the minutes or if he wanted her to do them. A response was not received from him. For the second

part of the meeting where Carroll was in charge, Carroll wanted the Fiscal Officer to transcribe those minutes. That portion was done since it was unknown how Berger wanted to handle the first part of the meeting. Carroll stated that last year, all the Finance Committee meetings were recorded. Berger stated he understood this. Carroll further explained that this was not a new process. Berger agreed, but the fact that he received an email asking him how he wanted to do the minutes was his first step in confusion to say, 'I don't know why you are asking that question.' He did the minutes from his memory. He did not have contemporaneous notes and advised he made a mistake. Berger said to take them out of the minutes and move on. He had no problem with this.

The confusion, according to Berger, was that if the meetings were being recorded for the purpose of creating minutes, which do not necessarily have to be verbatim, and there is an editor's choice by the person transcribing the minutes in what is included and not included. The Fiscal Officer said this is correct. Carroll stated that the editor's choice does not state things that are not accurate or did not place. Berger said that he did not disagree that a mistake was made. He explained that it was made because he did not make contemporaneous notes. Carroll stated he had no issue with this but added that this was the reason he believed meetings should be recorded so corrections could be made.

Berger stated he was not aware that the meeting was being recorded on February 2nd, and he said as a matter of course, if the meetings are being recorded, it should be stated at the beginning of the meeting. Carroll said this was his prerogative as Chair of Finance. Carroll reiterated that being a public meeting, whether it is recorded or not, it is a public meeting. It is not announced before every Council meeting. Berger said this is a question as to whether or not it should be announced. Carroll advised he had attended Council and committee meetings in Lyndhurst for the past 10 years and it is not announced that they are being recorded. It is not a common practice. Berger added that if the Village does not follow the Lyndhurst rules, then the Village is not acting appropriately. Carroll explained he was unaware of the existence of a rule to do it either way. Berger could make this part of the Finance Committee meetings, but Carroll reiterated that it is a public meeting and did not understand what the issue was. Berger said they would agree to disagree, and Berger would amend the notes at the Fiscal Officer's request, and the committee could move forward.

The Fiscal Officer advised that the portion of the minutes that she did not find accurate pertained to the issue raised to the Mayor about the flooring process. After the sixth line in the minutes where it said, "K&B and the Floorshow were able to submit bids," then everything after this was the part of which she was not aware. Berger thought the Mayor would be at the meeting to address these issues but was not. Berger said it was not his issue, but the Mayor's issue, so he was not going to speak for him or for the residents with whom the Mayor spoke with regard to the issue. That would have to wait for another time.

The Solicitor asked if the Mayor's concerns were part of the meeting on February 2nd. Berger stated no, but it was the reason the issue was raised. At this point, if the Mayor wanted to raise the issue in a future Finance meeting, fine. Otherwise, Berger stated they would go on with life. Carroll asked that Berger reflect the minutes accordingly and they would move on.

Berger asked if Carroll had issues with a Google doc he had sent, and Carroll explained that he liked the way Berger was using a Google doc, but he had difficulties editing it. Berger said he was new to Google docs but thought enabling others to add line items to the document made life easier. Carroll surmised his difficulty involved having multiple Google accounts open at once.

Berger stated that the second agenda item pertained to the goals of the committee. The Fiscal Officer submitted goals for the Finance Committee to the Mayor. Berger addressed the five-year plan listed in the goals and said he did not know how to differentiate between a five-year plan and a strategic plan. He asked for suggestions of what should be included in either plan. The Fiscal Officer asked if Berger had received the information that she forwarded from her and the Police Chief that addressed the different capital items, equipment, etc. and when they were due to renew. In the past, this was what was used by the Village departments. The strategic plan was addressed by Council. Berger clarified that the five-year plan was more of a capital budget plan. The Fiscal Officer said it melded together a couple of years ago, but they started with the capital issues because it was necessary to know what the Village would be spending and when. This would then flow into a strategic plan. The last time it was addressed, it did not go beyond identifying the capital equipment. Council did not move forward with developing a strategic plan. Berger asked the Fiscal Officer if she had the capital expenditures plan from the Building Department, and the Fiscal Officer stated she gave the spreadsheet to the Mayor. Berger said they put together a five-year plan. The Fiscal Officer said she did not have this. Berger said he needed to send it to her. Carroll advised he would add this matter to the Street Committee meeting agenda, and he would forward it to the Fiscal Officer. The Fiscal Officer asked if Berger wanted the information in an Excel Spreadsheet, and he said it was fine, that it was just a starting point for discussion. It would dovetail into a bigger discussion of strategic planning. Berger stated Finance was only one component of the Village business, so it was hard for him to come up with a strategic plan for Finance without knowing what the Village as a whole had decided.

Carroll suggested taking the different five-year capital plans and having Council utilize them to develop a strategic plan to develop a more global view instead of a specific view of each department. Berger stated it was harder to build from the ground up than from the top down. The Committee could provide components of the financial planning, but the overarching strategic plan must come from the top down. Carroll said he did not disagree but asked where these two roads cross. The strategic plan drives what Council will do, but if five-year goals and finances do not allow it, then the strategic plan must be adjusted.

Berger was hoping the Fiscal Auditor would have attended the meeting from a funding perspective. He noted that the third part of the Fiscal Officer's goal structure was funding opportunities. He asked the Fiscal Officer to provide a definition of 'funding opportunities.' The Fiscal Officer stated these were the Committee's goals. She explained this pertained to different things the Village could do to obtain grants and those sorts of funding possibilities. The Fiscal Officer added that with the Chagrin Lakes issue, the question was raised about funding opportunities to address the dam. Carroll stated funding opportunities would be grants, public/private partnerships, bonds, etc. Carroll advised that the Village had always just paid for

things instead of bonding or taking out loans. He suggested that perhaps the Village should put itself in the position that if it needed to seek an alternative, it would not have to be scrambling at the last minute to make something work. This was how he viewed the concept of funding opportunities. Berger said he was 100% behind this given the fact that this week another request was received from a community in the Village looking for what financial assistance might be available. This put the Village at up to four or five different communities that had at least expressed an interest in getting financial support from the Village. Carroll referred to Paw Paw Lake and said it might just be that the Village assisted these requestors in finding the opportunities or facilitated the opportunities to be more of a partner rather than dismissing it as something the Village could not do. Berger said this was not a viable answer anymore. Carroll agreed.

Berger asked Carroll if he saw the email from Bellwood Lake, and Carroll said he had. Berger said this was another one to add to the pile.

Berger stated he just received an email from the Mayor saying he had a water problem at home and would not be attending the meeting today.

Berger addressed looking at financing opportunities inside the Village, and stated that even in a pandemic, the revenue stream seemed to have been consistent with projections. The Fiscal Officer agreed. Berger stated that unless there was something worse than a pandemic over the next five years, the Village should have no funding issue for its operations. The Fiscal Officer said she did not think so but advised that the Village had two levies that would be up this year. One is the 1976 operating levy that brings in \$180,000 and the other is the 2017 Road and Bridge Levy. As long as she had been with the Village, two levies had not been put on the ballot at the same time. With the Road and Bridge Levy, this would be the first time it had cycled through. If one did not pass, this would be a financial issue. Carroll explained that the Road and Bridge Levy was just because the Village could not do a stormwater levy. The rationale was that the Village would only do a five-year levy because the thought was that some of the stormwater projects would be accomplished. However, some of the projects are only just now starting. If the levy did not pass, the Village would have to reevaluate how it managed the costs of addressing roads and stormwater.

Berger asked if the recommendation from a procedural perspective was to put a renewal movement on the ballot for the two levies. The Fiscal Officer explained that the Finance Committee would have to make this decision. Berger asked what the time deadline was to present it to Council. The Fiscal Officer explained that she must prepare the legislation for March 8th. She asked the committee if it wanted to put both levies on this year or stagger them. The Village would be going out "a year early." They expire this year and since property taxes operate a year in arrears, the Village would get the money through next year. The Village would then have this year and next year to get them on the ballot for approval. She further explained that they try to go on the ballot a year early because if a levy does not pass the first time, the Village could put it on again. The Fiscal Officer stated there were multiple steps involved. First, Council must pass legislation to go to the County Auditor to have him certify how much the levy would bring in. Once the Auditor certifies this, then it goes back to Council and Council would

decide if it wanted to renew it or replace the levy. Usually, the Village asked for renewals, but sometimes Council had the Auditor certify different rates to increase or decrease the millage, etc. Once Council decided this, legislation must be passed to put it on the ballot. Then it would go to the Board of Elections, which must be done by August 1st. The Solicitor stated it must be done 75 days before the General Election. Berger asked how long it would take the County Auditor to make his determination. The Fiscal Officer said it is done quickly. Usually, this would be introduced now to go through three full readings and then submitted to the County Auditor for the certification. It could be introduced at the March 8th meeting for both levies since the Village would just be asking for a certification of funds. It would then go to the County Auditor and by the second meeting in April or first meeting in May the Village should have those certifications and could move through the process to pass legislation to get the issue put on the ballot. Berger asked what determined the millage rate. The Fiscal Officer explained that this was the reason the Village went to the County Auditor. Usually, the Village would ask for the renewal amount, and sometimes it would ask the amount other millage rates would bring in for the Village. For example, in 2005, the Police Levy was changed to 2.75 millage but brought in more money than when it had a higher millage because the property values were higher over time. From the certification results of what the Auditor provides, Council can decide the amount to put on the ballot. Renewals are easier to pass.

The Solicitor asked what the millage was for the Operating Levy, and the Fiscal Officer stated 4.2, which was from 1976 and had always been a renewal. Berger asked why it is 4.2. The Fiscal Officer stated that in 1976 when the Village wanted to bring in a certain amount of money, this was the millage that would bring it in. If the Village were to do it now at 4.2, the Village would be bringing in a lot more money. This was the reason that when the Police Levy was reduced it was because the property values in the Village had increased. The Solicitor further explained that the Village did not need as much coming in because there was more in dollar amount, but the millage was lower because it was based on property values. The Solicitor asked what the Road and Bridge Levy was, and the Fiscal Officer stated it was 1.5 mills. Carroll explained Council's rationale in determining this amount to address both roads and stormwater. He added that there was also discussion of an Income Tax increase and stated that he was not a fan of a general Income Tax increase because then it could be used for anything the Village wanted. Then, pet projects become more of a priority than specific needs like roads, police, etc. The Village had never done a Road and Bridge Levy before, and his thought would be to keep it the same for the next five years. Carroll asked the Fiscal Officer if the Village loses a certain credit if it goes after a renewal levy. The Fiscal Officer explained that it no longer gets the Homestead and Rollback. He stated that a renewal is sometimes an easier and smoother process.

Berger stated he appreciated the history. However, renewing the two levies with all other things being the same and grants continuing to happen the way they have been, the Village would continue to sit on a surplus of funds for the next five years. Carroll did not think this assumption could be made. As an example, Carroll suggested that if the Cleveland Clinic were to move out of the Village, this would have a large impact on Income Tax. Carroll cautioned that one never knows for sure, but Council would not want to commit to say the Village will have \$3,000,000 carry over for the next three years and in four years build a \$12 million complex for a municipal

complex. Berger understood that it was only someone's best guess, but his point was that based on current operating budget and revenue streams, it did not sound like anything significant would change in the next five years. This suggested that the Village would continue to sit on a significant amount of reserve and questioned whether this was the best use of public funds.

Berger stated he would like to put both levies on the Council meeting agenda for Monday night so they can be introduced, and they could go to the County Auditor in April the certification and start a discussion. August would come quickly.

Berger stated that this was the operating side of the equation and the secondary funding considerations were grant monies and private public partnerships. Berger asked how the Village would do a bond. The Fiscal Officer said she would have to learn how. The Village did not have a bond rating. Berger said learning the process should be on the radar so that when the Village gets to that point, it does not come into it from a dead start. Carroll agreed and stated that with bond ratings, a level of the rating is scored by the Village's reserves. The Village has a level of reserves, and if the Village intended to go for a bond, the Village should understand that a certain level of reserves is necessary to have available. It would be beneficial to have a good understanding of the process so Council would be prepared before making decisions about what it would do with reserves or levies. Berger added that especially if the bonds were targeted at community projects where the Village was getting paid back from the community over time for helping them with a project. It might be a better situation to go for a bond than to have the levies, or one or the other. Berger said if there were training sessions identified on bonding, he asked that he and Carroll be included.

Berger said that with this, the committee could go back to Council and say that as part of the strategic plan, the committee was looking at ways it could be available to the Village to help from a financial perspective and hopefully it would help Mayor and Council to formulate their strategic plan going forward.

Continuation of the financial discussion with the Fiscal Auditor was on the committee's agenda. Berger stated he had a discussion with Merrill Lynch Government Banking Division who offered no better solutions for putting the Village's money to work than what the Village currently had. The Fiscal Officer stated she forwarded contact information to the Fiscal Auditor from Meeder Investments, which was familiar with Government investing. Berger verified that this matter must be addressed by August. The Fiscal Officer concurred. He hoped to include the Fiscal Auditor in the April meeting for further discussion of the matter.

Carroll asked if there was a CARES Act funding discussion on the agenda, and Berger explained he tabled it since it was the Mayor's request to have that discussion. He did not know the questions the Mayor planned to ask. He suggested the matter be tabled until April.

The Fiscal Officer reported that the 2020 Annual State Report was submitted and would be provided to Council.

She reminded the Committee that Council recently had to redo legislation related to Manor Brook. After reviewing and speaking to the Solicitor, it was decided that rather than going back

and redoing bills lists approvals for those relating to Manor Brook, going forward, any bills list that includes Manor Brook funds should not be voted on by Berger and Canton to make it cleaner. Berger clarified that he and Canton should recuse themselves because they were on the board of Whitetail Run Community Association. Cindy Nairn also lives in the community but was never a member of the board and had been voting on the issues. He would recuse himself as necessary and asked that the Fiscal Officer let him know when the bills list included Manor Brook. The Fiscal Officer clarified that it was permissible for Nairn to vote. The Solicitor stated that as long as she was not a member of the board. It was her understanding that the fees for Manor Brook were for the special fund for the grant. The Fiscal Officer stated this was correct.

The Fiscal Officer addressed the CT Consultants billing and explained that the Village was still receiving billing from the 2020 Road Program. When budgeting Engineering costs related to the Road Program, it was a certain percentage of the contract of the project cost. Due to COVID and employee changes with CT, the Village had received a couple of bills in 2021 for Engineering costs for the 2020 Road Program. This would result in amending the line item this year since these things were not paid in 2020 as expected. After receiving another bill relating to the 2020 Road Program, the Fiscal Officer spoke to the Engineer for clarification. The Engineer explained that he started the Pavement Condition Index (PCI) in 2020 and everything he does relating to this gets counted towards 2020. He will not start billing for 2021 until the actual project. She wanted to bring this to the committee's attention because she was not aware this was how it was being handled from CT and it would require a line item amendment before year end. Carroll said he would get clarification from the Engineer during the Street Committee meeting.

Berger clarified that the Village operates on a cash basis, and the Fiscal Officer stated this is correct. Berger stated that the Village cannot accrue costs, and the Fiscal Officer stated no. Berger stated that the Engineer is accruing costs across fiscal years.

The Fiscal Officer explained that the Village is audited every other year for the two years prior. This year the Village will be audited for 2019 and 2020, but the results from the 2017 2018 audit had still not been received due to employee turnover with the State Auditor's Office. She contacted the regional auditor, and he was unaware it was so far behind. He is working on a plan to possibly finish 2017 and 2018 and roll it into 2019 and 2020. She explained that in her position, she relies on the auditors for guidance. Without feedback from the last audit, she is unable to address potential issues.

The Solicitor asked if the 2017-2018 audit had been completed but that the report had not been received. The Fiscal Officer advised she had continuously contacted them for the past two years and was told it was being addressed and a couple of items were still needed. She added that the regional auditor was not happy when he found this out. She reiterated that there had been a great deal of turnover in staff.

Regarding records retention and sunshine laws, Berger stated he sent the Fiscal Officer the certificate for Sunshine training he took over the weekend. Berger thought that he had possibly identified himself as a designee in error. The Fiscal Officer explained that in the first meeting of

the year, Council generally designated the Fiscal Officer as the person to take the training on behalf of Council since it must be taken by law. She always encourages Council to take the training on their own since it is always changing, and it is beneficial information for Council members to know.

Berger adjourned the meeting at 8:47 a.m.

Chris Berger, Chairman Finance Committee

Prepared by Leslie Galicki

Finance Committee Minutes

6 April 2021

Attending:

Mayor Bill Koons (WK)
Mike Carroll (MC)
G. Heilman

Danielle Romanowski (DR)
Chris Berger (CB)
Bridey Matheney (BM)

Meeting called to order at 8:00AM by CB.

1. DR noted that only two departments had submitted information toward the five-year goals. CB, as chair of the Building Committee, stated that BC would submit by Friday, April 9th. Other committees would be reminded at Council on April 12th.
2. CB asked if any more information had been received from Adam Lechman regarding the banking ordinance to be renewed by August. DR reported none. Adam to be contacted for an update.
3. CB asked if any further consideration had been given to financing the Chagrin Lakes Dam Project. MC questioned whether this was an approval of the project? CB again noted that no decision had been made on supporting the project but simply wanted to be prepared to address questions from Council when the discussion was had. DR reported that she had contacted the County and found that the Village could not use existing funds to finance a private project. DR confirmed that the Village would have to take over the project and then assess the lake owners. BM confirmed the process and asked if all 11 homeowners had signed the petition to Council. CB confirmed this was the case. WK noted that as the lake owners had petitioned Council, it was now Council's decision whether to take on the project or not. WK also noted that research from a project in Solon was done at a cost of \$1 million and assessed over a 40-year period. MC wanted the Village Engineer to weigh in on the project. CB asked how fast this could happen? MC said he would try for the current week and present a response from the Streets Committee at Council on April 12th.
4. WK raised the issue of how Covid monies were handled in the last year and whether changes were needed in the coming year with additional Covid money anticipated. WK suggested that he will discuss with the Department Heads. MC noted that the time frame for using the monies was very tight in 2021. DR explained that the Village might expect \$734K in two payments in July 2021 and 2022. The Village has until 2024. BM confirmed that this was expected but that the details from the Federal and State levels were not yet clear. BM also noted that the monies may be used to "make whole or infrastructure or economic development" but that no details were yet available. DR explained that a webinar is scheduled for April 27th to provide additional information. MC thought that part of the money might be used to update the zoning code. BM said that Council would have to decide on that project and what the costs might be. WK thought that the monies might be used to install a permanent restroom at the Park and said the costs would be about \$50K.

5. The agenda item dealing with the 2020 Road Program and expenses that were presented in 2021 was resolved at the last Council meeting.
6. DR reported that the Audit for 2017-2018 was still outstanding. DR to call again to find out the status. The 2019-2020 Audit will be scheduled in the next few months. DR explained that private audit firms could be used to do the Audit Process and she would reach out to get more information.
7. Council is scheduled April 12th to have the third reading of Ordinance to send the Operating and Road/Bridge Levies to the County Auditor to establish the value of the levies so that Council may decide if renewal (and any changes) will be placed on the November ballot. WK noted that the receipt of additional Covid monies might impact the residents' support for these levies. MC thought that we should renew at the same level and use the monies to expand the road or stormwater programs. CB noted that we will move to get the Auditor's opinion and then have the discussion with Council.
8. The Mayor's goals included resolution on \$5138 in the Playground Acct and what should be done about these restricted funds. DR explained that some of the money has already been spent and she needed to look at the accounts to resolve the issue. The overage in funds came from the drainage work that was to be done by an outside contractor but ended up being done by the Streets Dept at a lower cost.
9. DR reported that she has filed the documents for a Real Property tax-exempt status for the Park. This was necessary because of the pavilion and rental income from it. We will wait for a decision and then decide how to proceed.
10. DR reported that the tax budget for 2022 is due in July. She will start working on the process.
11. DR reported that changes to Municipal Income Tax may affect the Village because of people working from home during the pandemic. CB suggested that if anything, revenue to the Village should go up because more people working from home than lost revenue to businesses in the Village. DR suggested we wait and see.

CB called to adjourn the meeting at 8:48AM. MC concurring.

Minutes approved by: _____
Christopher J. Berger, Chair

Finance Committee Meeting Minutes
Tuesday, October 5, 2021, 8:00 a.m. Village Hall

Members Present: Chairman Berger, Councilman Carroll, Fiscal Officer Romanowski

Berger called the meeting to order and read the roll.

Berger addressed the Credit Card Policy. The Fiscal Officer reviewed the recommendations of the State Auditor to update the Village's Credit Card Policy to align with the requirements of the Ohio Revised Code (ORC). The users would need to be listed as well as the length of time the cards were allowed to be out of control. Berger asked who the authorized users were, and the Fiscal Officer explained it was the Department Heads. She explained that it was preferable to make purchases using a check and that credit cards were to be used as a last resort. The credit card limit is \$2,000 per card. It was determined that the credit card policy was enacted through motion. Berger clarified that Council would then need to make a motion amending the Credit Card Policy. The revised policy would be presented to Council at the October 11, 2021, Regular Council meeting.

The committee discussed the criteria for the time the card could be held by the user and agreed that it should be flexible. The committee considered making it three days before the need to use it and returning it the next business day upon returning to work. The Fiscal Officer felt what was important was to have it in writing.

The Fiscal Officer advised that the State Auditor requires Council to pass legislation pertaining to the maximum dollar amount for which a blanket purchase order may be written. She obtained examples from surrounding municipalities. Currently, the blanket purchase orders are done for utilities and auto supplies. The Fiscal Officer wanted to get clarification from the auditor.

The committee discussed finance software. The Fiscal Officer advised that the Village currently uses Fund Balance, which is not the one that everyone in the State uses. She was reluctant to change systems because of the arduous process. However, the other system is easier and preferred by the County Auditor. Carroll addressed the benefit of the other system. Berger asked for the cost of the software. The Fiscal Officer did not know but said it is based on the Village's budget. The current system costs \$3,000 per year for support and maintenance. She would find out the details of the other system.

The committee agreed that the blanket purchase order policy could be presented to Council in November.

The Fiscal Officer reminded the committee about the upcoming Zoom meeting with Bond Counsel and the need to be prepared with questions.

A follow-up joint HR/Finance Committee meeting would be scheduled by Councilwoman Nairn regarding the tiered salary system. It will address performance bonuses and service bonuses. Carroll favored the service bonus over the performance bonus because of the issues with evaluations. He did not want to complicate the employee evaluations, which the Village should

do consistently before adding it as a component of a raise. In terms of justification, Berger addressed the problem with providing raises to employees who end up being terminated. Carroll discussed the need to document issues leading to the termination. He cautioned that it was difficult to tie a raise to a measurable in the public sector. The Fiscal Officer advised that evaluations are good in the way of opening a conversation about performance and expectations. She emphasized the need to maintain documentation of problems that exist. Carroll concurred and discussed the use of progressive discipline. Berger suggested criteria to use for the evaluations, and the Fiscal Officer described the evaluation templates provided by Clemens Nelson.

The Fiscal Officer acknowledged both perspectives that in the private sector, raises are based on evaluations and in the public sector, the raises are given across the board. She viewed the evaluations as an opportunity to open a conversation, and if there were a problem, perhaps the raise would be held in abeyance of a subsequent evaluation to correct the issue. Carroll's concern was proper application of a policy across the Village. Berger stated this was not a policy problem but a management problem. Carroll explained that to avoid the arbitrary nature of how raises have been given in the Village, he would like to see more of a tiered and definitively structured system to get away from the shot in the dark raises.

The Fiscal Officer described the tiers used in the Police Department. She was envisioning a structure that specified how an employee would obtain raises, like obtaining a certain certification, for example. She felt the current proposed system had become much bigger than perhaps what was needed. The Fiscal Officer asked if the Village policy could just utilize the system used by the Police Department. Berger said there were not enough job descriptions to do this. It would be necessary to consider all the classifications and certifications. The Fiscal Officer advised that in the Service Department, there are laborers. If there were laborers and one mechanic, there would only be one job description based on the number of years. Once they hit so many years, all the employees would know all parts of the jobs and would be at their max and on the same page. Carroll added that when they reached this point, this would be where the service bonus could start. Berger indicated that there would not be a point where there were no further raises because employees would continue to get a cost-of-living adjustment (COLA). The Fiscal Officer asked Berger if he thought COLA increases should stop at some point for employees, and Berger said there were none in the private sector but there were inflationary bumps. Berger stated that in the private sector an employee must obtain more skills to be of value to the employer. It is all about pay for performance. Carroll acknowledged that there are certain situations in the public sector where someone can be paid more for obtaining certifications, but it is easier in some departments rather than others.

Berger addressed the scenario of the employee who performs the same work for 10 years and questioned whether that employee should be making 3% more each year for 10 years compounded. Had this person provided greater value to the Village? The Fiscal Officer indicated that in some of the Village departments, professional development is mandatory regardless of raises. Other jobs may not have required development/training, but they have value. Berger said that these individuals need to find more skills to make them valuable or find

another employer that will pay them more for the same job. If a person who cuts grass gets a 3% yearly raise, over time that person will be making \$70,000 to cut grass. The Fiscal Officer explained that in the past, Council believed the Service Department staff had skills that should address other issues and so the Village outsourced the grass cutting to save money.

Carroll suggested using pay bands for the Service Department, similar to the Police Department's system. He asked the Fiscal Officer to consider this for her department. Carroll indicated that he has used evaluations that include discussion of goals and an employee professional development plan and policy related to promotion. From a professional development standpoint, the pay becomes increased when the employee is promoted. Berger stated that the evaluation is a professional development tool but in a reactive manner.

The Fiscal Officer discussed training in terms of a succession plan, and Berger added that an employee can also obtain the training and go somewhere else to get paid more. The discussion continued about multiple employees obtaining certifications that pertain to a single Village job and compensation for the certifications. Berger indicated that it is the job of the Department Heads to determine the pertinent certifications to qualify an individual for additional pay and Council will figure out how to reward them. Carroll suggested contacting the Police Chief and Street Commissioner to identify applicable training and certifications.

Berger questioned whether the committee should pull back from the system that had been discussed. Carroll indicated that the spreadsheet is an option, and the different components can be used in a variety of combinations. The other option would be to use pay bands like the Police Department. Another would be to base raises on certifications. Berger asked the committee to consider what would happen if the Village were not financially sound. What would happen with the system. Council would need to have the ability to deny the raises despite the policy. Carroll indicated that Council has always had this ability.

Carroll took exception with Council receiving a 3.5% raise yearly when the employees have received less. Berger felt that the compensation Council receives is nominal.

Berger addressed the Solicitor's contract and indicated that she conducts business for the Village for approximately 10 to 12 hours per week. If this is normal, he questioned if the Village could get 40 hours a week for a full-time person for the same amount of money. Carroll asked how much was spent on the Solicitor under Mayor Brett, and the Fiscal Officer stated \$35,000 to \$45,000. Carroll said with a change in administration, there was an increase, which is the bottom line. He asked the committee to consider what would happen then if the Village were to contract with an attorney for \$100,000 per year and then get a Mayor who never, or more appropriately, used the Solicitor. He stated that there were two investigations that cost the Village a lot of money because of the Mayor. Berger agreed. Carroll continued that the Mayor had the Solicitor write up a proclamation for a reporter, which the Fiscal Officer should have done. He argued that the expense is much more tied to the administration and cause and effect of the administration that has caused the cost to go up. That being said, he thought costs could be curtailed with having the Fiscal Officer being consulted before calling the Solicitor. The Mayor needed to hear this loud and clear. The Solicitor attends meetings she does not need to attend.

The Mayor's approach to the use of legal services surpasses anyone on Council. The Fiscal Officer added that the Solicitor is being used more as an administrator. Under the former administration, questions were to be held until the Council meeting and all other research options should be exhausted before going to the Solicitor. The former Mayor would call the Fiscal Officer to ask his questions before contacting the Solicitor. Berger clarified that what was being said was that the Solicitor was not being used appropriately and as a result more money was being spent. The Solicitor provided several options to include a \$10,000 monthly retainer. However, Council first needed to agree that the current usage is not a normal course of business. The Fiscal Officer indicated that the committees needed to be willing to do the footwork and use the Solicitor for review of the final product.

The Committee discussed the cyclical problem with policy being written and rewritten and then put off and not addressed. The Solicitor is being involved in these matters, so money was spent on something that would never happen. Carroll agreed and reiterated that committees should do the work and reach out the Fiscal Officer for guidance first.

Berger stated that at the October 11, 2021, Council meeting, the committee would state that it had a discussion with the Solicitor who provided the Village with some options. The committee does not like the options because they assume that the Village will continue to operate the way it has been operating, which does not make sense to the committee. The Village needs to change the way the Solicitor is used to reduce the fees. Realistically, the committee believes the Village could cut the fees in half, which would be \$60,000 to \$70,000 per year. Carroll thought this would be a good goal. Berger indicated that Council must buy into this, and Carroll added that this included the Mayor, and Berger agreed. There must be fiscal restraint and it starts with the Mayor. The Fiscal Officer added that the Solicitor is willing to teach her how to look up topics in the ORC to help with guidance and research.

Berger addressed the workload of the Fiscal Officer in relation to becoming the gatekeeper to the Solicitor. The Fiscal Officer advised that she used to be that person, although her responsibilities have expanded within her department. She felt that more hours might be needed. He questioned whether more hours were needed or more people at lower rates were needed to ultimately reduce the overall cost of the Solicitor by having the Fiscal Officer serve as gatekeeper. Carroll indicated that there was push-back by one member of Council about making the Administrative Assistant full-time but thought Council should consider this. Additionally, she could help the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector. As long as the work is there to justify it, the position would provide flexibility. Berger stated that instead of elevating a part-time position to a full-time position, maybe it would be better to hire another part-time position to work in both departments. Berger stated that this was where management comes in and asked how much can get done at lower costs? The Fiscal Officer agreed and said that she is struggling to get by and is doing things on a high level just to get them done and meet deadlines. She is unable to be proactive in her approach.

Berger said the money to hire another part-time person would come from the Solicitor's budget to add another person or more hours. Berger reiterated that to do this means more pressure on the Fiscal Officer, which means more support must be added from below. The Fiscal Officer

needs to understand she must be able to off-load more work. The Fiscal Officer agreed. Berger stated this is what needs to be presented to Council.

The committee discussed the three contract options presented by the Solicitor.

The meeting was adjourned at 9:29 a.m.

Christopher Berger, Chairman

Prepared by Leslie Galicki

**Finance Committee Meeting
December 7, 2021, 8:00 a.m.**

Members Present: Chairman Berger, Council Member Carroll, Fiscal Auditor Lechman

The Fiscal Auditor reviewed the fund balances for November. He stated that the fund balances at the end of November 30, 2021, were \$3.989 million. The fund balances were arrived at independently and matched those of the Fiscal Officer to the penny. The fund balances decreased by almost \$103,000 in November, which was typical for the time of year. The Village received a lot of revenue in November which included the final installment for Ambulance fees, which exceeded expectations with a \$70,000 credit when \$54,000 was expected. The Building Department had an almost all-time year at \$73,000 which was over what was budgeted. Cable Franchise fees had gone down a little. The Cemetery fees were the highest the Village had seen. Gas Tax was the only area where the Village might not reach the budgeted amount along with liquor tax and interest rates. However, revenue targets in the major categories of Real Estate Tax/ Homestead and Income Tax far exceeded expectations despite Covid concerns. Overall, the Village was at 110% of its budgeted revenues. This also would not be attributed to grants because \$276,000 was budgeted for grants and the Village was at \$262,000. It was primarily due to Income Tax. Carroll asked if this was due to people working from home. And the Fiscal Auditor thought this was a possibility. Additionally, the Village has businesses that did well during the pandemic and the Village also received a lot of resident tax income. He concluded that this might be one of the biggest years the Village has seen for Income Tax.

Regarding expenses, there were some larger expenses this month with the Lake Louise bridge replacement project. However, the Village was below what was projected at 79% of the budget. For the year, the Village was up \$723,000 and had budgeted being down \$500,000. Carroll asked if the Village Hall detention pond project was reflected in the figures, and the Fiscal Auditor said no. He explained the timing of reporting receipt of grants and corresponding expenses. Carroll explained that for Council's purposes, it was important not to view the \$500,000 as extra money because there were pending obligations with ongoing projects. The Fiscal Auditor explained that the best indicator was the year-to-date revenues for budget to see how the Village really did.

Berger suggested that with the current trend, it might be possible that the Village would end the next year flat or positive. He was considering this in terms of the next Budget Commission hearing. If the Village predicted a deficit and ended up flat, how would this be viewed? The Fiscal Auditor stated that the key was for the Village to start spending money next year where the Village will see expenditures outpace revenues by quite a bit. Berger hoped that this was what the budget looked like. Carroll stated that the Village would have the Village Hall detention pond, Whitetail project, and possibly an increased Road Program, which the Budget Commission would look at favorably. The Budget Commission was aware that the Village had made a lot of promises for projects and had passed the Road Levy so that there would be funds available to address stormwater issues. However, the Village had not spent this money. Berger concluded that from the Budget Commission's perspective, the Village should spend the money. Carroll added that it was also necessary to have a plan for the money. Reserve funds would

enable the Village to encumber the funds for projects the Village knew it wanted to do. Berger noted that in the first quarter, the Village should start creating the reserve accounts. The committee addressed the need to be prepared with a plan for the next Budget Commission hearing, to include a five-year plan.

In creating the 2022 budget, Berger questioned the Fiscal Auditor about income. The Fiscal Auditor asked if the 2022 Budget had been approved, and Berger said expenditures had been approved but did not know whether income was considered. The Fiscal Auditor offered that he would raise income tax and homestead and rollback targets in the budget and lower interest income. Berger felt it was better to have more realistic numbers. The Fiscal Auditor said it was good to be a little conservative when budgeting. Berger noted that it would be beneficial to have more realistic revenue numbers to drive Council's vision of expenditures. The Fiscal Auditor explained that if the Village did not hit its budget, it would not be problematic.

Berger addressed the Fiscal Officer's need for extra help. He proposed that a second part-time person be hired to give the Village more coverage and backup for the Building Department. Berger recommended that the Fiscal Officer move forward with creating a job description for this person and identify what areas she would want to assign to the second person as well as how many hours a week would be needed. With this information, the committee could make a recommendation to Council to go forward with a hiring plan. The Fiscal Auditor asked if the Fiscal Officer wanted somebody to help. Carroll explained that one proposal was to make the current Administrative Assistant full-time and share the position between Admin and the Building Department. The Fiscal Auditor said this was what he was thinking because it was hard to find someone good. If there were already someone the Fiscal Officer liked who could put in more hours, that would be ideal. Carroll concurred and added that the position could be shared. He noted that the Village had cycled through part-time personnel, and if there were a person to whom 39 hours had already been allocated, making it full-time with the time divided between departments would provide backup and consistency. The Fiscal Auditor noted that the Village historically would hire employees as part-time and then move them to full-time, but typically individuals seek one or the other for a reason. He added that it was hard to find someone good who was trustworthy. Carroll added that the Village would be encumbering benefits for the full-time position, but those benefits would be equal or less than having a second part-timer. The Fiscal Auditor said that it was worth it to have better employees.

Berger thought the recommendation of the committee to the Fiscal Officer would be that she needed to decide what she wanted and make a formal recommendation to the committee in January. Carroll agreed that the Fiscal Officer should express what she wanted.

The committee discussed having a joint meeting with HR and Streets Committees relative to overtime and the tiered salary system. Carroll stated that the Police Department has a good model that has worked well. Having a system to identify how Village employees progress would eliminate the ambiguity of the previous arbitrary system and help the employees know what to expect. He did not think it was right to give raises to people who were liked and withhold raises for people who were not. Berger concurred.

Carroll explained to the Fiscal Auditor the issue the committees had been discussing about overtime and comp time. Carroll and the Fiscal Auditor discussed uses of comp time to include an employer's ability to send employees home during times where there was no work and have it count against the employee's comp time. The Fiscal Auditor saw the issue with comp time as being a scheduling and managerial problem. Berger said he had not been involved in this conversation and was not sure the Street Commissioner understood that he had the right to send employees home on comp time. The Fiscal Auditor questioned how a comp time balance would be maintained when there was no work to be done. Berger said this was an HR issue, not a Finance Committee issue and should be discussed with the Street Commissioner. The Fiscal Auditor saw comp time as a liability on the Village's books. He would want to see the balances reduced.

Berger said the biggest comp issue the Village had was with the Fiscal Officer. Carroll stated she had a lot of time on the books right now, but the reason the Street Department employees had a lot on the books was because the former Street Commissioner capped it. The law limits time that can be carried over each year. However, the Village is Federal Labor Standards Act (FLSA) exempt to a degree, and he was unsure how the laws applied. Berger asked Carroll to explain his status as an exempt employee with the City of Lyndhurst. Berger then asked who was exempt in the Village of South Russell. Carroll stated that any of the Department Heads would be. Berger asked if the Fiscal Officer was a Department Head, and Carroll said yes and explained that she receives flex time. Berger said no and said that what was being discussed was comp time, not flex time. Carroll said he would have to ask the Fiscal Officer. Berger said he did not understand why the Village had a Department Head who received comp time. She should be an exempt employee. Carroll saw that perhaps the wrong verbiage was being used between comp time and flex time. Carroll agreed and said there should not be 400 hours on the books. However, he only knew his own experience as a city employee. The Fiscal Auditor felt there should be no more than 100 hours on the books. Carroll offered that as an exempt employee, the individual is on 24/7 and has a salaried position. Berger suggested that if such an individual could get the job done in 20 hours and go home, that was on management to question why the person was being paid for 40 hours when the job could be done in 20. If the employee can get the job done in 20 hours a week, he should get his full salary and good on him. Berger stated that exempt employees do not get overtime or comp time because it is the job.

Berger adjourned the meeting at 8:55 a.m.

Chris Berger, Chairman

Finance Committee Meeting Minutes
Monday, January 4, 2021, 8:00 a.m. via Zoom

Members Present: Chairman Carroll, Berger, Fiscal Officer Romanowski

Visitor: Brian Doering, CVT

The Fiscal Officer stated that the meeting agenda included the year end financial results. Since the previous day was the first day of the year, there was much to do, and she did not have any financials prepared. She said they were usually provided at the second meeting of the month. Carroll acknowledged that it was necessary to close out the books and the Fiscal Officer would still be waiting for some items to clear from the end of the year. The Fiscal Officer concurred and explained that it was not a clear stop on December 31. Berger asked if the Fiscal Officer could say that the Village ended the year in the black. The Fiscal Officer reiterated that she did not know and there was a lot of information that still needed to be processed. She added that it was close, and the Village would probably end in the black, but she would not know for certain until everything was entered and closed out. She would forward the information to the committee when it was available.

The next item on the agenda pertained to Chagrin Lakes and community projects. Berger stated he put this on the agenda and explained that Chagrin Lakes had approached the Village with a proposal to repair their dam. They were seeking a financing mechanism to do this. Berger felt the Finance Committee should be prepared to provide the financing funds should Council decide to go ahead with the project. He asked if it would be taken from surplus, borrowed from the state, and said the committee should have some answer as to how the Village would be prepared to go forward. The Fiscal Officer stated she did not know because the Village had never done this. Carroll agreed and said the Village had never bonded anything out and it would be a new process. Carroll had great concerns about being a financial arm. He noted that Paw Paw Lake had come to the Village and there are several other dams in the community that could fall within the mechanism of funding potentially that could have a greater impact. Alternatives that might mitigate the extent of the repairs on the Chagrin Lakes dam were also discussed by Street Committee. Carroll viewed it as a slippery slope when the Village had at least five other dams. From a strategic standpoint of mitigating the stormwater, it would be beneficial to have the Engineer weigh in to see determine the impact of repair of each dam relative to stormwater problems in the Village. He was not sure that helping 11 homes with a private dam issue was something the Village should be doing with taxpayer dollars without strategically looking at it.

Berger said this was fine from a Street Committee standpoint and was not his issue. His issue was that if Council was prepared to go forward with the expense of repair, how would the Finance Committee respond. The Fiscal Officer said she did not know what the Village options would be. Carroll questioned how the Village would approach this and noted that the Village had major projects ongoing for 2021, the eventual Bell Road East project, and the \$200,000 light project at the Chillicothe Rd. Bell Rd. intersection. Carroll asked if the Village had a bond rating, and the Fiscal Officer stated no. Carroll explained their was cost involved in obtaining

this. Carroll suggested the possibility of co-signing on a loan where the residents apply for the loan and the Village becomes a pass-through of sorts. Chagrin Lakes should explore this option and present it to the Village. Carroll wondered about seeking a grant, as well.

Berger asked Carroll how the storm sewer project was financed. Carroll questioned to what storm sewer project Berger was referred, and Berger thought it was Bel Meadow. Carroll explained that this was a sanitary sewer project that was mandated by Geauga County and the county funded it and assessed the residents. Berger explained that Chagrin Lakes wanted to be assessed as part of their tax bill for 20 years. Carroll stated he understood, but the Bel Meadow sanitary sewers project was driven by an Environmental Protection Agency (EPA) mandate. There was a different mechanism and reason for it and it was for not a handful of homes but 118 homes in Bellwood.

Berger stated that in addition to bonding, the Village could borrow money from a State agency and then that money would be repaid directly through the assessment on the tax bill from the 11 Chagrin Lakes homes. Carroll stated that there was the potential for Paw Paw Lake to do the same thing for their road. He stated however that what it comes down to is whether the Village wants to outlay the funds. Berger stated the Village would not be outlaying anything. Carroll replied that the Village would be loaning them money. If the Village were simply a pass through for a loan from the State where there was no outlay of the Village and where the loan was held directly by Chagrin Lakes, he did not see a major issue, but he did not know if this was actually the case. Berger stated there was specific legislation pertaining to dam issues. Berger reiterated that he wanted to determine the Finance Committee's recommendation about how to finance such a project. He thought that the best recommendation would be that the Village borrow the money from the State, put it through as an assessment on their taxes, and the money be paid directly back to the State. He viewed that this was the simplest way to do it and it ensured that it was fully financed and funded by the residents.

Carroll questioned how this would impact the Village's bond rating if the Village needed a loan to do Bell Road East. The Village would still be liable for the loan if the residents defaulted. Carroll stated that from a strategic planning standpoint and a stormwater mitigation standpoint, the Village should look at the other dams in the Village first and not just because Chagrin Lakes approached the Village first. Berger stated that this was fine but was a Street Committee and Engineering issue, and he wanted it addressed from a financial position. Carroll suggested Berger look into the option he has presented to determine the additional layers of the process.

Berger asked for the anticipated expense of Bell Road East, and the Fiscal Officer stated Bell Road West, which would be similar, was a couple of million dollars. She would forward the numbers provided by the Engineer for the project. Carroll viewed this project would be the largest capital cost the Village would see for the next five years, aside from stormwater. Berger asked how it would be financed, and Carroll advised that it would be done like how Bell Rd West was done. It involved grants, an interest free loan, and cash. The Fiscal Officer stated that the Village took out a 20-year interest free loan as part of a program to finance Bell Road West, but to date, there had been no other loans and the Village paid cash for everything. Berger asked

if the Village could apply for the program again, and the Fiscal Officer explained that these programs change yearly.

Berger addressed the Mayor's request for a five-year plan in relation to finance. Carroll explained how a five-year plan allows the Village to address potential projects and expenditures with the input of each department. The plan enables the Village to spread costs out in relation to income. For example, the Village currently has a road levy which is set to expire in the next two years. Should this levy continue since it allows for the Village to continue its road program while allowing funding for stormwater mitigation? He stated that each committee should work with its respective department to determine its five-year plan to present for consideration with the Mayor's strategic plan. Outside of the operational aspects of finance, Berger said he needed the departmental five-year plans to determine the finance issues.

The Fiscal Officer addressed the trend towards putting larger expenditures off instead of abiding by the replacement schedule. Carroll thought it was best to stick to the schedule but acknowledged there are times when large expenditures must be postponed due to more emergent needs. The Street Department, in particular, should look at its needs in terms of a long-term capital forecast. He acknowledged that Village had fallen into postponing purchases and advised that it would not want to have a lot of large expenditures in the event of a downturn in the economy. Berger stated that the Village has not had financial repercussions from the pandemic in the last year. The Fiscal Officer explained that the Village could see the effects the following year. She advised that most of the Village's money comes from property taxes and income taxes. Although perhaps the pandemic did not have a great impact on the Village, there were other economic factors that could according to Carroll. From a planning standpoint, it would be good for the Village to map out a plan for what it needs to do for the present and for future Councils.

Berger stated that based on the budget, there should be surplus funds that can be used to catch up on some of the issues that have been left behind. Carroll stated yes, potentially. In 2021, payments will be due on some of the grants, and there is a \$250,000 streetlight project less the grants, as well as day to day operations to include a stormwater study. The purpose of the road levy was to allow funds to address stormwater. The Village is still struggling with some of the solutions. The Sugar Bush and Manor Brook projects are underway, but there are issues in Country Estates, Kensington pond potential, Chagrin Lakes dam repair, Paw Paw Lake issues, and stormwater study.

Carroll acknowledged the need to amend the 2021 budget. He hoped the Mayor would have his strategic planning session, the five-year plans would be completed, and a good plan would be determined for the Village. After, funding of the smaller projects could be investigated. Carroll stressed the need to be strategic in its financial approach to some of these things within the community.

The Fiscal Officer stated that the Mayor requested each committee come up with three to five goals for the year. The Finance Committee's would be the five-year plan, strategic plan, and funding opportunities for potential Village projects. Carroll added inclusion of professional

development opportunities for Village employees in terms of recent discussion of how pay increases occur. This matter would involve both Finance Committee and Human Resources (HR). Berger argued it was an HR issue. Carroll stated that HR should be working with each department and Finance Committee as a joint effort and not just a single committee.

Carroll asked Berger his thoughts on the three to five goals for the Finance Committee including the five-year plan. Berger stated that the five-year plan would need to first be examined and it all drives from revenue. It would be necessary to consider whether the revenue stream would be consistent with what it had been and why. Carroll thought it would be prudent for each committee to develop their goals and five-year plan, and then Finance Committee could develop the master five-year plan.

Berger said that in addition to this, the size of the rainy-day fund should be determined. How much of the surplus held by the Village would the Village be willing to release to resolve some of the five-year projects. Carroll agreed and added that major unforeseen projects should be considered. Berger stated that there would be opinions on Council that the Village should not spend anything because times are bad, and the committee should be prepared to say no, it thinks it is fiscally responsible to have a specified amount of dollars in the rainy-day fund and the rest can be released over time to address the projects that have been put off. Berger stated if the committee did not have a plan, Council would sit there and vacillate and say it did not want to spend the money. He thought the Committee needed to drive the issue and communicate a comfort level with the plan in releasing money. Carroll advised that all the committee can do is make a recommendation and it is up to Council. Councils change as do their priorities. He added that it would be necessary to prioritize the projects for such expenditures, keeping in mind those that have high value to the community. Berger stated that this would be a Council issue and not a Finance issue. Carroll did not want to see an income tax increase or Road Levy.

Berger suggested that at the Council meeting, the committee report that it is waiting for the five-year plans of the other committees so that it can collate the information to determine how to generate the funds to meet their needs. Carroll suggested identifying deadlines for the five-year plans. The Fiscal Officer suggested it be at the end of February. Carroll recommended February 19, 2021. This would give the committee time to review the material and present to Council March 22.

Carroll adjourned the meeting at 8:54 a.m.



Michael Carroll

Prepared by Leslie Galicki

Finance Committee Minutes

2 February 2021 (AS AMENDED 2 March 2021)

Attending:

Mayor Bill Koons (WK)

Gerald Canton (JC)

Mike Carroll (MC)

Chris Berger (CB)

Danielle Romanowski (DR)

Mark Porter (MP)

Dennis Galicki (DG)

Adam Lechman (AL)

Meeting called to order at 8:00AM by CB.

1. CB, acting on an email from a resident calling into concern the use of CCA over RITA for tax collection purposes, called into question the difference between the two. DR responded that CCA offered better, more consistent service and agreed to talk to the resident directly to address any issues. WK to forward the inquiry to DR.
 2. CB reviewed Finance Committees intent to collate the five-year goals of all committees and asked that the committees submit their goals by February 19th.
 3. CB asked if any further consideration had been given to financing the Chagrin Lakes Dam Project. CB again noted that no decision had been made on supporting the project but simply wanted to be prepared to address questions from Council when the discussion was had. DR reported that she had contacted the County and found that the Village could not use existing funds to finance a private project. WK suggested that DR reach out to Solon as they are currently in the process of handling a similar situation. DR to report back.
 4. CB raised the issue of the bidding process for the flooring projects at the Village Hall related to the CARES Act funding and asked WK to proceed as the issue had been raised to him. WK and DR discussed that the timing for the completion of the project under the Act was 31 December 2020 and that the limited time did not allow for a bidding process including local vendors.
 5. CB raised the email from the County Auditor regarding to provide short term support to taxpayers by suspending collection on inside millage revenue earmarked for projects that could be delayed. DR reported that no such projects exist within the Village and the issue was rendered moot.
 6. The Fiscal Auditor (AL) reported that the deposition of funds for the Village is done by resolution and needs to be voted on every five years. The last resolution was in September 2016. AL wanted to review the resolution and suggest changes, if necessary. DR noted that we had time and we would discuss further in March.
- CB then turned the meeting over to MC and recused himself from any discussion of issues related to the Manor Brook Stream Project.

Minutes approved by: _____

Christopher J. Berger, Chair

Finance Committee Meeting

February 2, 2021, 8:00 a.m.

(Portion of Meeting after Berger recused and removed himself) 21:25

Members Present: Chairman Berger, Member Carroll, Porter, Galicki, Mayor, Fiscal

Officer Romanowski, Fiscal Auditor Lechman

Visitor: Greg Heilman, Kelly Kimball

Carroll addressed the issue with the Manor Brook project and the last-minute request by the Homeowners Association (HOA) for \$18,000. He asked the Mayor to explain this matter. Carroll added that he had asked this question multiple times last year. He asked the Mayor when he first found out about the potential of an additional fee from the HOA. The Mayor stated he saw that email that was sent to him from Canton, that this was what they were looking for. That was the only thing in writing that the Village has. The Mayor expected something all along, but that was the only thing the Village had received so far. He added that the Village still had not received anything else besides the copy of that email. The Mayor had some phone calls with them since then, trying to talk about what can be done, but that was it. Carroll concluded that the Village has no additional information at this time, so it is not certain if this would be the amount. He asked the Mayor if this were a fair statement. The Mayor said from his phone conversations with a couple people there, that was an opening bid. Carroll did not understand how this could be an opening bid when there were signed contracts and the Mayor was apparently unaware of it. Carroll expressed his confusion. Carroll said he asked the Mayor a couple of times, and perhaps the Mayor did not know about it, but Carroll had not realized the Village would be receiving an opening bid when the Village was preparing to get proposals to start taking trees down in a month and a half.

The Mayor stated he would go back to 2018, and said they expected and wanted something. He said that Carroll may recall that a year or two ago, they wanted the Village to pay for their trees that died along Manor Brook Dr. Carroll said he did recall this, and Council said no unless it was in the right of way, which it was not. The only early conversations Carroll recalled was that the Mayor felt the Village should be paying something for the property from Thomas and Thomas, \$10,000 or \$15,000. Before Berger took the oath as a Councilman, he was at the Council meeting and stated that there would be no cost, and asked why the Village would bear this cost, and that the work would probably be done for free. All along, Carroll had been asking the Mayor if the Village could expect any additional costs, and the Mayor's answer was no. Now Carroll was hearing the Mayor say that he always expected something. This was not the information shared by the Mayor, and bluntly it was not the information shared by Berger. He understood some things may have changed, but Carroll found it confusing that the project appeared to be set and moving forward. He found it interesting that \$8,000 in attorney fees and \$10,000 for whatever fee was in line with what the Mayor thought was a fair price to give Thomas and Thomas for the property. Carroll said there were a lot of coincidences that seemed to be lining up to the initial bid of \$18,000. Carroll indicated that evidently, the Mayor had these conversations with them, so why \$18,000? He understood the \$8,000 for legal fees but said this would be the first 'no-go' for him because this was an internal issue with their property regardless of whether the project went through or not. He questioned why \$10,000 and how this amount appeared.

The Mayor stated he did not know. He said he could tell Carroll that when we discovered that Thomas and Thomas were still titled to the property, we began meeting with them. We met with Jim McSherry, Bruce Thomas, Tom Thomas and he and Canton took Bruce Thomas out for lunch. The last thing when Tommy Thomas left the basement office of Village Hall, he said 'I need a couple thousand dollars.' Originally, he said he wanted to build his own private condo on that land. The Mayor tried to explain to him that he could not do that because the land was all restricted. When he left, it was \$2,000. The Mayor informed the management company that Thomas and Thomas was willing to settle for a couple of thousand dollars. He was surprised to hear that they paid \$3,000. Then he found out there were \$5,000 in legal fees. The Mayor thought but did not know that the \$10,000 was a request for the use of their land that the Manor Brook and all those people wanted \$10,000 as a chance to get some money for the use of their land. The Mayor always expected this and remembered a couple of years ago we said, 'you're not going to get over 4 acres of land for nothing out of Manor Brook.' We did not have any idea which. Carroll said he understood, but said the Village had no intention of purchasing the land, although perhaps the Mayor did. Council explained that easements in the vast majority of cases were not \$10,000, but rather in the \$1 to \$1,000 range. Furthermore, in discussing the 319 grant with the Engineer on February 1st, Carroll found that it was more common than not that these 319 grants are sought after by private entities and then the community partners with that private entity to offset some of the costs. The Village is bearing the full cost of the project, which is not a common approach to the 319 grants as explained by the Engineer. The Village is already taking the lion share of the project first and foremost. While the Mayor may have wanted the 4.4 acres, Council's contention was that the Village did not need the land, just the easement for the work that was to be done.

Carroll returned to the question of \$18,000 being the opening bid and said his opening bid would be \$1. He is befuddled that this matter came up at the eleventh hour. Carroll stated that when the Mayor said, "we," it was not Council. He was having those discussions with Canton and Thomas and Thomas and those people. While the Mayor brought some of the information to Council, Carroll articulated that, especially after Berger made the comment at a Council meeting at the end of 2019 questioning why the Village would do this and that it should cost the Village nothing and the Village would probably get access for free. This was when Berger was serving as President of the HOA.

The Mayor provided a timeline. When Bruce Thomas said he would do it for a couple of thousand dollars, that would give the Village title to the land which would have been a great deal for the Village. Then, Manor Brook realized it was their land and they took it over. So, the Village was done. Then last July 2020 they settled with Thomas and Thomas. The Village was not involved with this. The Mayor advised there were a couple of conversations; one meeting with Jim McSherry, the Thomas and Thomas lawyer, in Village hall; a luncheon with Bruce; and a meeting with Tommy. Then the Village turned it over to Manor Brook because they wanted the land. The Mayor explained that the Village did not want the land. Manor Brook wanted the land and felt entitled to it. Carroll did not disagree with this.

The Mayor stated that now when this comes out at the last minute, it was a shock to him as well. He could not believe it was \$5,000 of legal fees, and that mistake was made 40 years ago. It was Kaman and Cusimano failing to transfer the land from Thomas and Thomas when they originally

created Manor Brook. The Mayor stated this was not the Village's problem. Carroll stated he could not agree more with the Mayor.

The Mayor stated that regarding the Engineer's comments, a lot of the grants are done with private people. This was explained at a recent meeting by Kim Brewster, Chagrin River Watershed Partners (CRWP). The latest project they had done was in Hunting Valley or Gates Mills and a guy wrote a check for \$80,000 because it was on his property. Manor Brook does not get much out of this. It is the land that sits down there and is their green space. They do not have the flooding issue and they get nothing. The Mayor said they may have some benefit and it may improve their land a little bit. Carroll relayed that the Engineer said that it would improve it and they do get a tangible benefit, and even brought up walking trails and education. Carroll thought there was a value added to the Manor Brook property.

To the Mayor's point, the Village was bearing the lion share of the project. The legal fees presented to the Village were an internal issue. Carroll returned to his original comment that covering legal fees should not be part of the negotiation at all. Carroll questioned why it was \$10,000. He thought it was excessive and coincidental that they were landing at \$10,000, which was the number the Mayor suggested in 2018, and thought would be a fair price to provide them. Carroll added that Berger then made the comment, 'no, don't pay anything.' Carroll wanted an explanation and justification from Manor Brook for the opening bid amount. Carroll stated that he wanted to see the project go through, and his intention was not to derail the project. However, this was something that was very concerning. He mentioned earlier that if the grant blew up, or if Council decided that it was not workable, there was a plan, and the Village could do all the work it wanted to do. This would cost the Village a lot more money, but it would not have the constraints of CRWP and some of the other issues associated with using the grant funds. Carroll clarified that he was not saying this was the right choice, but it was a choice. He wanted to hear more from Manor Brook as to why they came up with the figure they did.

The Mayor stated that the Village needed a face to face with them. Porter said he thought that was wise and wanted to see the project go through. He added that it is February, and the Village needs to move this along.

Porter agreed with Carroll that \$18,000 was just not happening. Porter stated that \$10,000 would cover their legal fees and leave \$2,000 which was what the Village could have purchased the property for, apparently, some time ago. This would have had repercussions too. The Village could have purchased those three parcels for \$2,000. Carroll responded saying that \$2,000 seemed reasonable, not \$10,000 because the \$10,000 encompassed legal fees. He has consternation about \$2,000 but could justify it. Porter agreed that there was some logic to it. He added that Manor Brook would be getting benefit out of the project because it would make it a pretty area. The Village benefit was much greater than theirs because it would address flooding. If they wanted to transfer the property to the Village for \$18,000, all four parcels, Porter thought this was a thought. Then the Village would own it and not need to ask anybody. Carroll stated that it would then become public and would allow for walking trails. One concern with walking trails that was discussed at the February 1st Stormwater meeting, was that if they are Village funded, they are for Village residents. Porter agreed and said there would be an easement to include walking trails if the Village decided to put them in, and they would be free and open to the public.

Carroll did not know the next step, but said \$18,000 was a non-starter for him, and \$10,000 was in the same boat as \$18,000. They must provide an explanation about how they are justifying the cost, and why they have waited until the last minute to present it. Carroll said he was somewhat surprised that the Mayor was unaware of it until he saw the email that all of Council received in January. Regardless, more information was needed.

Porter added that Manor Brook did not own the property, Whitetail did. Porter asked what was going to be done with this and said the Village should only deal with the record title holders of the property. There is no reason to deal with people who do not own the property even if they believe they do. Carroll asked what would happen with the validity of the agreements if the property were to be transferred to Manor Brook. Porter stated it depended on the agreement, but the Solicitor said the agreement would be between the Village and Whitetail and any of their successors and assigns. Carroll verified that the Village was covered.

The Mayor addressed the trail. He stated that there had been talks with Whitetail going back to January 2019 when the Engineer presented the proposal, and trails were discussed. Brewster suggested not muddying the issue with a trail from Whitetail to the construction area. The Mayor said that frankly, it was going to happen someday whether there were funding for it or not. This was a bone we kept throwing to them that we were going to try to get you this trail which gets you people off Manor Brook Dr., is safer, and provides a walking area. Right now, some of the HOAs have signs that it is private property, and they do not want the people from Manor Brook walking in Whitetail and some of the people in Whitetail don't want to be walking in Manor Brook. The Mayor stated there are some issues floating. He suggested having a meeting. The Mayor stated that Nancy Moran, Manor Brook Gardens, stayed on and spoke to the Engineer at length after the meeting February 1st. The Mayor stated he would get in touch with the Manor Brook people and try to set something up for a Zoom meeting to talk about their request.

Carroll adjourned the Finance Committee meeting at 9:09. He reminded the Mayor that the meeting he proposed must be Sunshined, and the Fiscal Officer explained 24 hours' notice was required. The Mayor suggested meeting Friday at 9:00 a.m.



Michael Carroll

Prepared by Leslie Galicki

Finance Committee Meeting Minutes
Friday, February 5, 2021, 9:00 a.m. via Zoom

Members Present: Temporary Chairman Carroll, Temporary member Porter, Mayor Koons, Fiscal Officer Romanowski, Solicitor Matheney

Visitor: Dennis Galicki, Cindy Nairn, Bob Royer, Chuck Hauser, Peter's iPad, Greg Heilman, John Butler- CVT

Mayor called the meeting to order at 9:03 a.m. He said it was a discussion with Whitetail's HOA dealing with the property needed for the \$460,000 project on Whitetail property. Mayor stated Council member Porter is stepping in for Council member Berger as Berger lives in Whitetail.

Royer had concerns whether the other people on the Whitetail Master board received the link to the meeting. He informed everyone that Peter is the President of Whitetail Master and he (Royer) is on the board. Peter said he thinks they are all who needed to be on the call. Royer asked if he was sure, Peter indicated "yes". Royer said he would go back to Leah and tell her not to send it back to everybody.

Mayor said the bottom line is that the Village is after is a signature on an agreement between the Village and the Whitetail HOA so the Village could use their property. The goal of the meeting is to work towards that signature that the Village could use the property and another issue is financing.

Carroll stated the Mayor reached out to him and Porter and let them know Whitetail HOA is seeking \$18,000 for access to the property. Carroll said this was news to him. In January he asked the Mayor and Berger multiple times if there was going to be an additional cost and he was told "no". He wanted to know how they came up with the \$18,000 and how long they have they been working towards that number. He asked what the justification for \$18,000 was.

Porter stated Carroll's question was a good one and parenthetically he would like to know if Whitetail is contemplating transferring any of the parcels to Manor Brook.

Peter stated he became President the beginning of 2021. All the things that are being discussed were done prior to him being President. The former President was Chris Berger who is also a Councilman. He let them know what was going on, but basically all these things, the numbers and everything, he just learned of all this stuff when he became President. If Carroll wanted to know how they came up with the numbers, the numbers for the \$8,000 – there were four parcels. One of the parcels was owned by the Whitetail Master Association, the other three went back to the original developers, Thomas and Thomas. It was brought to their attention, he thinks through Chris and through his discussion probably with the Mayor and everyone else, that they had this project to relieve some flooding in South Russell and they needed to have access to the property with an easement and asked if they would give that access. Peter explained that they only owned one of four parcels, and it was prior to him getting involved. He said there was a discussion with Thomas and Thomas and they had their counsel Kaman and Cusimano who also represents Manor Brook Gardens, tell them that if they want ownership of the property, they would have to pay a certain sum to Thomas and Thomas and of course there would be legal fees to cover that transfer and they would do that. Kaman and Cusimano, the law firm for both parties, did the negotiation. Thomas and Thomas said they wanted to grant the property for \$3,000-\$4,000 (he didn't have the exact amount), and then the legal fees to do the transfer would be \$3,000-\$4,000, and that came out to \$8,000. That is how they came up with that total. Then it was done, and the land was transferred.

Peter explained along the way it was discussed about some trees that went down that had to be replaced. Peter said this discussion all preceded him coming on and he was not part of the discussion. There were trees that had to be replaced that were part of the discussion and he thinks the HOA went out and spent something like

\$10,000 for the trees. They pay 73%-75% of the maintenance of the front of the entrance with all the parties including Manor Brook Gardens. He believes there was some sort of agreement to replace the trees. To get this done, he thinks it was discussed that they would have the \$10,000 to replace the trees. They spent the money to replace the trees that benefits all the parties including Manor Brook Gardens. That is where the second amount of \$10,000 came from.

Peter said once he became President, he found out that there was some agreement 40-50 years ago that that land was supposed to be transferred from the original owners which were the people that were still alive before the descendants go the property of Thomas and Thomas. They were going to transfer that property to Manor Brook Gardens; those three parcels, but that never happened. The law firm that actually handled the whole negotiation, Kaman and Cusimano, which represents both parties, advised them what to do and they did it. Later they heard that there was a claim that the land should have went to Manor Brook Gardens.

That land can never be built on, it cannot be developed, it is passive land. The land covers a lot of property and abuts Manor Brook Gardens, but it also covers the aquifer which produces water for all of the developments and the Reserves which the Whitetail Master Association provides. The Reserves don't use that water, but that is part of the overall agreement. There is a retention there. There is an underground aquifer and there is also access to the water plant. These are all important issues regarding the transfer of the land back to Manor Brook Gardens. That is a whole separate issue and really has nothing to do with this.

Peter explained that Whitetail has control of the land – it is titled to Whitetail Master Association. Their only interest is to allow this project to go forward which they think benefits South Russell for flood relief and everything else being talked about. They just wanted to make sure they were given back the compensation. The only reason they got involved in this was to facilitate the transfer so that they could grant access to South Russell. That was their only interest – they had no interest in the land otherwise. Later, if there is a discussion that Manor Brook Gardens says that the land should be theirs, they have no interest in that land – that is a whole separate discussion and that will be involved with the law firm to redo all that and cover the cost, but in this particular discussion, their only focus was allowing the project to go forward which they think benefits South Russell. They want to be compensated the money they spent out of pocket for the legal fees and the money to get that land to grant the Village access and to replace those trees they replaced which benefits all the associations. That is how they came up with the numbers.

Royer said their involvement in this was surely just to help facilitate the access to the property. At the time up until a short period ago, they thought Kaman and Cusimano did their due diligence and said that Whitetail Master is the group that should be entitled, so they proceeded down that road unbeknownst to anything else. As far as they are concerned, they are in agreement. They would like to see the project move forward. They have not had any conversations with Manor Brook Gardens HOA in this regard. Their interest is making this happen. As far as the property ownership at the end of all of this, they have no reason to maintain ownership of Village parcels. That is not in their best interest at this point and it is not something long term they would want. Right now, they are entitled, and it would appear they could proceed forward.

Peter stated that for them to be able to agree to do this, they want to make sure that if there is any damage to the property, it is restored to its original shape that it was in before the project started. If there is any harm or liability, that they are held harmless in any of this and that there is no liability for them to move forward. They want to be good citizens in the community.

Mayor said dealing with Chagrin River Watershed Partners and CT Consultants, he doesn't think there will be an issue with the property. There will be mud on Manor Brook in the summer, but he believes they will be very happy with how it is all put back together.

Peter said since there is a water plant, and the water is facilitated to the homeowners and the condos. They want to make sure there is no damage to the water or the aquifer because that water is vital to the community and for the value of their properties.

Carroll stated he appreciated the insight. He said he wanted to point out some things related to the board from a history perspective. Back in November-December of 2019 they were told by Chris that first and foremost the issue was between the Manor Brook Association and Thomas and Thomas. Back in the minutes there was talk in Council about maybe buying the property, but they were not inclined to do that. Chris indicated this was a private issue between the association and Thomas and Thomas and the Village should not expend funds for that transfer. He went on to further say that he anticipated there would not be a fee to access the property.

Carroll stated that regarding the tree issue, that is a private issue that they would have to take care of. He said Council did discuss the trees and Berger, who was on the HOA board, stated that that was something that they would take care of and maintain. Carroll said if they felt it was a safety issue – his position was the Village could take them down, but it has no obligation, since it is not in the right of way, to replace them. It was a private property issue between them.

While this project can provide some stormwater management, Carroll said it is not known how much of an impact it would have. He said there are other options that could help with stormwater problems in that neighborhood - this is just one option. Additionally, 319 grants are often sought after by private entities because of stormwater issues and trying to manage water. Oftentimes the municipality will split that cost share with the private entity. While the Village has applied for the grant, they are spending Village funds towards this project at no cost to the associations. There is a tangible benefit, not just for the Village of South Russell, but also to all four associations.

Carroll said it sounds like the discussions of cost have been going on for quite some time. Royer agreed that was fair to say. Carroll asked if it was fair to say Chris was involved in those discussion when serving as President. Royer answered “yes”. Carroll asked how long the pricing was discussed and said he had an email that says about 14 months; he asked if that was fair to say. Royer replied that in the beginning they realized that the land was entitled to Thomas and Thomas and that was an error. In order to proceed, and this goes back a couple of years, the property had to be put in title. In order to do that, there had to be money spent to provide the Village with the access to the property. That is where the Thomas and Thomas agreement came in. They had no dog in the fight at that point other than to facilitate the overall project for the Village. Whenever you solicit a lawyer to do something, there is a financial cost to that. It was understood on their part that that would be a South Russell expenditure that the Village would cover.

Carroll asked who gave them that impression. Chris gave Council the impression that they had been paying taxes on that property for 40 years, it is in the minutes of the meeting, that that was an issue between Thomas and Thomas and their association and that he did not see how the Village would be responsible for bearing the cost for that because that was an oversight that should have occurred 40-45 years ago. In earlier conversations when it was agreed to open up the project, that was when it came out as to who really owned the property. That is when it was identified the association was supposed to own it, but they didn't. The Village could have dealt with Thomas and Thomas, potentially directly, but then that could have brought other issues of who owns the property and was supposed to get the property. Carroll said it is fair to say that they were negotiating and trying to figure this out since 2018 and Chris was involved in all these conversations.

Peter said he is learning of all these things now, he was not there at the meetings, so he does not know what Chris's discussions were with them or with Council or anything else. The only reason they got involved was to facilitate this so South Russell could get this project; they wanted to be good citizens. Otherwise, the Village would have to have dealt directly with Thomas and Thomas and bore the expense. They bore the expense because of what was represented to them. Peter said this has chewed up so much of the time for the HOA, it is

almost irrelevant. They are doing it for the Village and the benefit is really for the Village, it is not so much for the HOA.

Peter said in retrospect he thinks maybe they shouldn't have gotten involved in the first place, but they did based on what was done. Chris was the President of their board and he is on the Council. He said he is here now, but other than that, that is the only reason they got involved. Pete says he does not want to speak for Chris or what was said, but from his standpoint, they took money away from the HOA to facilitate the project. They want to be good stewards for the HOA to get that money back which is for the legal fees and for the money they paid to Thomas and Thomas. The stuff on the trees, those are discussions that Chris had with everyone else, Peter was not part of any of those things. They did spend money on trees. If the Village wants to argue that is not the Village's business, that is okay. The money they spent for the legal fees and to get the property, they did that for South Russell and for them to say go forward, they think they should be reimbursed the money.

Carroll said he appreciated Peter's comments, but the Village could have done an agreement with Thomas and Thomas directly for those parcels and/or Manor Brook or Whitetail or whoever owns the parcels. There is really no transfer that had to occur at all. The Village could have done separate agreements to have it done. Pete stated he agreed 100%, but it is already done, and they are trying to be good citizens. They are kind of caught in the middle of this.

Pete said he is a citizen of South Russell and he is listening to the comments by everybody and he hears people saying maybe it can be done a different way. They do not know if it is going to fix the flooding. That is not their fight or battle. But to him, as a South Russell resident, it seems to be a positive project that is trying to do something to try to help control flooding. They had Manor Brook with homes under water and this seems like a grant that will benefit them. It may not be the perfect solution, but it is a solution that will grant some relief. He is trying to understand why there is so much resistance.

Carroll said he does not think there is resistance, but there are other options the Village could have. The 319 grant is one option and there are other options that could have just as much of a positive impact. The 319 grant is not stormwater retention, it is wetland restoration which could assist with flooding. Pete asked about the aquifer which captures water that benefits the homeowners. Carroll replied that there could be a tangible benefit to everybody. But there are other options that could be just as effective.

Carroll said the consternation he had was Council was told there would be no additional cost, and the Village had other options. The Village was told by the former President of the HOA who is also a Councilman, not to be involved and do not spend Village funds on this, they could take care of it; so that is what the Village allowed to occur. Now it sounds like this has been negotiated for quite some time. Carroll said he asked multiple times if there was going to be any cost to Berger and the Mayor and they both said "no". Now he found out at the last Council meeting there may be a cost, and he found out the day prior. It sounds like this was being discussed for a good 12-14 months. He said he asked the Mayor why it was not brought up sooner so these conversations could be had. This is the 11th hour and now it is a problem. Carroll said most easements can be as little as \$1 or \$100; \$8,000 to deal with something that could have been addressed with a different method, that the Village had no participation in, is problematic.

Pete said he is listening to this and they are talking about \$8,000. He asked if getting the \$319,000 and the potential benefits it brings to South Russell is worth the \$8,000 to reimburse them for their legal fees. He said he was not part of anything with Chris. He is not involved with the machinations on Village Council. This is the most ridiculous thing he has heard of in his life. He is trying to understand what goes on. He said they are talking about \$8,000 and getting a grant for \$319,000. He said whether this goes through or not, it is not going to change them at Whitetail if they are down \$8,000. But for the people in all the developments, in listening to this, it sounds like this is something good for the community. What went on with previous discussions, he does not know, he was not part of that. They want to be good citizens. He agrees 100% how there has to be openness and transparency, but what does that have to do with them. It sounds like they are arguing minutia.

This seems like it will benefit the community. There might be other options, but he hasn't heard of any of those options. This money seemed like it was going to be a good thing and enhance the land and improve the lives of all the people and all the developments. It could enhance the water retention. It could benefit the aquifer and it could help with flooding. He said it sounds to him like this is a lot of anger among people who did not like the way procedures were done. He said he gets it 100% but asked what is in the best interest of the people of South Russell and what is in the best interest of the people in all the HOAs. Peter said if the Village does not want to give the \$8,000 back, okay. If the Village wants to turn down the project, that is fine, they will be out \$8,000.

Peter went on to say he just came onto the board. He did not ask to be President, but he did it to try to help the neighbors out and he is trying to understand fighting over \$8,000; and possibly give up \$319,000. As a South Russell resident, he does not understand that. He said what went on among the Council members and the discussions and the way things were handled, they need to work that out amongst themselves. He said he understands and agrees – if he was sitting in their position, he understands Carroll's position. He said he understands Carroll does not appreciate this was brought to him last minute. Peter said he doesn't know anything about what goes on in South Russell Council. They are just trying to help the community. This seems to be a positive thing for the community. Maybe it was not done the way people wanted it to be, but it seems like a positive thing. He is trying to understand how the Village runs and this seems like a good thing. But if the Village turns down this money and all the potential benefits don't occur; he is trying to understand why people would do that. Peter said maybe Chris should not have made all these representations, but from his end, he is on the back end of this and he is trying to say they just want their \$8,000 back for what they did to be good citizens to facilitate something positive for the community. That is their only position. He said if the Village does not want to go with that, then they are out \$8,000 and it is what it is.

Porter said the Village appreciates greatly that Whitetail is agreeable to this project under the terms that they were talking about. He said it is going to be a benefit to the community. It is not known if it will solve all the flooding issues, and it is doubtful it will, but it is a big step forward. The 319 grant is a big deal. The Village is paying a portion of the cost and the grant covers the rest. Whitetail's permission is needed, otherwise it doesn't happen because they own the land.

Porter said he was mystified how Whitetail wound up with the land when it was supposed to go to Manor Brook, but Whitetail owns the land right now. There are \$8,000 in legal fees. He said he understood Carroll's point because Council has been told repeatedly it was not going to cost the Village anything. When the issue first surfaced, Thomas and Thomas evidently were willing to sell three of the four parcels, to the Village for \$2,000. Council did not want to go in that direction because they were not sure what was going to happen because they have been paying the taxes and Thomas and Thomas didn't transfer it, etc. The Village didn't want to get involved in a huge legal fight as a recipient of the land when there were other people who had claims to it.

Porter said the Village could have bought the property for \$2,000. Council has to protect the Village finances, which is all tax money. The Village cannot throw money out without adequate justification for it, which is what Carroll is talking about. He said he knows they are out \$8,000 because of the transfers. He asked if that transfer was done by mistake, should the land have gone by deed to Manor Brook.

Peter replied that he knew nothing of these things. He said there are a lot of conflicts; a law firm that represents both Manor Brook Gardens and Whitetail, and that never should have happened. The President of an HOA on Council; there are conflicts all over the place. In addition, Coral Company represents both parties, that is an issue. This was all before his time. They have no interest in this land. The people that are in Manor Brook Gardens, that land is right next to their properties, so if anyone should have that land, it should be them. This is passive land that will never be developed. They want to make sure there is no harm done to any parties. They supply the water to Manor Brook Gardens. When this is all done, if all of a sudden, the law firm says it should have gone to Manor Brook Gardens, they won't stand in the way. He said Kaman and Cusimano really screwed this up. Pete said they have not had one correspondence from Manor Brook Gardens.

Peter said he just found out about the \$2,000 to the Village, that was like a no brainer and he gets it. He said the more he hears of this, this is absurd the way it has all been handled. He said he does not know why there wasn't open discussions. He does not know why Council did not get the information. They do not want to be the block that stops it. If the Village says they are not going to give Whitetail the money, then they are just out of the money. It doesn't seem fair to the HOA. He doesn't want to stop the project but what does he tell the people and the HOA that they paid for something that benefits the Village of South Russell. They did it to help the Village – it really doesn't give any benefit to them at all. They are just trying to be good citizens. Pete said if Kaman and Cusimano had given the property to Manor Brook, the Village would be talking to them instead. He said they are just here by accident.

Porter said he appreciates Whitetail's circumstances. He spoke of two possible solutions. First, he asked if Whitetail would be amenable to a lesser amount than \$8,000. Second, would Whitetail be willing to convey the land to the Village. Pete replied that they do not want the land at all; they have no interest in that land. He said that is all storage of water and that would be taking on some responsibilities. He said they are not landowners. Porter said they are landowners now and that is why the Village is talking to them as they are the titled landowners. Pete said he doesn't care, but they have a board that would have to talk about that. He asked if the Village would want that land. Porter replied that they are out \$8,000. The Village could have presumably bought the land for \$2,000 some time ago. If they have no interest in the land, there seems to be a compromise. Mark said he was not committing anything to anything.

Carroll said Pete brings up an excellent point with the aquifers and the water system. Those are things that would have to be looked at. Taking on the property that could have responsibilities to the Village is something that the Village may not want to do. He said the Village doesn't really need that. He said the one thing to understand is that once this project goes through, being that it is a 319 grant, that land will never be changed. They are not going to build on it, but they need to understand that is part of the commitment to doing the project.

Carroll said in order to make an official counter, they would have to meet with Council to discuss. Carroll asked Royer if he was part of the negotiations with Chris in the beginning. Royer replied that he was involved in the dialogue. Carroll asked who from Whitetail worked with Cusimano, was it Royer or Chris dealing with the land transfer. Royer replied that as far as that is concerned, the property manager was the person negotiating with Cusimano. Pete clarified that it was Chris; he didn't think it was property management. He thought they just facilitated the discussion. Carroll asked if Chris was involved in all that, Royer replied that Chris was involved in that. For everybody including Peter, Chris was not on the board, other than a supervisor at this point. Chris did not become a supervisor until this past summer. Pete asked if Royer was talking about Leah. Royer said he was talking about Chris. He said Chris was not a County supervisor of South Russell until this past summer. Pete clarified with Royer that he meant Councilman of South Russell, not supervisor. Carroll asked if Chris was on Council when these conversations were taking place this past summer. Royer said these conversations were well before he was on the Council and started back in 2018. Carroll asked if he continued on the board in private conversations through last summer because he just resigned from the board effective the end of 2020. Royer confirmed that was correct.

Porter said at this point the Village has had discussions with the Whitetail folks. They are the recorded property owners. He believes Council needs to consider this issue in an Executive Session on Monday.

Mayor said at this point he has muted everybody because one of the issues that has come up is whether Council buy this land or take ownership of the land. Mayor said he believes that the land that is set aside is because they needed to maintain a minimum of one acre. He asked the Solicitor if they could reduce the total land mass of this development by selling the land to the Village.

Solicitor replied that she didn't know the answer to that question. If they need that common area for lot coverage or density, or something like that per Zoning Code, she would have to look into that. Assuming they can sell it, and it is not for lot coverage reasons and there is no issue. She cautioned the Village because if there is going to be an issue down the line as to who owns it, she certainly wouldn't want the Village to be in some sort of quiet title action after becoming the titled owner of this property with someone who is claiming they are the actual rightful owners. Solicitor said she does not recall an actual proposal of \$2,000 to purchase all four parcels.

Porter said that is his recollection. He believes it was in the minutes, but it never went beyond talk and the Village never saw a written agreement at that time. Porter said the Solicitor has time to research this issue and Council can discuss it Monday and that might lead to some sort of helpful resolution down the road. Porter said no one wants to lose this project.

Mayor said the original discussion when we started looking to get a hold of this land, kept showing on Geauga Real Link to Thomas and Thomas. The Mayor said he called Bruce Thomas and asked him if he realized he still owned that land – he had no idea. He said he dealt with Jim McSherry in South Russell Village Hall on a Tuesday afternoon. Jim said they were looking for \$15,000 to get that land. There were three parcels, and they were still entitled. They got into the taxes. They talked back and forth. Council member Canton and the Mayor took Bruce Thomas to lunch at Burntwood and told him the Village needed that land for the project and asked him what it would take. Bruce Thomas was generous and said he just wanted to get money for his brother Tommy. Later on, he met with Tommy in the basement of Village Hall and Tommy said originally, he thought they could put another condo there. The Mayor explained to him that this was community land that needed it to maintain their one-acre lot size for everybody. When he left, he said to the Mayor a couple thousand dollars. The Mayor remembered helping him up the stairs into his car and then calling Kaman and Cusimano. The Mayor explained that Tommy Thomas was the chairman of Thomas and Thomas and Bruce was the President. Tommy had control of the Thomas and Thomas Development Corporation. The Mayor said he would make a small correction and said these were the guys who started Manor Brook and Whitetail and were the original Berger. The Mayor called Kaman and Cusimano to tell them that they could probably get this land for a couple of thousand dollars. It was in July of 2020 that the land was transferred to Whitetail. The Mayor said we have had this discussion. He remembered looking at this issue years ago. Somebody said it was about 4.65 acres and we are not going to get 4.65 acres of South Russell Land. It is going to cost us something. The Mayor stated he agreed and appreciated everyone's willingness to do what was best for the Village. He thought we are just what Porter said, we are down to Executive Session that will be Monday night at 7:30 at the Council meeting. The Mayor explained that Executive Session means just the Council and our people talk. He did not know whether if it would be called a secret meeting, but the public would not be able to be a part of it. The Solicitor asked the Mayor under what reason the Executive Session would be conducted. Porter stated it would be for potential property acquisition. The Solicitor asked if the Village had a proposal from Whitetail or would this be Council discussing if the Village were to buy it. She asked if Whitetail was saying yes, go ahead and buy it. Porter stated it would be potential property acquisition by the Village.

Carroll stated that to the Solicitor's point, he said that Whitetail had not offered the property for sale. Porter said that did not bar the Village from making a proposal. Peter advised that he had been on a lot of calls and the HOA was just trying to get their money back but also wanted to help the Village get the project going. He said it was getting really complicated, and they just wanted to help get the project going. Peter explained that the HOA had been drawn into the matter and never probably should have been. They are out \$8,000. He suggested simplifying the matter. He explained the HOA would like to get back the money they had spent to help facilitate the project. Afterwards if the Village wanted to buy the land, they were not landowners and had no interest in any of this. They have nothing against Manor Brook Gardens. They just wanted to be good citizens and honestly, they wanted to take care of their HOAs and did want to get involved in all the politics of the Village of South Russell. He respected everyone on the call and thanked them for their service to the community. His interest was just in being a good citizen and helping the Village with what it was trying to do

and be of service to everyone. He also wanted to be a good steward to the HOA and make sure they did not spend money they should not have spent. Peter emphasized that both sides were in this together. Porter agreed and said he appreciated their willingness to discuss the matter. Porter said the Village would come up with a proposal Monday. Peter emphasized that he just wanted to do what was in the best interest of South Russell and had no other interest in it. From the Board's point of view, anything they could do to help South Russell and to be good citizens, they were there to serve.

Nain thanked Peter and Bob for their volunteer time in helping the entire Manor Brook community. As a Councilwoman and resident of the Village, Nain stated that there was no one who wanted the stormwater problems more than she did. She, too, experienced flooding on her property over the years. However, she stated that a project of this importance and magnitude could not commence with this much confusion, non-transparency, and unauthorized law firm fees. Nain stated she had paid taxes on her property for 29 years. When the community was told more than once that it would cost the Village nothing, she was completely on board. She added that she was still on board but had not gotten answers concerning all these monies and fees that had just shown up over the last eight or nine weeks. There must be a lot of clarification going forward, because as she said, this was a major project and there were too many unknowns.

Galicki addressed Peter. He offered his appreciation for the unpleasant mess and struggle Peter was facing. Galicki suggested that in Peter's new role as Master Association President, that from an outside observer's perspective, all the HOA's were using the same legal firm, had the same management company, and from Galicki's perspective, it should have been a no-brainer given this synergy to find out who really owned the property. Galicki was dismayed that at this stage of the game, this question remained. It would seem like this should have been easy to determine given the fact that the same legal firm was involved, and the same management company managed all properties. Perhaps going forward, he suggested Peter look at those fees that the community offered in good faith to say, how did we arrive at this point with the same management company and representation by the same legal firm? Maybe they were not getting value for their dollars. Peter said he agreed 100% and felt conflicted. He was shocked and appalled about how this whole thing had transpired. Peter felt victimized and added that all parties had been victimized. This was the biggest conflict of interest he had ever heard in his life. At this point, he just wanted to do what was best for South Russell and the community. This never should have happened and going forward, a lot of changes would be made. All the conflicts of interest did not serve anyone. Galicki stated he could not agree with Peter more on this. He added that much of this discussion probably stemmed from what appeared to Peter and others as conflict of interest or hidden agendas, etc. These are issues collectively, Council, as public servants and trying to act in the correct public interest, needed to address and see where they could go forward from here. He appreciated Peter's comments and advised that he felt his pain as the new HOA collective President. Galicki wished him God's speed on his journey.

Peter thanked Council for the great work it does in the community. He reiterated that he loved the Village and appreciated Council's efforts. Peter stated that when there was ever a lack of transparency, there was a lack of trust, and he thought this was bad. They did not want to be part of that. They wanted to be part of the solution not part of the problem. If they were out \$8,000 because they were given the wrong information, then shame on them. However, Peter reiterated that he was trying to be a good steward for his Association and a good citizen for South Russell. Galicki echoed Peter's comment about transparency and trust, and thanked Peter.

Porter made a motion to adjourn.

The Mayor stated that Chuck Hauser wished to speak. Hauser advised he is a resident of Whitetail and is not on the Association. Hauser addressed Galicki and said he did not think that they all had common Association managers and did not think that the Coral Company managed Manor Brook Gardens. Peter corrected Hauser and stated that they do. Nain asked about the Carlyle Management Group because she thought they managed

part of the properties. Royer stated they only handles the Whitetail Condo Association. Hauser stated that the Coral Company did not do every association, although this was a minor point. Hauser addressed Carroll about representations that there would be no cost to the Village. Hauser stated there had also been representations through a Whitetail newsletter that there would be no cost to the Association. This was something that Peter and Royer would have to deal with the Association members. Peter explained that he did not write this letter, and Hauser said he understood this, but the information was out there. Carroll asked who wrote the letter. Royer stated that they were not interested in 'who struck John.' What they were interested in was getting a resolution to this. Royer stated there was no need to point fingers at anybody, and just needed to come up with a resolution to solve the issue. Getting into the weeds would reveal a very crooked trail as to who owned what, when and why. Royer suggested they just get it done, put proposals on the table, and make it happen.

The Mayor stated he muted everyone because it was a South Russell Village Finance Committee meeting and Porter mentioned a motion to adjourn. The Mayor addressed Peter and said that hopefully Monday night after the Council meeting hopefully he could be giving him a phone call. He opened the meeting back up but advised he would no longer be recording it. It would just be a way for people to participate and talk to each other, but it will not be a formal South Russell meeting.

Carroll stated there had been a motion to adjourn the meeting, and the meeting had not been adjourned and it was necessary to record until there is a vote to adjourn. The Mayor interjected that he was turning the floor over to Porter so that he can handle this. Porter made a motion to adjourn and said that if Carroll seconds, they will vote, and the Mayor's informal discussions can happen afterwards. Peter thanked the meeting participants. Carroll thanked Peter, Bob, and Chuck for their time. He acknowledged that they are in a pickle, as is the Village, but offered that everyone would get through this. Carroll seconded the motion to adjourn at 10:00 a.m. as the acting Chair of the Finance Committee. Ayes, all. Motion carried.

Porter stated he was departing. The Solicitor addressed the Mayor and stated she did not know about keeping the Zoom open for the discussion. She saw that Porter and Carroll had left and so the Finance Committee was no longer present but asked if Galicki and Nairn serve on a committee together. The Mayor stated no, but they were members of Council. She thought the meeting should not have been adjourned as a public meeting. The Mayor acknowledged that the Solicitor thought the meeting should be ended. She agreed. The Mayor told John Butler, Chagrin Valley Times, to call him.

Carroll adjourned the meeting at 9:03 a.m.



Michael Carroll, Temporary Chairman

Finance Committee Meeting Minutes
Tuesday, May 18, 2021 Village Hall and via Zoom

Members Present: Chairman Berger, Councilman Carroll, Fiscal Officer Romanowski, Fiscal Auditor Lechman, Mayor

Berger called the meeting to order at 8:01 a.m. and called the roll.

Regarding the American Rescue Plan Act (ARPA), the Fiscal Officer distributed sections of the plan the Solicitor thought were applicable to the Village. It was permissible for the funds to be used for stormwater projects. Carroll was pleased to hear this and hoped the Village could make some headway this year. Berger asked when the first installment would be received, and the Fiscal Officer said she believed it would be within the next month; half would be received this year and half next year. The Village had until the end of 2024 to spend the funds or at least have the funds allocated. She advised that a new Village fund was created for the monies, and when decisions were made as to how it would be spent, line items would be created within the fund.

Berger wanted to look at it as a revenue discussion and asked the Fiscal Auditor about the current revenue stream. The Fiscal Auditor verified revenue was as anticipated. Berger addressed the issue of upcoming levies in terms of revenue. Berger noted the third component of the Village's significant revenue would be the ARPA funds. He suggested the ARPA funds could be used to replace the levies and not pass a levy for the next two years. The Fiscal Officer explained that the funds are a one-time, spread over two years, event and it was easier to renew a levy. The Fiscal Auditor explained that the Village does have money in the bank. However, when a point comes where operating expenses exceed operating income, the Village would then be faced with a replacement levy, which would be an increase for the voters who tend to struggle with the amount of the increase. He recommended doing a renewal because it was not a change in taxes for the residents. The Fiscal Officer added that the Bell Road project would be coming up and was estimated at \$860,000 without any changes to it. The ARPA was a one-time event. Council had discussed addressing stormwater issues for years and how the Village would pay for it. One pond, for example, could cost \$750,000 which would be the entire ARPA amount. She saw this as the perfect opportunity to address the stormwater issues but still have the money for the roads. Carroll agreed and said the Village had been discussing stormwater since the early 2000's. He would look at this as an opportunity to address big projects to address stormwater. The Fiscal Officer stated this could allow the Village to address stormwater projects from an engineering perspective identifying the project with the greatest benefit. The Fiscal Auditor suggested renewing the operating levies to continue to cover operating expenses and then when the county asked what was being done with the money in the bank, the Village could respond that it was addressing stormwater projects that may not be offset by grants. The Mayor asked if the Village should renew now or wait until next spring. The Fiscal Auditor said that typically the Village tried to renew at least one cycle in advance in case it did not pass the first time. Carroll concurred. The Mayor expressed his concern about putting the levies on the ballot in fall with the residents knowing the Village would be getting the ARPA money. He felt there would be some push back and wanted it to be done next spring. The Fiscal Officer advised that it should occur this fall. If the levies do not pass, then the Village would need to get out there and explain the need more thoroughly. The Fiscal Auditor explained that if the levy did not pass after all attempts, the Village would have a deficit and find itself having to make big changes down the road.

This was a more difficult scenario to sell to the voters. It would be better to say that the Village would be keeping residents' taxes the same. Carroll agreed and said to the Fiscal Auditor's point, this could even offset a levy increase down the road.

Berger stated if there were grant monies available from the State, they should always be a top priority. The committee discussed the benefits and constraints/limitations of grant funds.

The Fiscal Officer advised that she had received the certifications from the county and if the Road and Bridge renewal passed, it would bring in \$242,458 and the operating renewal would bring in \$184,149. She said she would prepare legislation to introduce the legislation at the May 24th Council meeting.

Berger said it sounded from a revenue perspective, the Village had a plan moving forward. He said the fun part was how to spend the money. Carroll offered that stormwater in general had been discussed. Specifically, he provided a list that included detention/retention on Village property, consideration of the red ranch for stormwater detention/retention, limb and brush chipping for the community, a possible single event to dredge all settling ponds which could help stormwater issues, allocation of funds to widen Bell Road East to the Newbury line or at least to Snyder Road reestablishing all ditch and swales across the Village for stormwater mitigation purposes since ditching had been neglected for at least 20 years, a hazardous waste disposal day for Village residents, enclosing the pavilion similar to Frohring Meadows so it could be used year round. He explained that these were just his initial thoughts for use of the money, but stormwater mitigation would be his priority. Berger asked who would come up with the priority list of stormwater projects and Carroll advised that the Engineer would. However, Council had been waiting for an updated stormwater study for quite some time. He hoped to have this soon.

The Fiscal Auditor suggested financing the purchase of property to serve as detention/retention by selling other Village property.

Berger asked Carroll to have the Engineer put a priority list together and then the committee could discuss how to finance each priority.

Berger asked if there were any other issues that would be considered for the ARPA funds outside stormwater issues, roads, or the five-year plan. The Mayor suggested a restroom in the park. Berger said this should be at the top of the list. Berger addressed the Village departments' priority lists. The Street Commissioner's top priority was a loader. Carroll advised that the Streets Committee did not support this. Berger asked if the issue should be revisited, and Carroll said no. The loader was not that old, and he and Porter had discussed the matter in depth. They agreed that the loader was not needed at this time.

The Mayor stated there was an issue with broadband in Rolling Ridge. He clarified that it was a Spectrum, Cablevision, AT&T, Windstream issue. It was only one person in one neighborhood who complained. Carroll suggested leveraging the Public Utilities Committee to identify the issues within that area. The Mayor stated that the only two communities that had consistently complained about service were Lake Louise and Daisy Lane. The Fiscal Auditor noted that the Village received revenue from the cable companies. The committee discussed cell phone reception, towers, and the potential to provide free wi-fi.

Regarding the Treasury Investment Board, the Fiscal Auditor explained that the Village has a codified ordinance, 235.02, which established a Treasury Investment Board consisting of the Mayor, Fiscal Auditor, and the Solicitor. The Fiscal Auditor was unaware that this existed. The board is responsible for making key decisions as to how the Village invests monies not needed for six months. He liked the idea of a group decision. The Auditor suggested possibly expanding the committee to include the Chair of Finance. This way, there would be a member of Council who would be aware of project expenses and issues with tying up funds for a period of time. The Mayor asked why the Solicitor was on the Board. The Fiscal Auditor surmised it was to ensure the Board was staying within the rules of permissible methods and appreciated her involvement. Carroll proposed there be five members for voting purposes and suggested having a resident with investment experience on the Board as well. The Fiscal Auditor thought it would be beneficial to have this Board particularly when interest rates begin to improve.

Berger suggested to the Fiscal Auditor having a ladder of some sort in terms of the Village investment structure. The Fiscal Auditor proposed identifying how much in the form of a percentage of the Village's annual budget should be set aside as liquid funds and not invested. The Fiscal Officer added that there are advisors that specialize in government investments who could assist in advising and investing. The Mayor suggested they meet with the Solicitor before the next Council meeting to discuss changes. He did not think the Solicitor should have a vote. He directed the Fiscal Officer to begin amending the legislation. The committee discussed the makeup of the Board, and whether the Solicitor should or should not have a vote. The Mayor asked if the resident should have a vote, and the committee stated yes.

Regarding the Chagrin Valley Fire Department request, the Mayor explained he met with Dan Fritz, the Mayor of Moreland Hills, and Erinn Grube, the Chair of the Chagrin Falls Village Council. The Fire Department is trying to raise \$1,000,000 and has raised \$600,000. It wants the six communities that use the Chagrin Falls Fire Department to kick in to help their capital improvement. The committee questioned the request given that Chagrin Falls Fire Department was a contracted service provider for the Village that is approaching the Village for a donation to enable them to continue to provide its service. The timing of the request was also questioned given the ARPA funds. The committee discussed that the Fire Department building improvements should have been considered in the business plan and potentially built into future contracts. It was noted that there is a board for Chagrin Falls Fire Department which consists of representatives from participating communities, but the board never meets. The Mayor would see if he could arrange a meeting to discuss the \$70,000 request. The Village, however, has no vote with this board. The Mayor relayed that the document containing the request stated that there were additional significant donations that were anticipated once the local communities commit to a share of the capital that is required to complete renovations.

Regarding blanket purchase order legislation, the Fiscal Officer would obtain samples from the Auditor for the committee. She also provided the committee with a copy of the Village Credit Card Policy as well as four bullet points that should be added to this policy even though they are already in practice. The Fiscal Officer advised that this was a policy, not legislation, and amendments could be done by motion.

The 2019-2020 audit will begin in the beginning of June, but no date has yet been set.

The Fiscal Officer provided legislation regarding food expenditures and what qualifies to be paid for by the Village. In the employee handbook, there is also guidance about dollar amounts and limitations with food purchases for employees. There are seven identified items on which money can be spent. Outside of this, permission would be required from Council. This topic was addressed in the audit meeting. The Mayor asked if he could buy breakfast if he were to meet with David Maistros of the Board of Zoning Appeals. The Fiscal Officer stated this was not on the list of approved food expenses. The Fiscal Auditor suggested Council authorized each committee to spend up to a certain amount each year at business meetings that involve food. The Fiscal Officer said it would be necessary to amend the legislation to make this permanent. The Auditor questioned how the Mayor's discretionary fund applied to the food purchases. The Fiscal Officer reiterated the legislation would have to be amended. Carroll offered that this would be normal for private sector but was not in the public sector. Berger said this was draconian. The Mayor needed to meet with people to move forward with the business of the Village. The fact that he cannot meet with someone who is doing work for the Village like the Chair of BZA and buy that person breakfast is absurd. Carroll stated that there are entities like the Ohio Ethics Commission to make sure everything is in line. The Fiscal Auditor did not have a problem with the Mayor covering his own meal during a meeting, and Carroll said he just did not want it to be a personal spending account. He added that the Mayor received pay for being the mayor as do council members. The Fiscal Auditor said it could be specified. The Mayor stated he used to take Craig Cawrse out to lunch to get free advice for a \$14 lunch for hundreds of dollars of free landscaping advice. He verified this was not legal, and Carroll stated not according to the way the legislation is written. The Fiscal Officer explained that it was taxpayer's money, and meetings do not have to occur at lunch time. She said Council could amend the current legislation and add what they want to allow.

Berger noted that according to the legislation, attendance at seminars, conferences, and meetings is authorized by Council. If Council blanketly authorizes the Mayor to meet with such individuals of the Village and/or employees or representatives of the Village, then it is all covered. Carroll offered that Council does not know about all of those. Berger asked if Council needed to know. Carroll explained that the Mayor would have to get approval of Council. Berger suggested making a motion at the Council meeting to authorize the Mayor's meetings. Carroll stated he would not agree to a blanket statement. He would set limits. Carroll asked the Fiscal Officer how often Mayor Brett submitted receipts for meeting meals. The Fiscal Officer stated that in 12 - 13 years, Mayor Brett never submitted such receipts. Carroll said he would consider limits but did not want this to be a personal spending account. Carroll would need to think about what the balance should be. Berger suggested coming up with a meeting amount and a dollar amount for the next meeting.

With regard to the permissible events to purchase food, the Mayor stated that item 7 was for annual employee and public officials' appreciation. On June 3rd, the Mayor wanted to have an end of COVID luncheon for everybody. If he cannot do that, he will call it an appreciation luncheon.

The Mayor addressed the Parkland dam. He advised that C.W. Courtney, the engineer for the Parkland dam community, assessed the dam and said it would cost \$425,000 to repair. There are things that can be done including lowering the water level. The Mayor met with two of the homeowners and the Engineer to figure out how to go forward. The Mayor stated that the Village could take on the project. Solon had done this as had Medina, so it could be done. Carroll advised that this situation was different.

The Mayor stated that if the Village took it on, there would be a contract with the 11 homeowners that would raise their taxes for 20 years or so. This proposal came to the Village last November. The Mayor thought it was valid. The residents will be attending the May 24th Council meeting. By June 10th, the Village would want to see an escrow account with \$11,000 in it to show their commitment. The Fiscal Auditor likened it to the financing of sewers. Once the resident moved, they are no longer were responsible. Carroll said it was and it was not similar. The sewers involved a bond to take on the project, a tie-in fee of \$10,000 - \$15,000, and the assessment. It was a big hit, not \$1,000. Furthermore, Solon was a rated type 1 dam, and he assumed the dam in Medina was also rated. The Mayor did not know. Carroll asked the Mayor for the name of the dam, and the Mayor did not know and had gotten this information from one of the Parkland residents. Carroll explained that the Parkland dam was not a rated dam. They also had not yet lowered the dam, so they had not done anything to demonstrate their commitment. Additionally, Carroll questioned whether, by raising the level of the water as the Parkland community did, if they were responsible for damage to the Village's infrastructure. He also questioned whether the Village had the right to just lower the lake level given this issue. Berger explained that Aqua Doc put in a new slow-release pipe at a higher level, which raised the water level. Carroll explained that if the water level had been kept where it was previously, the residents would not have the current problems. Carroll acknowledged that the Village had the ability to do the project but questioned whether Council should. The Fiscal Auditor noted that it was a creative financing solution like the sewers, but the Fiscal Officer stated that the sewers were done through the county. The Fiscal Officer further explained that the quote of \$425,000 would likely increase if the Village were to take the project on because of requirements to include prevailing wage. Additionally, if the Village required a loan for the project, it was not bond rated. Carroll said that theoretically, the money was available to pay for the project upfront. The Fiscal Auditor suggested charging an interest rate, and Berger said the Village could not do this. Carroll explained that the Engineer's opinion was that if the community lowered the water level, the project would not be as costly as Parkland's engineer indicated.

The Mayor said that at the Council meeting, the residents would be told that the 11 residents must contribute \$1,000 each to the escrow account. If only nine of the 11 do this, there would be a whole political thing with which to deal. The Mayor wanted to see some commitment from them in the form of money. The Fiscal Auditor added that the Village should see action as well by lowering the water. Carroll thought \$1,000 was a little soft. A sewer tie-in was \$10,000. The Fiscal Auditor explained that the tie-in is paid by the resident and the assessment is put on the tax assessments. The Fiscal Auditor noted that the project would be a loss for the Village financially. Carroll asked if the Fiscal Auditor could determine the true cost of the project. The Mayor did not want a lot of work done if the residents were going to pull out. After they provide the \$11,000, the Village would have the Engineer do a study. The committee discussed determining the actual project cost. Berger explained that he was told the Village could not charge interest by one of the Parkland dam residents who is an attorney and has done government work. He said it was not allowed under state code.

Carroll stated that it would be taxpayer dollars being used and to lose it on a private project is problematic unless the money could be recouped through the initial fees. Berger suggested applying an administrative fee to ultimately get to net zero. He did not think there would be any problem getting the residents to kick in money to get the project started. Carroll added that it was first necessary for them to

lower the lake. Berger argued that this was an engineering decision. Once the Engineer had control of the project, he could lower the lake if he wanted. This was not a finance issue.

The Fiscal Auditor asked the Fiscal Officer whether the county would allow the proposed financing and assessments over 20 years. The Fiscal Officer spoke to the County Auditor about it a few months ago, and she would reach back out to him to clarify the issue of charging interest.

The Mayor stated that the Village was going to lose money but should find a way to break even. Carroll stated that the Village did not want to do this. The Mayor addressed the Engineer and Solicitor's hourly fees, and the Fiscal Auditor stated that it was one thing to lose money if the Engineer looked at a situation, but another to have a whole Village make a big investment. Carroll agreed and added that it is for 11 homes. Carroll stated it was not a done deal as it is. The Fiscal Auditor agreed and said that contributing \$1,000 did not make it a done deal. That would get the Village good research. The Mayor said he was at the point that he wanted to cut the Village's loss. Every time the Engineer talks to them, it is \$136.

The Mayor stated that the bids for the Road Program were fantastic. The bids were \$436,000, \$420,000 and \$371,000. \$371,000 was Specialized Construction. The Engineer had to review the bids to ensure they were apples to apples. To do everything would be \$371,000 and \$350,000 was budgeted. Carroll clarified that that was with the alternates, and the Mayor concurred. The Fiscal Officer stated it could not be awarded until July because of the grant for Bel Meadow. The Mayor stated that CT quoted \$304,000 just for Bel Meadow and Specialized came in at \$191,000. The others came in around \$200,000. The committee noted the disparity between CT's quote and the contractors' bids and Carroll offered that Streets Committee would investigate this and report back. Carroll advised it would be discussed and a recommendation would be made to Council.

Berger asked whether there was more that the Village should do with the Road Program since the numbers were so good. Carroll stated that \$350,000 was budgeted and with grants the alternates could be considered. The Street Committee would discuss this.

Berger adjourned the meeting at 9:38 a.m.

Christopher Berger, Chairman

Finance Committee Meeting
June 1, 2021 8:00 a.m.

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

Berger called the meeting to order. Berger stated that the Mayor sent the committee an email with suggested agenda items.

The Mayor recommended sending the community a survey concerning use of the American Rescue Plan Act (ARPA) funds. Berger asked if this was typical of what the Village does, and the Mayor stated no. He felt the residents should be notified of the Village's receipt of money to allow them to be involved with providing ideas. He did not think the Village would receive much out of it, but it was a way to allow residents to know what was being considered. Berger asked if this would be an open-ended question regarding what residents wanted to see done with the \$700,000 received from the Federal Government. The Mayor stated no, that the residents would be given five prioritized ideas. The Fiscal Officer advised that the money was limited in its use. Carroll agreed and stated it was limited to infrastructure use. He suggested submitting an article to the Chagrin Valley Times discussing the receipt of the money and potential uses. The article would include an invitation to reach out to Mayor and Council with any thoughts on the matter. The Mayor stated that he suggested utilizing the newsletter because it is the only guaranteed communication with residents, and because there is a need to notify residents of the July 12th public hearing regarding the zoning issues. The Fiscal Officer reminded the committee that the Village places an ad in the paper for the public hearings. The Mayor felt the newsletter is the most effective communication. Berger stated that the committee agreed that articles in the newsletter and in the Chagrin Valley Times made sense, but with an explanation of the limited use of the funds for infrastructure. He added that there were lots of ways to describe things as infrastructure, like park restrooms and phone systems.

The Fiscal Officer advised that the phone system was only a couple years old. Berger stated perhaps training was needed. The Fiscal Officer advised that often issues with the phone can be resolved with programming the Chief is able to do. The issue that occurred on Friday, May 28th was with a man calling five times between 12:17 p.m. and 12:22 p.m. If it were an emergency, it could go to the Police Department. Carroll asked what the issue was, and the Fiscal Officer stated that the man wanted to speak to a human. Berger did not think there were many numbers one could call and immediately get a human. Automated operators are a way of life.

Berger further suggested that website development could be considered infrastructure. Carroll offered that there is a list of potential uses, and the Village should have the Solicitor review it to ensure compliance. Berger thought defining infrastructure was a problem on a national level. A deadline for the newsletter article was discussed, and the Mayor stated he wanted the information to be out before the July 12th Council meeting.

The Mayor recommended postponing when the levies appeared on the ballot. He thought that with getting the ARPA money now, it would be better to hold off on putting the levies on the ballot until next spring. The Fiscal Officer advised that the levy legislation had been filed with

the Board of Elections to go onto the November ballot. She explained that Council passed legislation for this at the May 24th meeting. It was necessary to file early to ensure everything was in order.

At the last Council meeting, Berger reported that Porter suggested creating a fund for dredging all the silt ponds in South Russell. As part of this, it would be necessary to do a survey of all the silt ponds and then come up with a priority list. Berger reported that the Mayor said it would be less than \$1,000 to analyze a silt pond. The Mayor stated someone would be hired to do this. Berger stated that there are 21 lakes and ponds, which would mean \$21,000 just to get the surveys done. Berger asked if the list would include an estimate of cost. Carroll asked the Mayor how he determined the \$1,000 fee. The Mayor obtained this information through the dams and dredging meetings with Aqua Doc and another private contractor. Carroll offered that Bellwood Lake would be in the range of \$20,000 to \$30,000 to dredge. Berger said it would be a matter of coming up with a priority list for \$15,000 - \$20,000. Carroll explained that not every lake and pond would need to be dredged because of properly operating silt ponds. Carroll stated that he and Porter had discussed this in the Street Committee meeting as well and suggested presenting it as a grant opportunity because he believed the neighborhoods should have some skin in the game for some of the issues. The Fiscal Officer asked for clarification on how this would be funded, and Carroll's preference would be with the ARPA funds. As far as how it relates to infrastructure, Berger said it would fall under stormwater, which would include functioning silt ponds.

The Mayor saw the survey of the ponds to be a service of the Village, and the neighborhoods would still have to find out what the Village would do to help. Berger said this had yet to be defined. He thought Carroll's suggestion was good to have community financial participation. Berger asked whether the committee would present a request to Council to authorize the Engineer to spend money for this. The Fiscal Officer stated that the Village did not have the money yet nor had it made the appropriations, so it could not be authorized yet. Council could discuss it, however. Berger clarified that the money would be coming in June, and the Fiscal Officer said she hoped so, but explained there was a process. Berger proposed that at the June 14th meeting, pending receipt of the funds, the committee would recommend using \$15,000 - \$20,000 for the Engineer to have an analysis done of all the silt ponds. The Mayor stated that the Engineer would recommend the Village hire someone like Aqua Doc to do all the ponds. Carroll suggested opening the process to bids to keep it open and transparent. The Mayor suggested doing it in July.

Returning to the phone system issue, Berger stated it appeared to be a method issue of where phone calls were directed. The Mayor stated that the issue boiled down to a question of why, with two people, were the Village offices closed. The Fiscal Officer explained that her Administrative Assistant is part-time and was scheduled off. The Fiscal Officer has over 400 hours of flex time in addition to her vacation time and she chose to make it a long weekend. Berger stated that things happen that are not anticipated, and it is a failure of imagination. This was an unusual situation, and it was a question of how to deal with it. Carroll asked what the urgency was with the call, and the Mayor stated the caller was some sort of veteran who saw the

article in the newsletter and Friday decided to send in his information. He did not send it properly, and without stereotyping him, the Mayor said he was an older man who got intense and did it. The Mayor further explained that the information had been requested in January. Friday was the man's day to send a picture of his daughter. The Fiscal Officer stated that there was no deadline associated with the request, and the newsletter specified where it should be sent. The message the Fiscal Officer received from the man was asking where he should send the information. Within five minutes, he called back and said he had called the Village several times, and every call was routed back to the Fiscal Officer, and he felt sorry for her. However, he said he wanted to speak to a human. The Fiscal Officer explained that on occasion when she calls the Building Department and the Building Department Administrative Assistant is not there, the Fiscal Officer gets voicemail. Similarly, if no one is available at Village Hall, it goes to voicemail. Carroll acknowledged the issue and said a solution for the man would have been to email the message since most people have email on their phones. The Mayor stated that it was poor planning. Berger relayed that his first inclination would be to dial a phone and not to text. The Mayor explained that eventually, the man figured out how to leave a message, which the Mayor received and returned his call.

Berger stated that the Building Department had been considering software updates and had viewed several presentations. The existing company offers an update at a significantly smaller cost than going with another company. The Mayor suggested that there would be \$10,000 - \$30,000 worth of software costs involved that needed to be budgeted. The Fiscal Officer asked if this was for this year or next. The Mayor wanted it by the end of this year. The Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector felt all the Village needed was the \$10,000 base plan. The Mayor could not remember which software company offered this package. Berger explained that the more expensive packages had more than what the Village would need. The base system would allow the general public to access the Building Department online. They could make permit applications, and credit card payments could be taken. Scheduling requests could also be made through the system. Berger said this would be the recommendation but thought a line item needed to be placed in the budget for the upgrade. The Fiscal Officer explained that for this year, it would be necessary to amend the budget. Berger added that the maintenance fee for the software was only \$1,000 a year. Berger advised that there would be a lot of work that was required. The Mayor said he would like to see nothing done the rest of the year and budget for it the following year. Berger said it would be necessary to spend the money this year to put the software in place to go live January 1st. Carroll thought this made sense. The Fiscal Officer verified this was \$10,000, and the Mayor stated he would not guarantee that. Berger said this was the low end. He explained that the company could take the existing records and dump them into the new software package. It would have the capability to look up plots, parcel numbers, and view all the permits that had ever been associated with a piece of property. Carroll asked when there would be a definitive recommendation, and Berger thought July. Berger added that there would be no server, and that the information would be backed up to the cloud.

Berger returned the discussion to the ARPA funds and infrastructure. He said the suggestion was to think about taking some of the load off the Chief from a technology standpoint and hire a

technology consultant or someone to handle those issues. Berger asked if technology were considered infrastructure, could the Village hire a technology consultant for the next two years to address technology issues, funding it with ARPA funds. Carroll asked if Berger discussed this with the Police Chief, and whether this was a responsibility he was looking to shed. The Mayor stated that the Chief was not looking to shed it, but said the Chief said he has worked harder than he has ever worked. The Mayor thought that with addressing the Building Department software and a new website, it should be taken off his shoulders and given to someone to do it on a limited basis. Carroll reminded the committee that the Chief just got another employee who could take some of the internal work. The Chief has done a good job with the Village's technology and having some of it inhouse has been nice. The Fiscal Officer offered that when there is a problem with the phone system, the Chief is notified, and he is able to address it. If it is outsourced, there would be waiting and downtime. Regarding the Village website, the company would be setting it up. Berger asked if the Village would have less technology in five years than today and if the demand will only go up, did the Village need a technology person. Carroll weighed the pros and cons of having an IT service. Berger suggested that it could be parceled out or the Village could hire someone on staff. The Fiscal Officer explained the service she utilizes to maintain her fiscal software. Berger said that the Chief has attended meetings to navigate the Zoom Council meetings, and added that there is an effort to run a lean operation, but questioned when lean is too lean. He asked what would happen when the Chief of Police decides to retire, and his predecessor is not a technology person. The Mayor stated it was time to have a discussion with the Chief to determine what the future looked like. Carroll suggested talking to the Chief to see if this was a burden on him now that he has additional staff. Berger asked if there were a couple of jobs to band together with the technology person to create a full-time position. The Mayor stated he hoped not. Berger thought this was a discussion to pass to HR. Nothing would be budgeted for the moment.

Berger stated that at the last Council meeting, there was a request for \$70,000 from the Chagrin Suburban Fire Department for their renovation. From a finance perspective, the Village has \$70,000. Berger questioned whether it was an appropriate use of money, and said he did not think so. If they want to raise their fees or put it in the contract, then they can do that. Carroll agreed and said the Village would not pay for a home addition to hold the contract Building Inspector's manuals. If they were a fire district, it would be a different discussion. Carroll asked the Mayor if he met with the other elected officials, and the Mayor stated no. He would see the Fire Chief in the morning. He thought it would be at the end of June before the six communities were approached with the proposal. The Mayor thought there would be push-back. Berger stated that was good and the Village should also push back.

Berger stated he could not have a discussion about Manor Brook, which was an agenda item, and said the Mayor could talk about easements. The Mayor relayed that he wanted to first discuss Sugar Bush. Berger stated that from a Finance standpoint, Council authorized \$6,500. The Mayor stated he looked at it two to three weeks ago and it would cost more than that. There was no bid yet. The Mayor reported that some Sugar Bush residents got together over the weekend and were ready to come in with a check for \$6,500. The Mayor told them to hang on because he thought it would be more than this. Carroll thought that Sugar Bush would be getting the bid,

and the Village agreed to fund \$6,500 based on an old quote. Council would have to weigh in as a whole to consider increasing the match. Berger stated that it was not a 50%-50% proposition from what he recalled. Berger added that it was a private piece of property and a private project, and he was trying to understand the rules of the game. Carroll explained that with the Bell Road project, it could be argued that the Village contributed to the Sugar Bush silt pond filling very quickly due to the lack of some infrastructure or dredging. He compared the situation to driveways that required repair after completion of paving. The Village paid to have the repairs done, but if the cost of doing so over time increased, it would be on the resident. Berger referred to the discussion earlier in the meeting about silt ponds where an 80%-20% deal was proposed. He asked if the Sugar Bush silt pond would fall under the same rules as other silt ponds in terms of receipt of ARPA funds. Berger thought that since the Village contributed to the problem, it would not be an 80%-20% deal, and should probably pay more than 20% of the project. The committee discussed the necessity to obtain the quote to determine the Village's portion in lieu of anticipating a cost and leaving the remainder to Sugar Bush to cover. Carroll felt they should obtain a minimum of three quotes. Berger said that the committee could then see how much funding it could get for Sugar Bush based on the bids, adding that the Village has money at the moment so that would not be a problem.

The Fiscal Officer reported that the Solicitor would like the opportunity to speak to the Finance Committee about ideas to reduce solicitor costs. Berger said he would have this discussion seven days a week. The Fiscal Officer asked if she should invite the Solicitor to the next meeting, and Berger agreed.

Berger told the committee it could discuss Manor Brook and he would sit on the sidelines. Carroll agreed that Berger could not participate. The Mayor asked if there were any change in thought besides \$1,000 to Manor Brook. Carroll stated not at this point and said based on an email from Porter, it was not looking good. Porter received correspondence from Nancy Moran and the property issue was still being decided. They were not inclined to do anything until they figured out the property transition issue. From a financial standpoint for the funding, Carroll stated it was still \$1,000 until the Village heard back from the homeowners' association (HOA). Once they countered, or if they countered, then Council could weigh in to make a determination.

The Mayor asked if Carroll were to live in Manor Brook, would he give the Village an easement. Carroll said yes. The Mayor asked why Manor Brook should give the Village an easement for their property. Carroll replied that it was a project the Village was asking to be done. They did not have to do the project and could easily step away. He viewed the project as worthwhile. Carroll stated that he would not be looking to make money on it, and that most easements were much less than what was being proposed. The Mayor rephrased his question to ask what the Manor Brook residents had to gain from the project. Carroll stated they might gain nothing. The Mayor suggested then that they should probably want to gain financially. Carroll disagreed and speculated what may or may not be the motivation of the HOAs involved. From his discussions with Porter, it would appear that Peter Daughtery was all in for the amount offered, but there was the whole issue with the transfer of property. Manor Brook Gardens may want to make money on it. If it were that important to the Village, as Porter indicated, it could be taken by imminent

domain. That would not be Carroll's preference. To be blunt, Carroll said he had asked multiple times if there were any hidden costs and the Mayor made the comment in a Council meeting that Carroll was questioning his integrity. It seemed to bother the Mayor, and Carroll said that perhaps he was questioning it. He added that he was in receipt of emails that showed correspondence discussing \$10,000 because of trees and \$8,000 in legal fees which were never brought to Council until the eleventh hour. The Mayor had this discussion with the members of the HOA board and never shared it with Council. Furthermore, with 319 grants, most often a private entity would bring the 319 project to a community and ask for financial help to offset the 319 project costs. The Village took the lead on this project, which would be outside the norm. The project area was identified as one that could have an impact with stormwater, although it was not directly stormwater mitigation.

In answer to the Mayor's question, Carroll offered that if he were a Manor Brook resident he could say he wanted to make money on the project, and then the Village could say it was not going to do the project or possibly take it by imminent domain or give a fair market easement. However, Council had weighed in and felt \$1,000 was an appropriate amount and had not received a counteroffer. Once they countered, there could be negotiation, but currently \$1,000 was the offer. He could see the amount possibly increasing, but \$18,000 would never happen. He said Porter relayed that Whitetail Run had recouped some of the legal costs, and Carroll felt badly for the HOAs with how they got themselves into a pickle trying to straighten out the property ownership relative to easements. However, this was an internal issue and not an outside project issue. The Mayor asked Carroll if he thought it was worth \$15,000 to take it by imminent domain to help the flooding issue. Carroll said he did not say that.

Berger asked to add one piece of information that would help the discussion. His understanding was that the title to the properties is now being returned to Thomas and Thomas. It was not being transferred directly from Whitetail to Manor Brook. It was going back to Thomas and Thomas with the intention that it was then going to be transferred to Manor Brook Gardens. There was discussion about doing a deal with Whitetail and then when the property transferred, the easement would run with the property. Berger stated that it did not look like Whitetail would have any control over that because the properties were being transferred back to Thomas and Thomas, or at least are. The one property is owned by Whitetail Run, and that is a no brainer and that one the Village should be able to do easily. Carroll said he appreciated the information which was for informational purposes only. He said Porter indicated that from talking to Peter, it was an easy discussion. Hopefully when the transfers take place of the other three parcels, a reasonable discussion can be had about an easement.

Carroll would not speak for the rest of Council but said he was confident that \$15,000 would not happen. The discussions had been ongoing relative to whether the project helped Manor Brook, and he had had discussions with the Engineer in Streets Committee about identifying positive impact. Other options were available for consideration. The goal would be for this project to go forward, but it must be reasonable. \$15,000 for an easement was unheard of. Even if the Village were to purchase the land from Thomas and Thomas, there could still be an issue with Manor Brook or Whitetail claiming the property.

Carroll reiterated that in answer to the Mayor's question, the negotiations remained at \$1,000/\$250 per parcel and the Village would wait to see what headway was made with property transfers. He reiterated that he felt confident \$15,000 would not fly.

Berger offered to complicate the discussion. He stated that there was discussion of changing the culvert pipe under Chillicothe Rd. that feeds Manor Brook. Berger said he could tell the committee that from discussions with people in the neighborhood that if the Village did this without having the Stream Enhancement project in place, there would be all sorts of hate and discontent because the Village would be dumping a whole lot more water into a system that was not prepared to handle it. Carroll explained that as he understood it, when the pipe is changed, the inlet will be sized the way it currently is sized. It will restrict it so it will not change. This was based on discussion in Street Committee with the Engineer, and Carroll offered to double check with him. Berger stated that it is 12" on the east side and 24" on the west. Carroll suggested Berger attend the Special Council Meeting where stormwater will be discussed. It is Carroll's understanding that it will be restricted until something is done downstream. Berger stated that this is an issue, and it will bother Manor Brook bigtime because they will be the ones impacted by it. Carroll offered that perhaps this would make the easement discussion that much easier. Berger agreed.

Carroll reiterated that the current offer is \$1,000, \$250 per parcel. Berger said OK. Carroll further relayed that Porter has had discussions with Nancy Moran and Peter and Whitetail sounds easy, but the Manor Brook part needs to be figured out. When there is a counteroffer, Council will have the discussion. Again, \$15,000 would probably not happen. Carroll asked the Mayor why he said \$15,000. The Mayor said this was what Jim McSherry and the Solicitor thought it would cost to take it by eminent domain, but that was a couple of years ago with Jim McSherry. The Mayor said he was just saying the Village was taking this land because it was an improvement and would make the Village better and you don't give them a penny. Berger clarified the Mayor was talking about three pieces because the fourth piece has the water plant on it, so that would be hard to take by eminent domain. Carroll verified that this parcel has the water plant on it, and Berger explained that when entering Manor Brook Dr. off of Chillicothe Rd., on the left-hand side is a gravel drive just beyond the stream. This goes to the water plant. He suggested thinking of it as four rectangles, and stated it is the southwest rectangle that is the water plant and is owned by Whitetail. He added that this would be an interesting eminent domain discussion. Carroll said this would be the easement with which Whitetail was good to go. Berger said yes. Carroll added that he was partially optimistic that the Village could work things out with Manor Brook.

Berger adjourned the meeting at 9:03 a.m.

Finance Committee Meeting
July 9, 2021 8:00 a.m.

Members Present: Chairman Berger, Councilman Carroll, Mayor Koons (phone),
Fiscal Officer Romanowski, Fiscal Auditor Lechman

Visitor: Greg Heilman

Berger called the meeting to order.

Berger addressed the five-year budget departmental goals. The Fiscal Officer acknowledged that she had received them, and they were distributed in the last Council packets. Berger asked if there were anything else to be done, and the Fiscal Officer advised she was working on the Tax Budget. She was able to use these goals in conjunction with compiling the Tax Budget, and it would be useful in working on the annual appropriations in the fall.

Berger asked if this included the American Rescue Plan Act (ARPA) funds, and the Fiscal Officer stated no and verified that would be a separate issue. The Fiscal Officer stated that it was initially thought that the Village would be getting \$734,000. However, it was determined that townships had not been included in the distribution, and the revised amount would be closer to \$392,000 spread over two years.

Berger asked if the Tax Budget projected a deficit or a surplus for next year. The Fiscal Officer explained that she was not at that point yet. Berger noted that for the current year, a deficit was projected when the budget was put together and asked if it would be a deficit or surplus. The Fiscal Officer explained that since Council amended the budget for the \$130,000, she had not looked at this but thought a deficit was projected. She added that the Lake Louise Bridge project must happen this year and thought a deficit would be projected. She further explained that the Village was on borrowed time with this project, which should have been completed last year. She hoped that the bills for this project would be paid within the current year.

Regarding 2017-2018 audit issues, the Fiscal Officer addressed the credit card policy and provided the committee with the Auditor's recommendations. She provided these to the committee along with House Bill 312 which identifies what is required, and the current Village Credit Card Policy. The recommendations included adding the authorized designated users of the Village Credit cards within the policy, the length of time the card is allowed to be out of the control of the Fiscal Officer, and itemized receipts for purchases. She added that an employee may be liable and required to reimburse the Village if an itemized receipt were not provided. Berger asked if the Village really had trouble with the credit cards and asked if the policy had been designed for the City of Cleveland and not for the Village of South Russell. Carroll stated that it sounded like the Auditor wanted to do it either way. The Fiscal Officer stated that the Village has a policy, and according to House Bill 312, these are items that should be in the policy. The Village amended it a few years ago to make it more stringent. However, more was wanted.

Berger asked what the next steps would be, and the Fiscal Officer asked the committee members to read the material before the next meeting so that it could be discussed.

The Fiscal Officer addressed the Auditor's issues with the blanket purchase orders. It will be necessary to put legislation in place pertaining to the maximum dollar amount for which blanket purchase orders may be written. The Auditor provided her with samples from other municipalities. The Fiscal Officer provided the committee with the Ohio Revised Code that lists the elements the Auditors require. She wanted to have a further discussion with the Auditor first since blanket purchase orders are new to the Village.

The Fiscal Officer provided the status of the audit and explained that she had to pause it to get the Tax Budget completed. She would resume it the following week and expected that it would be completed soon.

Berger addressed the Parkland Dam project to try to determine whether the Village would move forward with having the Engineer obtain quotes and determine the expense. The Fiscal Auditor asked if the county would permit the Village to do this. His question related to discussing investments and the issue with investing in anything for over five years. The project required a 20-year loan. The Fiscal Auditor wanted to make sure it was permitted. The Fiscal Officer stated that she did not know that the Village could really give them a loan. She had heard of getting a bond for such projects. The Solicitor explained that at the July 12th Council meeting, Council could choose to move forward with doing the Engineering and design research to determine the cost. At the end of this process, the Village would decide on whether to move forward or not. She concluded that the Village could incur a lot of expenses before making the final decision. If Council decided to follow this process, none of it had been budgeted. The Fiscal Auditor concluded that the Village could spend money and then find out that it could not lend them anything without going through a bonding process. Berger stated that Solon did this. Carroll advised that Solon was a type one dam, which was a completely different situation. Carroll thought they needed to weigh all the factors. Solon had a class one dam that had different implications and Solon had a much different finance position than the Village. Berger said he was not there to argue the merits of the project one way or the other. Instead, he was asking what finance issues were that the committee needed to consider if the Village chose to move forward. He also questioned if the Village is technically allowed to do it. There are other communities that have done it, so it is permitted in some form. The Fiscal Officer asked if Solon just loaned the money. Berger understood that Solon did it out of pocket and did not get a bond. The Fiscal Auditor was concerned that there would be some sort of obstacle to the Village financing it. It would be a mishap to discover this after investing money to research the project. The Fiscal Officer said her concern was that if the Village had the money to loan a neighborhood \$500,000, the county could disallow the Village to bring more levies. The rationale was if there was money available to loan, then there was no need for levies. She added that Council must be aware of the big projects that are coming up to include Bell Road East at a minimal cost of \$860,000. There was also the Lake Louise Bridge project, Manor Brook, the proposed detention/retention pond next to Village Hall, culvert pipes, traffic lights, etc.

The Fiscal Auditor stated that 20% to 40% of the Village's money should be in sureties that are three to five years. The rule of thumb is that at the low point, December 31st, take that balance, set aside 20% of that and keep it in the bank and consider investing the rest. If the Village is

going to do a half million-dollar project and then with other expenditures, this would be the key to knowing if the Village should invest at all. Carroll agreed and added that the Village also has \$1.5-million in stormwater and infrastructure work identified that potentially needs to be done. This would impact the entire Village. The Fiscal Auditor asked that even if the Village can do it, would it feel comfortable locking up a half million dollars for 20 years.

Berger stated that in playing the devil's advocate, it might be locked up in the first year, and then decide to go out and do a bond to finance it from that point forward. The Fiscal Auditor said it is possible, but for the Village to get a bond would be a process. Berger stated that there were other options. Berger said he did not know why the Village would want to tie up any money for three to five years when interest rates are at historic lows. The Fiscal Auditor explained the investment strategy. Berger concluded that before the Treasury Investment Board could decide what it was going to do, it needed to know the requirements of the Village. The Fiscal Auditor said that the Village's balances have been consistent for the last few years. Absent Council finding that it would be used, it would seem the Village is not meeting its investment objectives of safety, liquidity, and yield. It is hitting the safety and liquidity objectives but not yield. But to increase yield, liquidity is the key. Input from Council would be necessary to determine what the Village expected to spend in the next year or two.

Berger stated that the Village had a surplus that had not been touched for two to three years. The Fiscal Auditor explained that this had built up since purchasing the park. The Village spent its excess money on the Village Park in 2006-2007. Since then, more attention was given to the budget to make sure it was not incurring expenses in excess of income. It was necessary to increase taxes. Over the years, it steadily grew to an average balance of about \$2.5 million. Carroll asked if it was best practice to keep a certain amount in reserve, and the Fiscal Auditor agreed and said the annual budget is about \$3 to \$3.5 million. Generally, one would want a full year in reserve. The Fiscal Officer explained that in the County Auditor's Tax Budget training, he said to reserve 40% of the budget. Berger stated that would be \$1 million as reserve. The Fiscal Officer explained it is 40% of the budget, not your cash reserves. Berger stated there would still be over \$2 million dollars that needs to be laddered in an investment strategy unless the Village decided to do \$1.5 million in stormwater projects. Berger advised that somebody should lay this out and say when the Village expected to spend money or it will do the Parkland dam and this was what the numbers look like. Then, the Treasury Investment Board could make a decision about how to structure investment policy. The Fiscal Auditor advised he certainly would not want to enter into an agreement with Meeder Investments to help the Village execute this, because there would be a cost involved. Why would the Village want to incur a cost if it could not invest anything.

The Fiscal Auditor explained that there is a serious effort to do something more strategic than the Star Ohio plan. The Village was riding high with 2.5% interest and then all of a sudden COVID hit and the interest rate risk really came to fruition. To protect against that, it makes sense to look into it, but he thought it was critical to know how much the Village could invest. Berger said that even with the worst-case scenario, half of the \$2 million could be used to start an investment program with \$1 million and start looking at laddering with the first million. That

would give Council some time to come up with the true strategy on some of these projects and their costs. Berger indicated that the Fiscal Auditor was not going to go out and invest \$2 million tomorrow. Berger said that the Fiscal Auditor would feed it slowly into the process. The Fiscal Auditor advised that Council's approval would be required since the investments are not free. The Treasury Investment Board cannot spend money on behalf of the Village. Berger concurred that they could only make recommendations. The Fiscal Auditor explained the contractual requirements with the investment process and reiterated that nothing could be done without Council's involvement.

Berger asked if the Fiscal Auditor would be making a presentation to Council and the Fiscal Auditor said no, that the Treasury Investment Board would not be meeting until Monday. So far, he did not know if anything could be invested. He acknowledged that the Fiscal Auditor was working on this, and that the Village would be moving forward with a more sophisticated strategy. Berger stated it provided direction to the committee and Council that it needed to get its ducks in a row.

The Fiscal Auditor indicated it was necessary to determine whether more than 40% of the Village's budget should be set aside. If the County Auditor suggested 40%, which is conservative, that would be about \$1.4 million set aside. If this were enough for Council, then the Treasury Investment Board would have some direction. The Fiscal Officer stated that it is necessary to get a plan in place for the projects. Lake Louise was supposed to have been done last year and was not done. Manor Brook should have been started. There were outstanding projects which were not moving forward. The Fiscal Officer advised that the grant for the Lake Louise Bridge had technically expired, and the Village was on borrowed time. The Manor Brook grant expires in 2022, so the Village needed to get going on it. She added that the culverts must also be done before Chillicothe Rd. is paved. The Traffic Light replacement is getting approved this year, so there will be time with that. She concluded that they just cannot keep going out and getting grants and then not following through with the projects. The Fiscal Auditor explained that first, Council would need to decide if it wanted to go with the county guideline of 40% and secondly, Council would need to decide if there were any reason to think this amount would not enough.

Berger suggested starting with the revenue stream. There had not been a dip in revenues in the last six months against the expected revenues. The Fiscal Auditor said the Village's revenues had been extremely consistent. Berger said that it was not like some catastrophic downfall in revenue would be expected where the Village would need readily available reserves to meet current expenses. The Fiscal Auditor said this was correct. He explained Council budgeted a deficit this year of \$200,000, which needed to be taken into account. Berger said that the discussion was a driving point to tell Council that in order to invest the money, it would be necessary to know when it would be needed. The Fiscal Officer stated that the Village must have a strategic plan to understand the timeline. Berger said that part of the problem was that the committee put together a five-year budget or goals with all the expenses but did not go outside the operating entity to think about road and stormwater projects to budget in terms of a five-year

strategic plan. The Fiscal Officer explained this was just internal identification of what was due to be renewed, not the bigger picture. The Village needed a timeline map of expenses.

Berger said it would be wonderful if Council could provide the Fiscal Auditor a five-year lookout on what the funding requirements might be to identify excess cash, and a percentage of this would go into the investment program. Carroll addressed the cost of the Road Programs and noted the additional potential expense of the Bell Rd. east project. The Fiscal Auditor stated that this type of project would be what he would need to understand what the Village might need beyond the normal operating costs. Carroll would address Road Programs and Stormwater with the Engineer through Street Committee. \$1.5 million was projected for stormwater projects which had been identified by CT Consultants in the stormwater study update, and Carroll questioned how this would look over the next three years if it were to be expended. The original 2004 study identified issues, but only Chelsea Ct. was addressed. Carroll verified this with the Engineer. Chelsea Ct. was \$1,000,000. Part of the \$1.5 million may not have included the detention/retention on Village property which would be about \$500,000.

The Fiscal Officer said that the committee had the internal information for the next five years as far as what needed to be replaced. The committee knows that the Village is getting ready to invest money that will be locked up. Before locking it up, should there not be a meeting with all the elected officials to figure out a plan. The Fiscal Auditor suggested that perhaps this should be presented to Council as a first cut to identify the starting point instead of soliciting the information from them. Berger suggested coming up with this information in the next 60 days by September. The committee could suggest holding a strategic planning meeting based on the rough-cut draft to come up with a five-year plan to help guide investment decisions.

Berger stated that the Mayor sent him an email asking to add the Chagrin Falls Volunteer Suburban Fire Department's (CFVSFD) request to consider contributing \$69,767 to their building fund. The Fiscal Auditor stated the stumbling block would be that the Village would want this worked into its next contract. Berger suggested creating a five- or six-year program and adding \$10,000 per year to it. Carroll asked who owned the building, and the Mayor said he would imagine it was the Village of Chagrin Falls. Carroll asked who paid for the last renovation in the late 1980's. The Mayor had no idea. Berger guessed the Village of Chagrin Falls. The Fiscal Auditor stated that it was reasonable to build those costs into their budget and to try to recoup them from the communities that were benefitting. He had no problem with them wanting to charge out their renovations cost as far as overhead. Generally, it would be charged over a certain period through the contract. As stewards, he questioned just giving a \$60,000 check and then in a year, the Village might decide to go to Russell for services instead. It would make more sense if the Village was in a longer-term contract with them.

Berger verified with the Mayor that there would be a presentation about this matter at the July 12, 2021 Council meeting. The Mayor stated that it would be Mayor Dan Fritz and a representative from Chagrin Falls Council. He provided a hand-out that Fritz would explain at the meeting. Then Council could think about it and make a decision at the August 9th Council meeting. Berger asked with whom the Village would negotiate. The Mayor said he was not sure who would be the representative. Berger explained that the Village would want to discuss a

long-term contract in relation to the donation. If the Village had to make an upfront payment, ok, but a tie-in would be needed. The Mayor said he would find out and set something up before the next Council meeting in August. It would give the Village a month to see if they are willing to increase the contract. Berger asked if this sounded like a reasonable first step. The Fiscal Auditor said his point was that if they wanted to improve the building, they should consider doing it with a longer-term contract. Carroll stated he struggled with the fact that they are a private contractor. If it were a mechanic who wanted to put an addition on his garage, and the Fiscal Auditor interjected that the contractor would increase his rates to cover this for a period of time. Berger said the Village needed to discuss this with CFVSFD's Finance people. Berger added that he had been involved where he prepaid a capital investment for a vendor. He had bought equipment for a vendor and then amortized over the term of the contract. Berger was not so much against paying the money upfront but asked what the term of the contract on the back end was and what would be the commitment from South Russell and Chagrin Valley to continue to have the services.

The Fiscal Auditor presented a concept of providing the funds as a loan that potentially could be forgivable. Carroll stated that to this point, if the Village were to have an agreement with CFVSFD where the Village would give them the \$70,000, there would be a clause whereby CFVSFD must return a specified portion of the funds should the Village choose to obtain services elsewhere at the end of the contract. If the Village were to stay with CFVSFD, then at the end of the next contract period, the clause would expire. Berger said this was a discussion the committee needed to have with CFVSFD. Berger said there was negotiation in that the Village had alternatives, although they might not be great alternatives.

The committee discussed the previous renovations of the Chagrin Falls Fire Station. Carroll explained that this situation was different than with Chagrin Valley Dispatch where there was a Council of Government (COG) and everyone had a seat at the table.

The committee agreed to meet August 9th at 8:00 a.m.

Berger adjourned the meeting at 9:00 a.m.

Chris Berger, Chairman Finance

Special Finance Committee Meeting Minutes
Wednesday, August 19, 2021, 8:00 a.m. Village Hall

Officials Present: Chairman Berger, Councilman Carroll, Fiscal Officer Romanowski, Fiscal Auditor Lechman, Mayor, Solicitor Matheney

Visitor: Councilman Canton, Alec Sapolin (CVT)

Berger called the meeting to order and read the roll.

The Fiscal Officer explained that at the Tax Budget Hearing with the county there were concerns about the Village's cash balances. She stated the Village has a lot of projects that are on the table, but they are not getting completed. She said many of these projects are time sensitive; the Lake Louise bridge must be done by next year and the Village was already on borrowed time for this grant. Two of the culverts on Chillicothe Road will be covered by a grant and one will have to be paid outright by the Village – these must be done before Chillicothe Road gets paved by the state in 2023. The replacement of the traffic light should also be done before the paving in 2023. There is also the retention basin next to Village Hall for which Council appropriated money to get the engineering started. This project should be completed next year. These projects total \$958,000 and should be completed next year. She said she recalled that when other communities had been called on the table for not spending down, they had been able to go to the Budget Commission and show that they passed legislation stating that they acknowledge the high cash balances, that the projects had not been completed, and that they commit to completing the projects by the following year prior to appearing again before the Budget Commission. She obtained legislation from Russell Township which did this last year. Its budget was then approved by the County, but when they returned to the Budget Commission this year without having completed the projects, the Commission passed legislation taking away the Township's collection for a year. The Fiscal Officer felt strongly that the projects must be done next year and if Council could pass legislation stating that the Village is committed to getting the projects done, she thought that the Budget Commission would consider it. She further explained that she had called both the Auditor and Prosecutor, both of whom seemed to have the biggest concerns at the Budget Hearing and presented her argument. When she asked if they would consider it, she was told that although they could not speak for the entire board, other communities had done this in the past, and they would be willing to listen and consider it if the Village were dedicated to the terms of the resolution. The Fiscal Officer stated that rather than giving up tax money, the Village should commit to completing the projects and added that there must be follow-through.

The Fiscal Auditor asked if the projects were currently in the Village's budget, and the Fiscal Officer said some were. She explained that this was part of the problem because the Village had been budgeting for the Lake Louise bridge because there had been a three-year grant, but the project has not been done; it should have been done by December of last year. In speaking to the Engineer, it will not be completed this year, but it will be started which would lock in the grant money. It will not be completed and paid for until next year. The culverts, traffic light, and retention basin are not in the budget yet. She explained that the Budget Commission reviews the Tax Budget to certify the Village's revenue for the upcoming year – it is not approving

expenses. The problem at the Tax Budget Hearing was that the Village has \$4 million in the bank and is considering giving a loan - the Village is not a banking business. Additionally, the Village keeps budgeting for projects such as Lake Louise and Manor Brook, and nothing is getting done. The Fiscal Auditor asked if the issue was that the Village either must spend revenue, drop the Parkland Dam project, or prove that the Village needed all the money. Carroll said that at the meeting it was mentioned that if the municipality had funds reserved for a specific project, the Budget Commission could understand this. They wanted the Village to spend reserves for a year or prove that the Village needed the money and expend it accordingly. Carroll offered that he would also include the Road Program. He added that the Village had not obtained an estimate for the Angler's swale either, but that would be done this year or next, which might help. Carroll explained that the Budget Commission had consternation about the Parkland Dam in the way that they had heard or understood comments about a possible loan. That definitely caused grief with them. He noted that the Fiscal Auditor was right on point with the three options he mentioned.

The Fiscal Officer reiterated that if the Village could commit to getting the projects done next year and that it would not be giving a loan, although the Village could consider doing a bond, the Budget Commission might consider it.

The Mayor asked where the additional culvert the Fiscal Officer mentioned was located. She explained that there was one by Manor Brook, one by the intersection, and one near Village Hall.

Carroll stated that with the updated stormwater study, \$1.5 million for stormwater mitigation projects could be set aside, although they would not all be done by next year. However, the Village could commit to spend the money on the very narrowly specific focus projects. If the money were to be put into specific project buckets and used for those projects, the Budget Commission might be more amenable to the Village's reserves.

The Mayor clarified that the Fiscal Officer's strategy would be to not rescind the 1-mill and prove the Village needed the money. The Fiscal Officer explained that it was not rescinding but suspending the collections for a year. The Fiscal Officer thought the Budget Commission would consider it if the Village would commit through legislation to moving forward with stormwater mitigation. She suggested providing the Commission with a copy of the stormwater study as well. Carroll stated that he would specifically identify monies in the reserves for stormwater mitigation. He explained that one million dollars in stormwater mitigation was identified that had not been done. Berger questioned whether this would be good enough for the Budget Commission.

The Fiscal Auditor asked if the Budget Commission indicated what the proper level of funds on hand should be. The Fiscal Officer explained that the biggest concern was the talk about the Village giving a loan. They were under the impression that if the Village planned to give a loan to the Parkland Dam residents, then the Village did not need the money because it had money in the bank. There was talk about \$180,000, but when she spoke to the Auditor, he said that if the Village chose to go this way and suspend some of the collections, it would not have to be done by millage but could be done by dollar amount and the Auditor's office would do the millage

calculation. The Village could commit to completing the projects referred to, and then look at doing a bond if the Village were to assist with the dam project in any way.

The Mayor said he liked her idea to go in and say these are the things we want to get done. The Village could also add to it. The Fiscal Officer said this was a starting point that was close to \$1 million for next year. The Mayor said if the Village appeared before the Budget Commission and stated that it was willing to knock off \$180,000, hopefully when the meeting was over, they would say the Village did not have to because the Village proved it would spend enough money. The Mayor stated he was concerned that the Village would be rolling back \$180,000 and then in November ask the residents to renew a Safety Levy and a Road Levy. The Solicitor reminded the Mayor that the Village would not be rolling back, but rather asking them not to collect. She realized this was just semantics but suggested there should be something in the newsletter explaining what was happening. The Solicitor suggested doing the alternative and having both things ready for the meeting just in case. The Solicitor said that oddly, the way that the Auditor made the motion was strange because it basically said that if the Village did not do this, then what they would do would be to take up the Prosecutor's motion to involuntarily suspend the Village's collection. Her point was that it would be beneficial to address all the concerns and have both options ready. The Solicitor added that she had seen the suspension of a levy for a year with other Townships and Villages. She suggested working on a public relations piece for residents.

Carroll asked if there would be two different resolutions, one to potentially suspend collections and the other to complete the identified projects, identify money in reserves for stormwater mitigation, etc. This was what the Solicitor would suggest. Berger asked what would prevent them from saying the dollar amount identified was not good enough. The Solicitor said there was nothing that would prevent them from doing this. Carroll stated that in speaking to the County Prosecutor, his impression was that the Commission was looking at the 1-mill or \$180,000 amount. The Solicitor asked the significance of the 1-mill/\$180,000 and the Fiscal Officer offered that the Commission arrived at this number from the Operating Levy which would be on the ballot, and it would bring in about that amount. The Fiscal Officer explained that the Village was going out a year early for this levy and there was discussion to instead wait to see where the Village stood next year. The Commission also told the Village to sharpen its pencils and figure out what the amount would be, which was why they told the Fiscal Officer she could provide a dollar amount and they would calculate the mills.

The Fiscal Auditor noted that the Village's balances were not significantly different from the previous year where there was a five-minute Tax Budget Hearing. He questioned whether the difference was due to the Parkland Dam project. The Fiscal Officer concurred and added that it was because of the discussions of a loan. Carroll stated that it was not the Village's mission to loan money. There were other vehicles to do this. The bond was discussed at this meeting because it would not cost the Village anything other than getting a bond rating. The Budget Commission also addressed that the Village was saying it was doing projects, but no projects were getting done. The Prosecutor is a resident. He knew that the Road Levy was passed because the Village was going to take the offset for stormwater projects, but nothing had been

done for stormwater. Two residents sit on the Budget Commission who pay attention to South Russell politics and that, he thought, impacted the meeting outcome. The Parkland Dam absolutely affected it with discussions of loans and charging 1% over prime. This was a hot button. Carroll thought that having reserves designated into buckets would be helpful. Regarding the Treasury Investment Board, Carroll asked how the Budget Commission might look at investment considerations relative to it being a reserve and doing a short-term investment. The Fiscal Officer explained that the Village collects taxes to do the projects. If too much money was being collected that the Village had enough to give out a loan, then it did not need to collect that much. This was the point behind the concerns. The Fiscal Officer added that the Village was not the only community that had issues.

The Mayor stated that the big mistake was with Parkland Dam and the term “loan” should not have been used. The Village is going to do a bond. Carroll advised that a “loan” had absolutely been discussed. The Mayor stated that the perception was that the Village was giving them money. The other thing that surprised him was that it seemed foreign to the Budget Commission that a municipality could actually take on a project where the private people pay for it. He did not think any of them had heard of the idea of 1% over prime, but he thought that was what shook them; if the Village had just talked about Parkland dam and how the Village would float a bond and do the project and make a little money. The Fiscal Officer stated that no, the Village would not. The Mayor continued that probably the Village would be making some excess money to pay for the Engineer and Solicitor, and everything would be covered. That would have probably eased that issue. The other issue was that he thought they were looking at the \$4 million and why the projects had not gotten done.

The Fiscal Officer wanted the record to correctly reflect that the Village would have to do the project by a bond and in the bond, the Village nor the taxpayers should be on the hook for the engineering costs - it should be the 11 residents owning the dam that cover this. It would be necessary to go to bond counsel to figure out how this works. The Village would then need to take out a bond, and then the 11 residents would be paying for all of it. The Village would just assist them in getting the funding, but they would pay all the costs. The Village would not make any money on it.

There was a question about who paid for the cost of the Village obtaining a bond rating. The Solicitor stated that getting bond counsel involved would be a cost to the Village. The Fiscal Officer acknowledged that it would be good to understand the process and saw this as a legitimate expense for the Village. Carroll said his understanding from talking to the Lyndhurst Finance Director was that the Village would want all the bond counsel matters and legislation done on the front end, which was how the Village obtained a rating. This would be a cost the Village would have to absorb. The Solicitor indicated that this matter took time and indicated that there were some bonds which must go on the ballot and some that did not. It was necessary to figure out which is which, and she stated that she did not specialize in this.

The Fiscal Auditor asked if there were additional requirements brought upon the Village after obtaining the bond. The Fiscal Officer thought there were and reiterated that it would be good to

talk to bond counsel to learn the process. Otherwise, the Village could be on the hook for the expenses.

Carroll stated that the Village did not currently need a bond for any of its projects. While he could appreciate taking on some of the expenses, he felt that if it were being done for the Parkland Dam, it should be borne by those residents and asked why the Village should pay for something it did not need. The Solicitor asked what if the Village needed it in the future, and Carroll pointed out that it should be addressed at that time because bond ratings change depending on reserves, debt, etc. The Fiscal Officer saw merit in doing the initial consultation to find out how the process worked and what the parameters were, etc.

The Mayor stated that he thought they were losing track. Five minutes ago, they had what he thought was a track. They were going to go with the 1-mill/\$180,000. Then they would look at the list of possible projects. The Mayor thought they were getting into the weeds with the bond for Parkland and they may never even go near that issue. The Fiscal Officer explained that they would need to comment on it since it was the biggest concern of the Budget Commission. The Village would need to assure them that the Village would not be giving a loan. If the Village were to assist, it would be a bond and the Village would work through the process to see what was involved. The Mayor stated that through the Mayor's Association lawyer, the Village could obtain some information about the bond process. It would be gratis.

Berger stated that South Russell had never floated a bond. So, they used the term of art, and said "loan", not understanding the process. So, they need to go back and understand that if the Village were to go forward with Parkland Dam that it would be in floating a bond to assist them in doing the project. They needed to stay focused on that term of art because the buzzword, "loan", seemed to be a hotspot for the Budget Commission. Berger indicated that they should use the term and get used to it because they were tripping over words instead of dealing with substance. Carroll stated that it was important to be factual, too. Even as the Auditor said, the Village will not make money if it does a bond. They cannot put out information that it would be a benefit to the Village. It is important to use the right verbiage, and to be factual and concise. Berger acknowledged that they did not understand it and thought bond counsel should be engaged. The Mayor thought they needed to follow the advice of the Solicitor because it was uncharted territory and they needed to be very careful. He suggested they get all the free advice they can. Berger agreed.

Berger asked how they would resolve their issue with the Budget Commission. Carroll reiterated that they would develop the two resolutions which they had discussed. Berger said that at the last Council meeting, the Fiscal Auditor stated that the Village's fund balances were as high as they had ever been, but that virtually all of the revenue had been collected for the year. The number would only go down from there, and this needed to be communicated to the Board. The Fiscal Auditor offered that the Village had a budgeted year-end amount of \$3.6 million. The Fiscal Officer saw part of the problem as the Lake Louise Bridge having been included for the last three years and was now on the fourth year. Now there was also Manor Brook. These things were not being done, but then in Council meetings it was being said that the Village has a \$4.1 balance and were considering loaning money. Berger said that if they go back to the Board and

say that the Village will have a \$3.6 million fund balance as of December 31st, would this be okay. He did not think the question could be answered. Carroll offered that there had not been a prior issue with similar balances, and the Fiscal Officer concurred. Berger argued that the Village was challenged last year and commented that the Village had a lot of money. Carroll thought the hot button issue was the Parkland loan. The verbiage that was being tossed around was problematic. If the Village were to go back to a \$3.16 balance and indicated that it had been consistent for these many years and identify the outstanding projects that the Fiscal Officer proposed, he thought this was a reasonable approach to the problem. Carroll offered that another option would be to pull the levy from the ballot for this year. The Fiscal Officer explained that this would not satisfy the Budget Commission. Carroll pointed out that the levies were on the ballot early and the Village had the high balance now.

The Solicitor advised that the Village could rescind the resolutions that were certified by the Board of Elections to be on the November ballot. Berger asked what the deadline was to do this, and the Solicitor thought it might be two weeks before the election.

The Mayor indicated that the Village still showed a proposed deficit this year of \$522,000, which he thought would help their cause to indicate that this was the Village's plan. The Fiscal Auditor advised that if the Village were showing on an annual basis that its planned operating revenue were short of its planned operating expenses, that had always been a concern. There had been times where there were positive balances and the Village decided to renew, increase, or replace levies. This was not because the Village was broke, but because it recognized it could not put forth a balanced budget each year. Berger asked how many years in a row the Village had projected a deficit spending but ended in the positive. Berger said that playing Devil's advocate for the Budget Commission, they might say that every year the Village tells them it will have a deficit and then surprisingly the balances go up because it does not end up spending the money. Carroll stated that the counter argument would be that the Village had projects that just had not hit the books.

Berger said it would also have been helpful if they had the five-year strategic plan in place. He did not know that giving the Budget Commission a piece of paper that said the Village would spend \$1.5 million over income next year was good enough. Carroll said that Russell Twp. did this last year, did not spend the money, and got lambasted. The Fiscal Officer concurred and said the Commission said that even if Russell Twp. passed their levy, they would not be permitted to collect it. They did not do this to the Village, and she thought this could be the Village's last attempt to say that the Village promised to have the projects complete or at least in process with the bills being paid next year. This would be helpful.

The Fiscal Officer advised that the County Auditor offered to address Council to explain. The Commission does not understand why the cash balances were going up and the Village was talking about loans - that was the problem. Carroll agreed that this was the triggering mechanism. Berger agreed. He asked the committee if the Auditor should be invited to the Tuesday, August 24th 7:00 p.m. special meeting. The Mayor said yes and said he is a good guy, too. Berger clarified that he was asking if Council wanted the Auditor present to have the discussion and would he be willing to have the discussion without other members of the Budget

Commission. The Fiscal Officer said that he could not make promises of how they would vote, but she had discussed the matter with him. Berger noted there was agreement in having the Fiscal Officer invite the County Auditor to the August 24th meeting. The Mayor said to tell the Auditor he would buy him dinner. The Fiscal Officer and Berger replied, “no, you won’t.” Berger summarized that the Auditor would come to the meeting and Council would have the discussion and get a sense of which track would be more appealing to them. The Fiscal Officer reiterated that she spoke to the Auditor and the Prosecutor and made the argument to both scenarios. They each conveyed that if the Village were to present the acknowledgement that there was an issue and the commitment to completing the projects that they would consider it, but no promises were made. Additionally, neither could speak for the other members of the Commission. They did say that this approach had been approved for other communities. Carroll added that bluntly, he wanted to see reserves committed to stormwater mitigation. For six years, the Village had said it would address stormwater mitigation, but had not really done anything. Whatever the number would be that was committed whether \$300,000 or \$500,000, he did not care. Berger suggested \$1.1 million. Berger asked if the upcoming South Russell projects list was part of the packet that went to the Budget Commission. The Fiscal Officer said it was not and that she had just put it together. Beyond the list, Berger clarified that a resolution of Council was required making a firm commitment. He questioned what would occur if the Village failed to honor the commitment, and the Fiscal Officer reiterated that in the case of Russell Township, the Commission suspended the collection of taxes.

The Mayor asked if the Road Program should have been included on the list. The Fiscal Officer said no because the Road Program is in the normal budget. The items on the list were outside the normal budget. Bell Road east was discussed, and the Fiscal Officer indicated that Council should be prepared to determine details of the project so that these can be presented next year to the Budget Commission. Berger asked when the Bell Rd. east project was anticipated, and Carroll said it was in the next five years, but would not be in 2022 or 2023. It could be in 2026 to 2028. It depended on PCI ratings by the Engineer as well as the Engineer’s ability to secure funding. The Streets Committee had been discussing this in conjunction with building out the five-year plan.

The Mayor thought the East Washington repaving should be included. It will be \$115,000 for next year. The Fiscal Auditor asked if this would be over and above the normal budget. Carroll thought it was an add-on to the Road Program. The Mayor indicated there had been discussion about repaving the Lake Louise roads after the completion of the bridge. This would be \$525,000 instead of \$350,000 for the Road Program. The Fiscal Officer advised that these are the things she needs Council to think about before the meeting Tuesday. The Fiscal Auditor addressed expanding the Road Program while prices were low so that when prices increased, the roads were in good shape. Carroll indicated the plan moving forward would be to identify the primaries and alternates that could be pulled in if the price came in really low. The Engineer had estimated \$100,000 too low on the Lake Louise Bridge and \$100,000 too high on the Road Program. Berger asked why the Village would not put the Bell Road east project out to bid now. If the Village did not like the bid, it could delay a year. If the bid were good, why not do it now since the Village had the money. The Fiscal Auditor explained that there were other streets that

were more urgent. Berger stated it would be an addition. Carroll explained that it all needed to be mapped out with the PCI ratings, etc. He saw the benefit to determining a five-year Road Program and the potential costs. He emphasized that it should be done strategically. Berger stated that they should not be talking about a robust Road Program at \$375,000. Rather, talk about it at \$600,000 or \$700,000. He stressed that they should spend the money. Carroll reminded the committee that there was a reason the Village passed the Road Levy, which was to use the money to address stormwater. The reserves had increased because the Village had done nothing with stormwater. Berger suggested doing both.

The Mayor said that \$640,000 could be added to the list for the Road Budget for 2022, to include the Lake Louise roads. Carroll suggested talking to the Engineer.

Berger asked if there were other projects to go on the list. The Mayor asked what they were going to do about the Fire Station since they had requested \$70,000. Berger said he would have to look at the Memorandum of Understanding (MOU), which he had not seen. The Solicitor stated that she had it, and Berger asked her to email it to him. Carroll asked how the Budget Commission would feel about this. The Fiscal Officer said this was her concern – she questioned giving a “donation”. She thought it should be worked into some kind of business plan. She thought this would be a better way to approach it than to say the Village is giving them a “donation” for \$70,000. From a business perspective, it should address how the Village would get its money back in the event the Village were to change to another fire service. Berger said he did not mind prepaying the obligation, but he would want it spelled out so that there was a claw back clause and milestones if the Village were to leave or Chagrin Falls Suburban Volunteer Fire Association (CFSVFA) were to terminate services to the Village. The Fiscal Officer addressed the proposed escrow account and said phrasing should be used like with the Chagrin Valley Dispatch. The Village fronted the money, but there was an agreement. It must be done this way and not as a donation. Carroll agreed.

Berger suggested reviewing and marking up the MOU and returning it to CFSVFA explaining that these were the terms under which the Village was willing to frontload this obligation. The Fiscal Auditor said he liked to think of it as a prepaid expense. It normally would be included in the contract price. Berger thought that was the way to handle that situation.

Berger suggested looking at the Resolution drafted by the Solicitor. Carroll suggested that with the projects listed in the Resolution, he would only put the absolute and not the probable projects. He would not put the Manor Brook project, but include the ones highlighted in yellow. The Fiscal Officer concurred that she just planned to present the highlighted items because they were concerned about next year. She included Lake Louise Bridge, Chillicothe Rd. culverts, traffic light, and the retention basin that had been identified as the top priority. The Fiscal Officer added that it was necessary to have someone from the Village pushing and doing follow-up to get the projects done. Berger proposed that there could be an internal list of other possible projects. Carroll agreed and said this could include Manor Brook and possibly the bathroom at the Village Park. This would be part of the five-year strategic plan.

The committee discussed potential issues with the resolution, to include a change in the required millage. Carroll indicated that the Village would make its best argument and see what happened. The Solicitor addressed the ability to fill the resolution in that night or quickly do it the following morning and have the Mayor sign off. She acknowledged that the committee was ensuring that the Village was committed. She said to keep in mind that it was only one board member. A motion was made by the Prosecutor that was not even seconded. Carroll concurred that it was tabled. Then the Auditor suggested more of a voluntary suspension, and then it was tabled. The Village did not know that there would be a consensus. Carroll agreed and said that the Prosecutor's motion involved the \$186,000 he wanted to suspend, so the Village had met what the Prosecutor proposed essentially with the 1-mill offer. Carroll suggested leaving it blank and Council could decide after hearing from the Auditor. It would not be a guarantee, but he thought the Village had a reasonable argument to say it was putting its best foot forward by providing a list of projects and a mill or dollar amount which the Budget Commission offered up, and the Village was willing to do internally. The Solicitor clarified that it was from the Operating Levy, which was outside the mill. The Fiscal Officer explained that this was what the Prosecutor was referring to because that was the amount that would be on the ballot for the Operating levy. Berger stated that the Auditor talked about it being from the inside General Fund. The Fiscal Officer explained that this was because the Village would not want to lose Homestead and Rollback. The Solicitor wanted to make sure the two were not being confused. The Fiscal Officer further explained that the reason they wanted inside millage was when it was said that it was 1-mill levy, and it would bring in a certain dollar amount, the State paid 12.25% in Homestead and Rollback which reduces the taxpayers' liability. Any new levy passed after 2013, the Homestead and Rollback is gone. This was why the Budget Commission did not want to risk the Village losing this because in the end it would cost the taxpayers the 12.25% the Village gets from the state on the taxpayers' behalf.

The Mayor stated there would be a three-prong attack. Tuesday night, the County Auditor would attend the meeting and would probably give Council some indication that it would be fine for the Village to go with an inside 1-mill / \$180,000. The Fiscal Officer reminded the Mayor that the Auditor could not say it would be fine, but only recommend what other communities had done. The Mayor stated that they would want the resolution blank. Secondly, the Village would want the list that the Fiscal Officer had done, which was very nice, to be ready for the hearing August 27th. He added that the third thing would be to be ready if they wanted to take the two ballot initiatives off. Worst case scenario would be that they would make the Village give back money and then the Village would look bad if it tried to renew the two levies. The Fiscal Officer explained that if the levies were taken off the ballot, then the Village would only have next year to pass them. The Village would want its opportunity and would want to do its public relations explanation as to why the collections were being suspended but the levy was needed. The Mayor stated that the levies could be put on the ballot next spring and if necessary next fall. He stated that these were renewals, and the Village had a long history of passing renewals. The Solicitor stated that the Operating levy was from 1976. The Mayor said it was a nothing. He concluded they had a three-pronged attack for Tuesday's meeting.

The Mayor stated they would never use the word "loan" again to talk about Parkland.

The Solicitor asked the Fiscal Officer if she wanted a resolution drafted with respect to the list so it would be ready to go, and the Fiscal Officer agreed. The Fiscal Officer advised she would speak to the Engineer to find out which of the projects should come out of the stormwater report. Carroll advised that he emailed the Engineer to get some numbers from him.

The Mayor said that anything involving the bond should wait. Berger stated this was a separate issue and his understanding was that there were two firms that handle bond counsel in the State of Ohio. He would consult with the Solicitor and set up a preliminary fact-finding mission meeting. Carroll asked if it would make sense to do a Request for Quote (RFQ) for the two major firms. He thought it would be necessary to set aside some money for this. Berger explained that he would call and explain that the Village was only interested in a fact-finding discussion to understand the steps and cost. Carroll wanted to know the cost of the initial meeting. The Solicitor offered that even though they are giant firms, they have a municipal rate. Berger indicated that they would explore the process and have the knowledge for the next time.

The Mayor distributed the resolution to support the CFSVFA capital campaign. He indicated it was non-binding resolution. He suggested reading through it and added that they wanted to have the Village sign by September, which he did not think was possible. Berger said that if it were non-binding, the Mayor could sign it that morning; he did not know why it was non-binding. Carroll said that he did not want to speak for Council, but in concept Council supported the initiative. As discussed, however, it needed to be built out as a MOU or contract with a claw back. He was not sure how to say that in essence the Village supported the cause but had its criteria by the September deadline. Berger added that they had discussed an escrow account and explained that an escrow account is a contract administered by an attorney who determines that when certain events occur, certain monies will be paid. He had not seen the escrow agreement and did not know how it would be done. Carroll asked if the escrow account would then include all the elements discussed by the committee, and Berger did not know. It would depend on whether CFSVFA accepted the Village's conditions. The Village would be making a prepayment conditional upon certain terms and conditions. He did not know if these would be put in the escrow account. Berger added that information was conveyed that there would be municipalities giving money to CFSVFA, but if they received other donations from private funding sources, then they would give the money back. He questioned how this is reflected in an agreement and who would decide if the money were needed or not. Carroll suggested creating some bulleted points with some of the elements discussed and to provide it to whomever was taking the lead so that it could be included within the resolution. The Fiscal Officer suggested looking at the verbiage used with Chagrin Valley Dispatch pertaining to the reimbursement of funds as new members joined. Regarding the claw back clause, Berger proposed \$10,000 per year for seven years. Berger thought there should be protections. He added that perhaps this would motivate CFSVFA to become more professional in their capital expenditure funds and think about these things as they go forward. The Fiscal Officer added that there should be regular meetings with CFSVFA and the communities. Carroll wanted to spell out the terms as quickly as possible so they could move forward. This should be discussed at the next Finance Committee meeting.

The Solicitor offered that Chagrin Falls already prepared a resolution and it was on the agenda for September. Their resolution is similar to what had been prepared. She would provide this to the committee. The Solicitor asked if the committee wanted Council to approve the list to send back to CFSVFA at the September 13th Council meeting or were they thinking that the Finance Committee would do it. Carroll suggested hitting the high points and then giving it to Council to consider. Berger added that it would then be forwarded to CFSVFA on September 14th. The Mayor asked if this was on the non-binding resolution, and Berger said it would be all the issues Council had with the existing MOU. The Solicitor explained that the MOU discussed a cost sharing agreement. What the committee was really discussing was the agreement going forward. The Mayor stated that the agreement would be coming in 2022. The Solicitor stated that it referred to a cost sharing agreement, and the Village did not know what that was. The Mayor asked what Chagrin Fall's issues with the proposed non-binding resolution. The Solicitor did not know. The Fiscal Officer indicated that the project would be going out 10 years, and on September 8th, Council had a long-range planning meeting, and this would be something that could be discussed.

Berger asked the Mayor by what date CFSVFA wanted it funded. The Mayor said they were just talking about getting the six communities to sign resolutions by September. Then they would come out with the agreement in 2022. Berger suggested that it would not be funded until sometime in 2022. The Solicitor indicated that it was December 31, 2022. The committee agreed that this did not make sense in that with a \$1.5 million project, every year that goes by the costs would increase. They should act quickly, secure the funding of the additional donors, and start the project. The Mayor said they just want to see if the Village was in or out. Berger asked if a management meeting had been scheduled with all the mayors. The Mayor stated no. Berger asked if they were going to do so, and the Mayor said he could call, and they just usually talk. He added that this seemed to be a bugaboo for people. Carroll advised that it was in the contract that the communities had the ability to get together, and he thought it was prudent to do so. Berger agreed and said a professional process oversight should be initiated. The Mayor stated that the other communities were happy, and they did not even want to come. He understood what Berger was saying about keeping an eye on the chickens. Carroll added that when the Village was spending \$400,000 on a contract, it was prudent that the Village had conversations with them. Berger offered if the Mayor did not want to attend, he should designate a representative from Council. The Mayor said he would have a meeting hopefully before September 13th so he could report to Council who attended.

The Solicitor asked if Bentleyville, Chagrin Falls Township, or Hunting Valley had passed the resolution yet. The Mayor said, no, and said frankly that they were all in and looking at the Village. The Fiscal Officer stated that South Russell had done many good things in a lot of agreements over the years, and she thought it was good to address the questions. Carroll wanted to be sure that Council continued to move forward on this matter.

The Mayor suggested not reaching out to bond counsel until he heard back from the Mayor's Association. Berger advised he would just be getting contact names so he could make a phone call. If the Village were to say it was going forward, the project would not get done until 2022.

There could be some conversations over the fall to start getting the ball rolling if the Village wished to go forward.

Berger adjourned the meeting at 9:13 a.m.

Christopher Berger, Chairman

Prepared by Leslie Galicki

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 13th 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 8th 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.

Christopher Berger, Chairman

Prepared by Leslie Galicki

Joint Finance and Human Resource Committee Meeting
May 21, 2021 8:00 a.m.

Members Present: Chairman Nairn, Chairman Berger, Carroll, Porter,
Fiscal Officer Romanowski

Nairn called the meeting to order and requested it be recorded. The business to be discussed pertained to the tiered salary system for full-time employees. She relayed that Berger distributed an evaluation matrix. Berger explained that the matrix provided an example of a wage structure over a 25-year period. He added that the only variable in the matrix would be the cost-of-living adjustment (COLA), which would be decided by Council from year to year. With an acceptable performance evaluation, an employee would receive a performance increase. If there were also a COLA adjustment, the employee would receive it. If the employee was employed for a certain number of years, there would be a service bonus. Carroll said he liked the model. He asked the Fiscal Officer to apply the matrix to the current staffing to see how it would look from a budgetary standpoint since the Village currently did not have service bonuses. The committee agreed that it removed the ambiguity. Carroll asked the committee members how they felt about integrating longevity pay. Berger questioned the longevity raises in relation to the parameters of his matrix. Carroll supported making the longevity pay a bonus instead of incorporating it into the employee's hourly wage. Carroll addressed the situation where the longevity raises might cause an employee to exceed the pay range for their position. Porter explained this could be resolved with amending the Pay Range Ordinance when it is anticipated the employee's pay will exceed the band. Porter pointed out that if Council must weigh in on performance evaluations and COLA, it would be necessary for Council to go through all the employees to designate individual raises. Berger explained that the performance increase is fixed and this would not be necessary.

Carroll asked if the performance bonus could be replaced with the concept of a performance service bonus. Berger explained that there were three elements involved, performance, longevity, and COLA. They could be bundled, but in his experience, employees wanted to see the components separately. Berger added that the performance increase is 1%. The Fiscal Officer verified that the service bonus is just for the employee's time with the Village. Porter clarified that this would not include time an employee may have spent with another government agency. Berger and Carroll agreed that it was just for service to South Russell. Berger said there is a value to having continued service to the Village. However, from a business perspective, there is a benefit to having some turnover in the workforce. Carroll agreed with this, particularly with upper management. Berger explained that by adding a service bonus, it disincentivizes employees from looking at other job opportunities.

The committee discussed the COLA, and Berger pointed out that no one in the State received a 3% COLA. Carroll acknowledged the need to find a better definitive reason why the employees are given the raises they are given.

Porter questioned the need for a longevity bonus to retain employees in the Village and explained that employees tend to stay with the Village for a lengthy amount of time. He further

explained that this could be made up for through the COLA. Berger stated that regardless, it would still be between a 2.2% to 2.8% increase.

The Fiscal Officer asked if the bonuses were bonuses, or an amount added to the salary. Carroll stated there were two ways it could be done. It could be done through the hourly rate, which would impact the employee's pension. On the other hand, it could be a separate check on the anniversary date and would stay outside the pay.

The committee discussed performance evaluations, and Berger suggested that if a supervisor failed to complete the performance evaluations, the supervisor would receive a negative performance whereby no raise would be received. He further explained that part of the evaluation of the supervisors should be the scrutinizing of the evaluations provided by those supervisors. Carroll did not see this happening and relayed his own experience in the public sector. Berger maintained that a supervisor who only provided stellar evaluations should receive a negative performance evaluation for not accurately evaluating his/her employees.

Carroll asked how Berger envisioned implementing this system. Porter offered it would have to be done by ordinance and a change to the employee handbook. Carroll said he understood this but addressed the timing of when it would begin. The committee discussed whether the employees would receive the COLA at the beginning of the year, or if employees would receive all pay increases on their anniversary dates. Berger clarified that this would only be for implementation the first year. After the first year, all employees would be in the cycle. Carroll said he was unaware of any public agency that followed this model. Porter felt it penalized employees who were hired late in the year. Berger argued that it was putting them at an advantage. Berger added that by using anniversary dates, it would preclude last minute evaluations. Carroll suggested tying the performance and service increases to the anniversary date and the COLAs to the beginning of the first year. He added that the bonus should be one flat check that is received on the anniversary date.

Carroll discussed a flat longevity rate versus one based on a percentage of salary. Berger supported doing a flat longevity rate where it stood alone and was not attached to other elements of an employee's pay like wage, pension, and benefits. Carroll agreed. Berger offered that the performance numbers could be increased earlier in the career because there was growth in the job. He explained that he worked in a system where after ten years, the maximum an employee could get was an increase every other year. The assumption was the employee was not any more productive in year 11 than in year 10 and therefore no increase was received.

Berger added that none of the benefits were considered in his analysis, like the potential need to change the employees' health care contributions. Berger asked how much the health care costs had risen over the past years, and the Fiscal Officer explained that it had been under 3%. Carroll advised that this was phenomenal. Berger posed the question of what would happen if health care costs were to increase. Carroll suggested that it would be necessary to look at employee contributions but saw that as a separate issue. Options could be given to the employee to either contribute a certain amount, not get a raise, etc. Berger said this must be part of the wage discussion as a caveat.

Berger offered to make the discussed changes and apply them to actual employee salary numbers to see how finances would be affected. Carroll clarified the impact should be considered in terms of the service bonus and performance evaluation bonus. The Fiscal Officer stated that these were not being added to the employees' salaries, so it would not affect the Village as much.

Carroll referenced past years where employees received 0% raises. If this were to happen, he suggested that the employees would still be able to get the service bonus and performance increase. Berger stated in the business world, it would be communicated to the workforce that there was a salary freeze. It would be across the board and not arbitrary.

Nairn addressed the issue of the necessity for Department Heads to complete evaluations. She viewed this as the Department Heads not doing part of their job descriptions.

Nairn made a motion to adjourn at 8:57 a.m.

A handwritten signature in blue ink that reads "Cindy Nairn". The signature is fluid and cursive, with the first name "Cindy" and last name "Nairn" clearly distinguishable.

Cindy Nairn, Chairwoman HR

Chris Berger, Chairman Finance

Prepared by Leslie Galicki

5.17.21

South Russell
Evaluation Matrix
Yr. Service

Example A

Dept Position
A 1

Job Classification:

Wage Rates:

Training: \$ 13.30
Starting: \$ 14.00
Full- Trained: \$ 19.82
Max : \$ 22.66

	Current Wage	Perform Eval	Perform Increase	Total Hr. Wage	Annual Hours	Annual Wage	COLA Adjust	Service Bonus	New Annual Wage	New Hourly Wage	Percentage of overall increase
1	\$ 13.30	Y	\$ -	\$ 13.30	2080	\$ 27,664.00	0.00%	\$ -	\$ 27,664.00	\$ 13.30	0.00%
1P	\$ 13.30	Y	\$ 0.70	\$ 14.00	2080	\$ 29,120.00	0.00%	\$ -	\$ 29,120.00	\$ 14.00	5.26%
2	\$ 14.00	Y	\$ 0.14	\$ 14.14	2080	\$ 29,411.20	1.30%	\$ -	\$ 29,789.76	\$ 14.32	2.30%
3	\$ 14.32	Y	\$ 0.14	\$ 14.47	2080	\$ 30,087.66	1.30%	\$ 100.00	\$ 30,570.00	\$ 14.70	2.62%
4	\$ 14.70	Y	\$ 0.15	\$ 14.84	2080	\$ 30,875.70	1.30%	\$ 100.00	\$ 31,366.84	\$ 15.08	2.61%
5	\$ 15.08	Y	\$ 0.15	\$ 15.23	2080	\$ 31,680.51	1.30%	\$ 100.00	\$ 32,181.90	\$ 15.47	2.60%
6	\$ 15.47	Y	\$ 0.15	\$ 15.63	2080	\$ 32,503.71	1.30%	\$ 200.00	\$ 33,115.56	\$ 15.92	2.90%
7	\$ 15.92	Y	\$ 0.16	\$ 16.08	2080	\$ 33,446.72	1.30%	\$ 200.00	\$ 34,069.26	\$ 16.38	2.88%
8	\$ 16.38	Y	\$ 0.16	\$ 16.54	2080	\$ 34,409.96	1.30%	\$ 200.00	\$ 35,044.76	\$ 16.85	2.86%
9	\$ 16.85	Y	\$ 0.17	\$ 17.02	2080	\$ 35,395.21	1.30%	\$ 250.00	\$ 36,092.54	\$ 17.35	2.99%
10	\$ 17.35	Y	\$ 0.17	\$ 17.53	2080	\$ 36,453.47	1.30%	\$ 250.00	\$ 37,163.61	\$ 17.87	2.97%
11	\$ 17.87	Y	\$ 0.18	\$ 18.05	2080	\$ 37,535.24	1.30%	\$ 250.00	\$ 38,259.14	\$ 18.39	2.95%
12	\$ 18.39	Y	\$ 0.18	\$ 18.58	2080	\$ 38,641.73	1.30%	\$ 300.00	\$ 39,429.69	\$ 18.96	3.06%
13	\$ 18.96	Y	\$ 0.19	\$ 19.15	2080	\$ 39,823.98	1.30%	\$ 300.00	\$ 40,626.33	\$ 19.53	3.03%
14	\$ 19.53	Y	\$ 0.20	\$ 19.73	2080	\$ 41,032.59	1.30%	\$ 300.00	\$ 41,850.30	\$ 20.12	3.01%
15	\$ 20.12	Y	\$ 0.20	\$ 20.32	2080	\$ 42,268.80	1.30%	\$ 350.00	\$ 43,152.23	\$ 20.75	3.11%
16	\$ 20.75	Y	\$ -	\$ 20.75	2080	\$ 43,152.23	1.30%	\$ 350.00	\$ 44,051.72	\$ 21.18	2.08%
17	\$ 21.18	Y	\$ -	\$ 21.18	2080	\$ 44,051.72	1.30%	\$ 350.00	\$ 44,962.70	\$ 21.62	2.07%
18	\$ 21.62	Y	\$ -	\$ 21.62	2080	\$ 44,962.70	1.30%	\$ 400.00	\$ 45,935.37	\$ 22.08	2.16%
19	\$ 22.08	Y	\$ -	\$ 22.08	2080	\$ 45,935.37	1.30%	\$ 400.00	\$ 46,919.89	\$ 22.56	2.14%
20	\$ 22.56	Y	\$ -	\$ 22.56	2080	\$ 46,919.89	1.30%	\$ 400.00	\$ 47,917.05	\$ 23.04	2.13%
21	\$ 23.04	Y	\$ -	\$ 23.04	2080	\$ 47,917.05	1.30%	\$ 450.00	\$ 48,977.01	\$ 23.55	2.21%
22	\$ 23.55	Y	\$ -	\$ 23.55	2080	\$ 48,977.01	1.30%	\$ 450.00	\$ 50,049.93	\$ 24.06	2.19%
23	\$ 24.06	Y	\$ -	\$ 24.06	2080	\$ 50,049.93	1.30%	\$ 450.00	\$ 51,136.63	\$ 24.58	2.17%
24	\$ 24.58	Y	\$ -	\$ 24.58	2080	\$ 51,136.63	1.30%	\$ 450.00	\$ 52,237.28	\$ 25.11	2.15%
25	\$ 25.11	Y	\$ -	\$ 25.11	2080	\$ 52,237.28	1.30%	\$ 500.00	\$ 53,402.05	\$ 25.67	2.23%

Special Joint Human Resource and Finance Committee Meeting
Friday, October 29, 2021, 8:30 a.m.

Members Present: Chairman Nairn, Chairman Carroll, Porter, Berger, Fiscal Officer Romanowski, Street Commissioner Alder

Visitors: Meghan Walsh, CVT

The meeting was called to order by Chairman Nairn. The Fiscal Officer read the roll.

Nairn continued the discussion of overtime. She stated that it was necessary to follow the rules of the Employee Handbook concerning overtime until such time that it was discussed and changed. The Fiscal Officer clarified that this would have to be done by ordinance since it was established by ordinance. The committee could reach a consensus, however, and perhaps present it to Council in November.

To recap, the Fiscal Officer explained that there was an issue with an employee who had off during the week and would not receive overtime as a result if he were to have come in on Saturday for Shredding Day. According to the handbook, overtime is based on the day for the Street Department but on the week for the other departments. There was also discussion about changing the handbook to make all callouts overtime. She stated that Council could allow any changes it wished to make to the overtime policy, but currently the handbook states that overtime is based on hours in a day in that department. Federal Law is hours worked in a week. There was discussion of making it hours worked in a week for all departments, but then specifying that callouts would be automatic overtime. Furthermore, Council also had the option to allow vacation and sick time to count towards it. The Fiscal Officer explained that hours in a week would make it easier to understand. She relayed that there was an incident where the employees worked four ten hour shifts and took Friday off, so they received overtime for the four days. Using hours in a week, they would have gotten their 40 hours, but there would not have been overtime. Porter asked how the Friday off was counted, and the Fiscal Officer replied it was taken as comp time, but they still had another half day remaining from the overtime received.

Berger asked the Street Commissioner to define a callout. The Street Commissioner said it would be a downed tree, flooding, snowplowing, salting, road hazard, etc. Berger concluded it would be an emergency issue, and Nairn added that it would be something that was not preplanned. He clarified that the issue was that the employee had not worked any hours for the week and would not get overtime as a result. Berger said that the employee was being penalized for taking vacation. Carroll and the Fiscal Officer clarified that it was a matter of Federal Law with the hours worked. Berger questioned that vacation time was not considered in hours worked. The Fiscal Officer stated no. Berger said his understanding was that the employee refused to come in because he would not be paid overtime, and he did not disagree with the employee's actions. Nairn stated that the vacation time was something he had already earned, and it belonged to him. Carroll pointed out that the expectations were documented in the Employee Handbook, which was signed by each employee. He was sorry the employee took it the way he did, but the handbook is clear. Carroll added, however, that if Council did not like the rule, the rule could be changed. The committees

had discussed compensating the emergency callouts, but preplanned events were a different discussion.

The Fiscal Officer thought it should be consistent and noted that in a similar situation, the Police would not receive overtime for coming in to fill in on a shift. They are based on a 40-hour week. The 40-hour week would simplify the matter and then Council could decide what would qualify as hours worked for overtime. Porter concurred but deferred to the Street Commissioner, who asked what would count as part of the 40-hour week. Porter offered that comp time, vacation time, and sick time would not count for it. It would allow the Street Commissioner to utilize ten-hour workdays for certain periods of time. Porter thought that the Police model would be the one to follow to equalize the system. He added that he liked the provision used by Chagrin Falls that Saturday callouts were time and a half. Carroll asked if all Saturday hours would be overtime regardless of the 40 hours worked rule. The committee discussed the use of vacation, sick time, and comp time towards the 40 hours worked. Carroll explained the issue from a labor management perspective.

The Fiscal Officer clarified that the handbook did not specify the policies according to department. Rather it states hours based on the day and the week, depending on department. The portion that specified by the day applies to the Street Department. The Police use a 40-hour week as does the Building Department. Carroll added that the changes with the Police and Building Department were done by ordinance; the ordinance would trump the Employee Handbook. Porter asked whether it was in writing that the Street Department is eight hours, and the Fiscal Officer explained that it is based on hours worked in a day, not hours paid, and it is by regularly scheduled hours. It does not specifically say Service Department.

Carroll suggested that HR take a closer look at the 40-hour work week to see how it would play out with the Police Department. He suggested the committee consider what would be counted as hours worked in terms of vacation, sick, and comp time. Carroll added that with certain scheduled events occurring on weekends, if the employees want overtime on the weekend, then they should plan to be at work all week. Lastly, Carroll suggested HR consider emergency callouts as overtime. From a Streets Committee standpoint, he would support this. The Fiscal Officer said that this should also apply to the Police. Porter said that the Chief's position is that the department is 24/7 on a routine basis and the police officers sign up for this and know that they can be called in at any time and it may or may not be overtime depending on the week. This is what they do when they put the uniform on. To be consistent and not cost the Village a ton of money, he did not support including vacation time for hours worked.

The Street Commissioner agreed that sick time should not be counted as hours in a week for overtime on a scheduled event but felt vacation and personal days should count. He added that with the overtime issue being discussed, the employee did not act with malice in not coming in for Shredding Day. He had to work on his camper, which was why he took the time off. The Street Commissioner has a system for offering the overtime shifts and callouts, and the shift was passed to the next employee on the list. Nairn said that she and the Street Commissioner had discussed the problem with the appearance of an employee trying to get something for nothing. She added that this was not necessarily the case, and she did not think there was a problem with it in the Village. Nairn said it did not look good that the employee did not work for the bulk of the week and then

expected overtime. The Street Commissioner said it was an oversight on his part and he should have gone to the next employee on the list.

Nairn addressed the topic of the data collection for the mechanic's time. The Street Commissioner had been collecting seasonal data. He said that with the culvert work over the summer, there had been no mechanic time. However, there had been problems with the backhoe which would require mechanical work soon. He added that the Police are not necessarily compensated for what they do, but what they may have to do. The mechanic position is like that. He should be compensated for the work he does and for what he might have to do.

Carroll examined the data for routine tasks versus mechanical tasks and found that about 10% of the employee's time was spent on actual mechanical work. Two ways to approach the issue would be to pay the employee the mechanic's rate when he was doing mechanic's work and otherwise pay him his current rate. The alternative would be to increase his salary by a certain amount with the mechanic job title. Carroll recognized that more mechanical work might be done in the winter rather than the summer, and it could be built into his hourly rate as being the individual who does the heavier mechanical work. Carroll further explained when determining the percentage, he took out the employee's time off so that it just reflected how his time was spent while at work. The Mayor had suggested a onetime bonus to compensate the employee for the mechanical work, but Carroll recommended determining a reasonable salary increase. The Street Commissioner stated he preferred the hourly rate be increased and not the per job increase to avoid accusations of generating mechanical work.

The committee compared the benefits of having an in-house mechanic versus sending work out. Cost savings, downtime, and the potential of liability were discussed.

Porter saw the value in compensating the employee and giving him the Mechanic 1 job title. Nairn asked if Mechanic 1 was an arbitrary title, or whether it was overseen by the State. Porter said it was a job description and pay range developed by the committee. Within the description was the expectation that the employee be Automotive Service Excellence (ASE) certified or to become ASE certified at the expense of the Village. Berger clarified that he would only be paid as such when he was acting as a mechanic. Carroll said no, he would be paid according to the job description. He would still be doing all the other jobs but would have additional responsibilities to justify that additional hourly rate. Berger asked what the rate was, and Porter said it was above the range for the laborer in the Street Department.

Berger viewed that the raise was based on mechanical work being done as well as availability. Carroll disagreed and said individuals are compensated for the job, not for them to be on call for the job.

The Fiscal Officer explained that some communities track mechanic work time and pay accordingly. Nairn addressed the issue of the other employees who do some mechanical work. The Street Commissioner said this is in their job descriptions. Carroll maintained that the rate of pay should be consistent with the job description. Berger asked the Street Commissioner to continue to track the mechanical work being done. Berger stated that at the next meeting the committee would determine the increase.

Carroll presented a spreadsheet that examined the three options for the tiered salary system for the committee. The committee was provided access to the spreadsheet to change variables and see the overall impact on employee compensation. Carroll proposed questions for the committee to consider in examining the system. For example, in the Police Department, the full-time patrolmen receive the same salary regardless of years with the Village. Should a service bonus or longevity be added? Why is there a difference between the Street Department personnel? There are some disparities. Should part-time employees get a service bonus for longevity? Should service bonus be every year regardless of raise? Finally, he asked if the Street Commissioner who has served in the position for two years should be at the maximum, why or why not? Positions should be worth a certain value and should be compensated accordingly. He also suggested the committee consider the cost of healthcare increases. In looking at the information, Carroll said the two biggest questions for Council would be what the raise would be for this year, and would Council want to add the performance increase based on evaluations and the service bonus based on longevity? The timing of raises was also discussed.

Because of a work commitment, Carroll left the meeting.

The Street Commissioner said that instead of having three employees making three different amounts, he thought the laborer/driver/operator should make the same amount of money. It could create dissention. Berger and the Street Commissioner discussed longevity and experience in terms of raises. The Fiscal Officer explained the dynamics of the pay of the Service Department personnel. At some point the two laborer employees would catch up to each other. Berger added that the increases of the most experienced employee should taper off so that the people behind should catch up. Porter said that the system is built for continuous increases because of the yearly raises. The only way to even things out would be to give the lower people higher raises and the higher people lower raises. Nairn asked why an employee would stay. Porter explained that even with a smaller percentage increase, the person with longevity would get more money. Berger and Nairn thought this would be a problem, and Berger thought his suggestion of using performance evaluations would counter this. Berger thought that Carroll's message was that having a performance evaluation-based compensation program was not doable in the public sector.

Porter suggested establishing the overall increase in Executive Session at the November 8th Council meeting. The committees can address the service bonus separately.

The Fiscal Officer provided the committees with the survey of administrative assistant staffing in area municipalities. The average per villages or municipalities comparable to the Village was three administrative staff members. She did not include tax administrators or utilities clerk. She stated that the Village was not overstaffed, and thought having a full-time assistant would be a benefit.

Due to work commitments, Porter left the meeting.

Nairn noted that the Fiscal Officer with the current situation was struggling to catch up. Her Administrative Assistant was allowed up to 166 hours per month, and Nairn asked if the committee would move forward with making the Administrative Assistant full-time. The Fiscal Officer added she had the work to support it. Berger said he made a recommendation at the last Finance Committee meeting to have the Fiscal Officer consider hiring a second part-time administrative assistant to give the Village more flexibility. It would add hours, but there would be a second

person to cross train. He was not sure making one administrative assistant full-time would accomplish all the goals. Berger suggested a second part-time position rather than one full-time. The Fiscal Officer clarified that Berger was recommending two part-timers so that the total hours would be over the 40 hours per week. Berger said yes. The second part-time person might start at the 18 to 20 hour a week range. This would be necessary to do cross-training and cover the Building Department because one administrative assistant cannot be in two places at one time and do both jobs. Berger also said that the committee had discussed getting more clerical assistance and reducing the dependence on the Solicitor as a way of paying for it. If the Fiscal Officer is to be the gate keeper for the Village legal issues, then she would need to off-load more work down the line and he thought having two part-time administrative people was a better solution than one full-time person.

Nairn asked if the Fiscal Officer agreed, and the Fiscal Officer said it was appealing to have more than 40 hours of help. She also considered the matter from the employee standpoint where an employee was kept under 40 hours and received no benefits. The Fiscal Officer stated that she had delegated the Cemetery and other work to her Administrative Assistant. The grants took up a lot of time for the Fiscal Officer because of their many moving parts. She reiterated that she did need more administrative help.

Nairn said this was the first she was hearing of this. The Fiscal Officer said that ultimately it was a decision of Council. She knew that there was enough work to have one full-time and a part-time assistant who could float. The Fiscal Officer noted that it was not fair to the Building Department Administrative Assistant who has concerns about coverage for the office when she is out. Berger reviewed staffing of the Building Department. Berger said this coverage should come from an administrative pool, which was why he was suggesting hiring a second part-time administrative assistant.

Nairn asked if the committee was complicating things even more for the Fiscal Officer by putting another part-time person in the mix. The Fiscal Officer reiterated that the work was there, but there was a question of fairness to the employee. She had enough work to delegate for one full-time and a part-time employee and understood the costs that come with full-time help. She pointed out that when the Police asked for another full-time officer, it was one and done. She had demonstrated to the committee that she needed help. Berger stated that while the police officer was an easy hiring process, it took the committee 18 months to get the Building Department position turned around to make it a full-time position. This was his compromise at the moment. The Fiscal Officer acknowledged that she was seeing the benefit of the additional hours that were recently approved. She was able to teach her Administrative Assistant the Cemetery procedures and delegate more work. She was willing to give the currently approved hours additional time to see if it was enough help. Berger said he was not averse to starting the process to hire a second part-time person. If other costs could be reduced, then this would be an appropriate way to handle it. The Fiscal Officer agreed that hiring another part-time person would not really cost the Village anything. She reiterated that she had enough work for her Administrative Assistant for full-time, but in addition to this, there was more work than that. The Fiscal Officer said that even with a full-time assistant, she was not sure she could catch up 100% and stay that way. From an administrative perspective, to get to where the department needed to be and to stay there and function in a proper fashion, it would

mean a part-time person in addition to making the Administrative Assistant full-time. She stressed that back-up training and cross-training were needed in addition to addressing the quantity of work. There was a lot of behind the scenes work that was done. Berger added that flexibility was also needed for coverage.

Nairn clarified that Berger was saying not to make the Administrative Assistant full-time, and Berger said not yet. The other members of the committee might feel differently. The Fiscal Officer explained that she misunderstood Berger's position from the last meeting and needed time to digest his proposal. She thought he was saying two part-timers to equal one full-time employee.

Berger reiterated that if costs would be added from an administrative standpoint, it was necessary to determine the source of the funds from other expenses. He had been focused on the Solicitor's bill and hoped to balance these two issues.

The Fiscal Officer advised that Finance Committee was scheduled to meet on Friday, November 5th and asked if it should be a joint meeting with HR Committee to discuss the overtime and prepare to amend the Employee Handbook at the November 8th Council meeting. The committee discussed having the joint meeting on Thursday, November 4th, at 6:00 p.m. to address the tiered salary system, overtime, and potential changes to the Employee Handbook.

Berger made a motion to adjourn, seconded by Nairn. Voice vote – ayes, all. Motion carried.

Chris Berger, Finance Committee Chairman

Cindy Nairn, HR Chairwoman

Prepared by Leslie Galicki

Special Joint Human Resource and Finance Committee Meeting
Friday, November 5, 2021, 7:00 a.m.

Members Present: Chairman Nairn, Chairman Carroll, Porter, Berger, Fiscal Officer Romanowski, Fiscal Auditor Lechman

The meeting was called to order by Chairman Nairn. The Fiscal Officer read the roll.

Nairn explained that the committees had been discussing an overtime issue which occurred in the Street Department. The committees realized that there was a discrepancy in the policy and not everyone was on the same page. The committees discussed overtime based on a 40-hour work week and raised the question of whether these hours would include sick, vacation, and/or comp time. The committees needed to make the policy consistent throughout the departments. This would necessitate a change to the Employee Handbook, which would require legislation.

Berger clarified that the committee was discussing overtime being after 40 hours of worked time in a seven-day period and hours over this would be compensated at time and a half. Nairn added worked time would involve being physically present. The Fiscal Officer explained that clarification was required because the handbook specifies that overtime is based on hours worked in a day, not hours paid. The first step would be to change the policy to 40-hours in a week. However, the Police schedules are such that the officers' have 80 hours in a two-week period due to the cycle of shifts. Berger suggested having a different policy for the Police Department than the rest of the Village. Carroll concurred.

Carroll stated that basing the overtime on a 40-hour week was fine with him for the rest of the Village. Porter and Nairn agreed that this would be for the Service, Building, and Administration departments. Porter summarized that the policy would be that the Police would be on an 80-hour, 14-day period.

Nairn questioned this system in terms of 10-hour workdays.

Berger asked about double time, and the Fiscal Officer clarified it was for holidays, but not for the Police. Berger asked how the holiday pay worked with callouts. The Fiscal Officer explained that first, the employee is paid for the holiday. If called in, the employee also gets double time. In essence, they get triple time. Porter added that it is also a four-hour minimum.

Porter questioned the definition of emergency callout, and the Fiscal Officer stated that emergency callout is specifically defined in the Employee Handbook as an unexpected event to include storm damage, snowplow, last minute shift coverage, etc. Due to the inconvenience of the callout, the minimum callout is four hours, but calculation of the overtime is based on the department. Carroll clarified that the event that prompted this discussion was prescheduled. Porter asked if "unexpectedly" should be deleted. Berger asked if the employees must show up for a callout. Porter indicated it was voluntary. Carroll stated that the job description includes the unexpected callout. He would keep the policy as written but would make the emergency callouts as overtime regardless of hours worked in a week. This would include calling an employee off vacation during a normal work week.

Berger questioned how this would be handled with the Police Department. The Fiscal Officer had spoken to the Chief about this and explained that if an employee were called in from vacation for coverage, they would be paid straight time as stated in the handbook. However, if other departments were getting overtime for unexpected callouts, then it should be the same for the Police Department. She further explained that the policy indicates that an emergency callout includes shift coverage. Carroll felt that shift coverage was different.

Berger stated that emergency non-scheduled callouts in the Service Department should be overtime. Porter asked how this would be applied to the Police. Carroll and the Fiscal Officer stated it would apply to emergency situations/crisis events, and not to fill a shift.

The committee agreed to remove the sentence in the Employee Handbook which states, “the calculation when overtime begins may vary depending upon the department.”

Berger asked who would define what a crisis event was, the Mayor, Police Chief, or Street Commissioner. Carroll thought there should be a framework with examples. Back filling a shift would not be a crisis. The Fiscal Officer suggested removing “shift coverage,” and the committee concurred. She added that this should be a Department Head decision. The committee agreed that a questionable emergency could be addressed by Council without penalizing the employee. Porter suggested including, “such as storm damage, snowplowing, or public disturbance, as determined by the effected Department Head.” Nairn and Carroll recommended the inclusion of verbiage pertaining to the public health and safety. Porter summarized that the Employee Handbook definition would read, “such as storm damage, snowplowing, or public disturbance, as determined by the effected Department Head to preserve the public health and safety.” The Fiscal Officer added that the next sentence in the policy would be changed to, “due to the inconvenience of last-minute callouts, the minimum callout time is four hours overtime.”

Berger addressed the topic of the time that would count towards the 40 hours worked in a week. Carroll felt that sick time should not count, but paid time off (PTO) and comp were another discussion. The Fiscal Officer advised that overtime is based on the Fair Labor Standards Act (FLSA) as a benefit. Porter considered the situation where an employee was on vacation for the week and then came in to work for an event. If PTO and comp were included in the 40 hours, the employee would get time and a half. Nairn questioned the impact this would have if all employees chose to take the week off to take advantage of this policy, and Berger said this would be for the Department Head to manage. Carroll pointed out that the Village only really had three situations to which this would apply, Fall Festival, Trash Day, and Shredding Day. Berger said it would cost the Village \$39 for overtime for one employee for three hours.

The committee agreed that comp time and PTO should be considered in the 40-hour work week. The committee discussed the verbiage to be changed and included in the Employee Handbook policy, to include that sick time shall not count towards hours worked. Porter suggested stating that comp time and vacation count towards hours worked, but sick time does not.

Nairn addressed the tiered salary schedule. The Fiscal Officer provided her sample version of the tiered salary schedule for all departments, which included department specific criteria. Carroll thought the example was good. He added that the Police Department also has a good model. Carroll noted the salary disparity between two of the Service Department personnel. The Fiscal

Officer explained that the one individual received a \$1.00 raise after probation and then in 2012 was given another raise of \$1.45 per hour for doing mechanic work. When the other individual came off probation, he received a \$.25 raise and had not received another raise since. When the most recent Service Department employee came off probation, he received a \$.68 raise per hour. There was no consistency. Carroll clarified that the employee doing the mechanical work had already been compensated for these responsibilities. The Fiscal Officer stated that this matter had been the subject of reoccurring conversations. Carroll explained that with the Police Department model, based on experience, an employee might start at a higher rate, but eventually when the employees have the same amount of experience with working in the Village, they should max out at the top rate with the Police Department. The Fiscal Officer indicated it was four to six years to reach the maximum rate, and Porter said the Pay Ordinance comes into play with this. Carroll stated that in the Service Department, there was inconsistency.

Berger articulated that Carroll was saying that the two components of salary would be a raise tied to performance or experience, and the other would be the cost of living. The Fiscal Officer stated this is true for the Police Department. She offered that in the Service Department, this could be based on years of experience or responsibilities, Council could design it however they felt best fit. Carroll offered that other than mechanical work, the Service Department employees were all doing the same job description. After a certain amount of time, they should be at the maximum pay ban for the laborer position.

The Fiscal Officer stated that over the years, she had heard complaints from the Service Department about the disparity in pay. She thought having a model which described how to get to the next pay ban would add clarity. The committee discussed the arbitrary way raises had been handled within the Village. Carroll provided the example of the summer help for whom Council designated a specific salary, but the Mayor and Department Head went against Council's wishes and paid him more. As a result, Council had to balance it by not giving the employee a raise. Porter concurred. Carroll thought this model would help prevent this. He explained that at some point in time the two non-mechanic laborers should be earning the same amount. Furthermore, the Street Commissioner, who started at a lower rate than his predecessor, should be earning what the former Street Commissioner did because this is the value of the position.

Porter asked if the system penalizes the long-term employee by capping what they can make. Carroll replied that this is the purpose of the service or longevity bonus. In the public sector, employees will max out within three to five years. The longevity or service bonus then starts at five years.

Regarding cost-of-living adjustments (COLA), last year, two employees received raises in addition to the COLA for coming off probation. Carroll saw these as two separate topics. The COLA is an annual amount the committee is discussing. The topic of coming off probation and/or maxing out of a ban is where the Village needs consistency. The Police Department is very consistent. The Fiscal Officer concurred and indicated that it is mapped out in such a way that everyone knows what the tiers are; it's in black and white. Carroll reiterated that the Service Department does not have this consistency. One employee has been with the Village for 14 years and the other almost 10 years and there is a \$5,000-\$6,000 difference between them. One employee does mechanical work and is compensated \$5,000 - \$6,000 more than the other employee. Berger indicated that the

employee had been with the Village five years longer, and Carroll asked if he was saying that any employee who has been on five years longer than another should earn \$5,000-\$6,000 more. Everyone would be earning something different. Carroll agreed that someone who had worked for the Village longer should earn more, and that was where the service bonus/longevity bonus applied.

Regarding the employee who does the mechanical work, Carroll reiterated that in 2012, Council compensated him for his additional mechanical ability and the experience he brought to the Village. He felt that the other two should be earning the same, excluding time in service. They would be at the maximum pay band and their time in service would be what differentiated the two employees. Berger addressed the COLA in terms of the model described by Carroll and Carroll explained the pay band gets the raise across the board. Nairn asked if the COLA is a given each year and was informed that for a number of years it was 0. Berger said he did not agree with the raise given the previous year because there was no justification for the percentage. He offered that it would be acceptable to use the statistics from the State Employment Relations Board.

Carroll addressed health care costs. The Village had seen minimal increases compared to the public sector for the last couple of years. This year was higher. He addressed the projected COLA, using the township average of 2.43%. If the Village absorbed the 15% healthcare increase for full-time employees, he asked if a 2.5% COLA be reasonable. He added that the part-time employees should not be punished because of the full-time employees. Carroll considered the different models and provided their potential cost to the Village. He added that his calculations did not include the increased cost of healthcare to the Village. Ultimately, he did not see the impact of his calculated raises to be substantial to the Village. He added that the employees are the number one asset and are more out in the community than Council is. Carroll indicated the committee could apply different percentage amounts to the equation, but it all comes down to the impact of the raise on overall Village budget and how the committee wished to justify it. Carroll concluded that a 2.5% to 3% raise would be reasonable based on statistical information.

The Fiscal Auditor added that the Village was not a private corporation and could not tie increases to performance. Employees have no ability to impact tax revenues. They do not get bonuses when things go well. Over the years, there had been steady increases and there had also been efforts to do merit-based increases. Generally, the raises were under 3%. With government work, typically there were no big jumps in salary. The expectation was generally to have a steady job with small steady increases and no bonuses but also no cuts.

Porter made a motion to go into Executive Session at 8:15 a.m., seconded by Nairn. Roll call – ayes, all. Motion carried.

The committee exited Executive Session at 8:45 a.m.

Nairn addressed the contract recommendation for the Solicitor. The Fiscal Officer referred to the three contract options provided by the Solicitor. The first was the same as it had been at \$225 per hour. The second option was \$1,600 for the first 10 hours a month, and then after this it would be \$225 per hour. The Fiscal Officer recommended this option. The last option would be \$10,000 per month with grants being outside of this amount. The committee agreed the second option was the best choice. The Fiscal Officer asked if the committee had prepared the decision tree it had discussed. Berger replied that this would be done over time. Berger offered that using the Fiscal

Officer as the gate keeper was a good idea and the committee should determine how to implement this.

The Fiscal Officer drafted and distributed an ordinance for blanket purchase orders. She explained that Ohio Revised Code (ORC) requires that on blanket purchase orders, there must be a dollar limit. She queried surrounding communities and found that \$25,000 was a good limit. The committee concurred.

Porter made a motion to adjourn at 8:49 a.m.

Chris Berger, Finance Committee Chairman

Cindy Nairn, HR Chairwoman

Prepared by Leslie Galicki

Joint Finance and Human Resource Committee Meeting
September 3, 2021 8:00 a.m.

Members Present: Chairman Nairn, Chairman Berger (8:10 a.m.), Carroll, Porter,
Fiscal Officer Romanowski, Chief Rizzo

Nairn called the meeting to order and requested it be recorded. The Fiscal Officer read the roll. Berger was absent.

Nairn addressed the part-time Zoning Inspector position which had been discussed for many months. Two qualified candidates were interviewed, but the situation had not been rectified. She advised that there are zoning issues which need to be addressed by the Village. Nairn also expressed concerns that the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector was being paid to do zoning, but is unable to get to it. Nairn referenced a comment by the Mayor that he did not want to hire anyone in that capacity until next April, and she asked if the committee recalled why this was the case. Porter did not know. Carroll stated that the Village has zoning issues, and if the Building Department is that busy and the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector is there by herself, he did not understand why the Village had not hired a Zoning Inspector. He provided examples of zoning issues in the Village and was unclear as to who was enforcing zoning in the Village. Carroll was aware that the Building Inspector did not want to do zoning but was addressing some of it. However, if he is not paid to do zoning as part of his contract, it should not be expected of him. This begged the question as to why a Zoning Inspector had not been hired and when it would occur.

Porter relayed that at the Safety Committee meeting, the Chief updated the committee about a pair of zoning violations involving a collection of Volkswagens. The matter had been referred to court and this was the first such case in a long time, which indicated progress. He added that he did not understand the Mayor's rationale in waiting to hire a Zoning Inspector. There were two qualified candidates for the Building Inspector position, and they could easily do zoning. The committee could recommend to the Mayor that one or the other be hired as a part-time Zoning Inspector, but it is the Mayor's appointment. Council does not have the power to force the Mayor to do that. Carroll questioned this. The Mayor has authority for certain appointments and if this is one that is not legislated at the State level, it is something Council could do. Porter recalled that the Village's ordinance provides that the Mayor appoints the Zoning Inspector subject to Council confirmation or rejection. Carroll advised that Council could change the ordinance, and Porter agreed. His view was that the position had been open for quite some time and while he was glad some of the zoning issues were being handled, there were still matters that should be enforced. If the Mayor were going to drag his feet on appointing a position that had been open for quite some time, it is Council's responsibility to take the necessary action to fill the position. He did not understand the logic in delaying until April. He understood that in the winter there may not be much going on with tall grass and weeds, but there are other issues like the vehicle violations. Furthermore, Carroll pointed out that the Village is paying a premium rate to the Building Inspector to do zoning. It is irresponsible for the Mayor or the Village not to have a Zoning Inspector. If the Mayor cannot move off top-dead-center, then Council should

encourage him to do so or take action which would allow Council to fill that position. The Village has a bad track record of kicking the can down the road and this is another example of Council not taking appropriate action to fill an open position. If there is no substantive reason not to fill it, it should be filled.

Porter indicated that the record should reflect that Berger joined the meeting at 8:10 a.m. Porter explained that the Mayor's rationale was that over the winter, there was not a lot of work for a Zoning Inspector. However, Porter did not see any reason not to hire one now. The ordinance could be modified to make the Mayor's appointment a Council appointment and it would require three readings, the drafting of legislation, and then the first reading at the September 13th Council meeting. Carroll pointed out that it could be done by emergency. Carroll's point was that Council needed to move on filling the Zoning Inspector position. There had been loose zoning in the Village for a couple of years because of the lack of a formal Zoning Inspector. Porter added that the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector was the part-time assistant Zoning Inspector. In winter, she was not as busy and might have time for zoning even though there is not as much demand for zoning. Porter thought there should be a Zoning Inspector out and about in the Village to look for problems and to respond to them. The Chair of HR could touch base with the Solicitor to have the legislation drafted to change the ordinance for consideration at the next Council meeting.

As Chair of the Building Committee, Berger advised that the committee had met, and this topic was discussed. He thought the Mayor was concerned about the expense of having a part-time Zoning Inspector over the winter and wanted to ease into the process. If the position were filled from March through October, it would allow the Village to assess the workload. Berger explained that when the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector was hired, it was thought that she would have time to get out of the office and address zoning issues. She has not had this time. Nairn asked if the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector were not being paid to do zoning. Berger indicated that as the Assistant Zoning Inspector, she does the administrative portion of the zoning work. Carroll indicated that it was his understanding that the administrative work was what constituted the Assistant Zoning Inspector aspect of her job, not going out and doing the zoning. Berger explained that the Building Department will be transitioning to new software which would make it even less likely that the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector would have time to do zoning. Berger stated he was in favor of hiring a part-time Zoning Inspector being hired immediately.

Carroll clarified that he understood the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector was busy and he had no expectation that she would be doing zoning. He added that she is doing an outstanding job. Carroll reiterated that the Village needed to hire a part-time Zoning Inspector and that Council is getting nowhere in doing so because of the Mayor. Porter directed Nairn to get ahold of the Solicitor to draft legislation to change the ordinance to make the part-time Zoning Inspector position a Council appointment. Berger questioned why legislation was necessary. Porter explained that the position is appointed by the Mayor and it might be necessary to change it to a Council appointment. Then Council would

interview candidates and appoint someone, taking the power away from the Mayor. The Fiscal Officer explained that in the Ohio Revised Code (ORC), there are certain positions that must be appointed by the Mayor, but she did not believe this was one of them. Carroll further explained that the reason for this possible action was because the Mayor did not want to hire anyone until April. Berger said he thought if Council made a recommendation to begin the hiring process, the Mayor would have no problem with it. Carroll pointed out that the committee made a recommendation to hire a part-time Building Inspector, and the Mayor did not appoint. Berger said it was a different position. Based on the conversation in the Building Committee meeting, there was strong support for a part-time Zoning Inspector. Berger said he was speaking for the Mayor and as the Chair of the Building Committee, he had no problem with it. He encouraged the committee to take action and would tell the Mayor that the Finance and Building committees wanted him to appoint a part-time Zoning Inspector at the September 13th meeting, given Council had sufficient notice to consider the appointment. The Fiscal Officer verified that the interview process would be observed, and the Berger agreed. He would contact the Mayor to get the process started so that the job could be posted and interviews conducted. Nairn questioned how it all could be accomplished by the September 13th meeting, and Berger said that at the least, he could provide Council with the action that had been taken. Porter added that Berger should let the Mayor know that legislation is being considered to make the position a Council appointed position rather than a mayoral appointment.

Nairn reiterated the need to have a Zoning Inspector year-round because the Village had issues that were more than seasonal. Nairn asked Berger if there was discussion at the Building Committee meeting of a potential candidate from Russell. Berger thought this was one of the candidates that had been recommended to the Mayor.

The tiered salary schedule was discussed. The three elements that were identified regarding modification of the salary structure were a service bonus based on years of service for full-time employees, 1% performance increase based on the evaluation, and cost of living adjustment (COLA). Carroll provided a presentation of how these three elements would affect the pay of current Village employees into the future. For each employee for 2021, the average would be a 2.5% increase with this system. Berger clarified that the COLA was the variable that Council must approve every year. Regarding the impact of this system, Carroll explained that the percentage increase would be different for every employee. If it were a flat rate for performance and longevity, it would be the same for each person based on the criteria. Carroll addressed the timing of the raises and suggested with new hires, the raise should not occur until after the probationary period. Berger suggested utilizing the anniversary date to institute raises instead of a January 1st date, which would preclude a situation where someone was hired in November and then received a raise in January. Porter asked if the COLA would be effective January 1st. Carroll clarified that in terms of Berger's proposal, this would not be received until the anniversary date. From a management and fiscal standpoint, this system involves a lot of tracking. Functionally, the January date works better. From his experience in the public sector, raises occur January 1st, service/longevity bonuses are received on the anniversary date. Most public sector entities do it this way, and Carroll explained the different ways the municipalities

apply such payments. Porter agreed that the COLA should be applied at the beginning of the year and the service bonus received relative to the anniversary date.

Carroll explained that if this system were instituted in 2021, the cost to the Village would be \$4,800 for service bonus and \$14,000 for percentage increase. The cost for the first year would be about \$18,000. COLA was not included. Carroll asked how the committee would suggest implementing the system and suggested making it effective January 1, 2022. Carroll added that he struggled with the 1% tied to the evaluation because the tendency is that everyone would receive a good evaluation. Nairn asked if the Department Head is doing a great job if everyone under him/her is getting a fabulous evaluation. Carroll cautioned that Council should understand the consequences down the road of the system and consider whether it is sustainable. It would be unfair to the employees to implement a system and then change it a couple of years later. Carroll liked the tiered system and the service bonus for time in grade. He saw the service bonus as reflecting a commitment to the job, which should be recognized. Carroll explained that the Village needed to get away from arbitrary raises. Nairn concurred. She said she was struggling with the yearly Department Head evaluations. Berger suggested that in the private sector evaluations are sometimes done with a point system which relates to a percentage of a maximum raise. Carroll explained how this system could be an issue in the public sector, and Berger stated that this was his reason for favoring a pass/fail model. He added that the Village did not have Department Heads who were trained in doing evaluations with quantifiable goals. This would be the next step and would likely take three to five years. Carroll questioned the raises based on evaluations, and Porter stated that the evaluations are documentation that may become important down the road. Traditionally, it had not been done in the Village and had only recently started.

Carroll indicated that based on the discussion, he would create a model to reflect flat rate options versus percentage increases and provide it to the committees. Berger noted the financial difference between the two and asked if the person making the lower salary would be adequately rewarded or would it be a slap in the face for the person making the higher salary. Carroll supported a percentage and explained the percentage increments as they relate to longevity. Porter suggested doing a reverse percentage whereby the employee would receive less of a percentage as their pay and time increased. The committee discussed the incentive that would be provided to employees to stay with the Village based on the flat rate or percentage increase models.

Berger asked if the 2.5% reflected by the model put the Village in the ballpark, and added that with COLA for 2021, the inflation rate was running in the 6-7% range. Raises could be 8-9%, which would be a significant financial hit to the Village. The Fiscal Officer indicated that most of the recent annual raises were 2-2.5%. Carroll suggested looking at other measures of COLA to determine if the numbers indicated in the model were in the ballpark. He considered that the 2-3% range was adequate.

Nairn addressed the mechanic position. The committee had requested data of the amount of mechanic work being done seasonally. Carroll explained that the Street Commissioner documented mechanical work done daily through July. Carroll called into question the data collection, indicating that for March 12th, 8 hours of mechanical work was documented, but the

employee only worked for 4 hours that day. Carroll indicated that often in the private sector, a mechanic will charge for time on a job by a schedule. For this analysis, he preferred to have a good estimate. Ultimately, Carroll calculated the time spent on mechanical work for March to be 38% of the employee's time. In April, May, June, and July it was 42%, 27%, 10%, and 22% respectively. He did not have data for August. The total average from March until the end of July was about 27-28% of the employee's time. Carroll explained that the mechanical work varied with the season and it ebbed and flowed. Carroll asked what the value was for the employee to be spending 27% doing mechanical work. Would it be cheaper to contract it out or keep it in house? He thought keeping it in house would be cheaper, but then there are tools, equipment, and supplies that must be included.

Berger suggested that the annualized percentage would be higher than 27%. It would be closer to 35%. Carroll indicated that more information was needed to include data from the remainder of the year as well as information about work completed. Berger asked what the difference was between the mechanic's rate and the regular Service Department rate. The Fiscal Officer stated there is a range. The employee in question is currently at \$29.65 and the other two are at \$26.75 and \$23.18. Nairn stated that for Bedford Heights, an Auto Mechanic Grade 1 had a pay range of \$27.22 to \$32.26 and required certifications. Nairn said this was close to what the Village had looked at with Russell and Gates Mills. Porter thought this sounded low. The committee examined the current rates of pay of the Service Department employees and noted that the employee in question was already at a high rate of pay. Carroll asked if the employee were the only one who was doing mechanical work, or were the others as well. Will these employees seek raises based on the raise given to one employee doing mechanical work? Porter said it boiled down to how mechanical work was defined. The committee discussed the different types of mechanical work listed on the spreadsheet by the Street Commissioner. Carroll explained that he considered mechanical work to involve engines, brakes, etc. and things that were mechanical and not routine work like washing a mower deck and changing lawn mower blades.

Berger questioned that if the pay of the employee were bumped up \$6.00 per hour which would translate to an increase of \$12,000 per year, would this be more cost effective than sending the work out? Carroll reiterated that there were some things that were being measured and quantified that did not qualify as mechanical work like checking and filling all fluids. All four Service Department employees can do this. Carroll asked about the basic job description for the Service Department employees and explained that the committee should be looking at work that was above and beyond the basic. Porter agreed. Berger stated that there are things that should not be listed on the spreadsheet, so instead of 27.5% now the committee is down to 24%. Carroll noted that Berger mentioned a \$6.00 per hour raise, which he did not find appropriate because the individual was already the highest paid employee in the Service Department. Although the committee was trying to justify the position, it needed to be realistic with what the other employees were doing when they may be doing similar work. Would this mean all employees would be worth an additional \$6.00 per hour?

Porter advised that more data was required that would be more tailored to actual mechanical work like that done at a car dealership. The current information appeared to reflect anything

involving vehicles. Porter also wanted to know what mechanical work was done for the rest of the year. Carroll specified that the mechanical work documented should not be work the other employees can do.

Carroll added that the individual should definitively have certifications, especially if he is working on brakes on police cars.

Regarding staffing and hours, the Fiscal Officer stated that at the last HR meeting, she mentioned the possibility of having her Administrative Assistant assist in the Building Department as well as the Administrative Department. Aside from this, she needed more hours for the Administrative Assistant. There had been many more meetings and there was not enough time to get the work done. Carroll noted that cross training had been discussed. The Fiscal Officer said she presented the idea of possibly hiring the Administrative Assistant full-time. She had been with the Village for three years and it is known that she is dependable, reliable, does the work, and personality wise, everyone gets along. The Fiscal Officer spoke to the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector who feels pressure not having back-up. She would like to have cross-training. If Council would consider bringing on the Administrative Assistant full-time, there would be flexibility to help out in the Building Department, especially with the new software. It would enable the Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector to take time off as needed by allowing someone to be at the counter who had a little knowledge of the process. The Fiscal Officer explained that aside from this suggestion, she needed more hours for the Administrative Assistant.

Porter said that making the Administrative Assistant full-time was a major step. Porter asked if four more hours a week would help, and the Fiscal Officer said that from the present to the end of the year, maybe not. She could use another day because the department is behind. Berger indicated that 30 hours was full-time, and the Fiscal Officer explained that 40 hours is full-time. Porter said there was something about 30 hours, and the Fiscal Officer said that this was changed to 40. Berger said that anything over 29 hours per week was full-time. Carroll thought that this was over a period of time. Porter agreed that this was the problem with the handbook, and the Fiscal Officer again explained that the handbook was changed to 40 hours. Porter suggested going up to 28 or 30 hours per week but was not ready to go to full-time. Carroll liked the idea of cross-training and assisting in the Building Department and having a full-timer who floated for consistency in the departments. If the work could justify it, he supported the Fiscal Officer's proposal of having someone who could cover when the Fiscal Officer or Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector were off. Porter indicated that 16 hours per week was a major increase. The Fiscal Officer explained that this would be for both departments. Porter said he was fine with 28 or 30 hours, and Nairn added she was fine with 30 because the Fiscal Officer is behind. Berger asked for what period of time, and the Fiscal Officer stated forever. She further explained that she has 456 hours of flex time and five weeks' vacation which she would probably lose at the end of the year.

Porter asked if the Finance Committee would be fine with 30 hours, and Berger asked if it would be 30 hours forever. Carroll was fine with 30 but thought full-time should be considered as long

as there was cross-training with the Building Department. The Building Department Administrative Assistant/Board Clerk/Assistant Zoning Inspector is doing a great job and it would be good for her to have this flexibility. Currently if she needed time off, there was no one to cover. Porter stated that the Mayor needed to weigh in on the matter. This could be addressed at the September 13th Council meeting.

Berger explained that with the new software, it would be possible to fill out the applications online. Eventually, it should be possible to pay for the permits online. There would then be a lot less foot traffic.

Porter made a motion to adjourn the meeting at 9:27 a.m., seconded Carroll. Voice vote, ayes, all. Motion carried.

Cindy Nairn, Chairwoman HR

Chris Berger, Chairman Finance

Prepared by Leslie Galicki

Joint Finance and Human Resource Committee Meeting
February 19, 2021 7:30 a.m.

Members Present: Chairman Nairn, Chairman Berger, Carroll, Porter,
Fiscal Officer Romanowski, Street Commissioner Alder

Visitor: Greg Heilman

Nairn advised the first item for discussion was a pay range for the new mechanic position that the committee had been discussing. If in agreement, a recommendation would be made to Council and an ordinance would be drafted for the new position with a pay range. The position would be advertised, interviews conducted, and a selection would be made. This would be done by the Mayor, Department Head, and HR Committee. The final candidate chosen by the interviewers would be approved by Council. At the January 15th Human Resource (HR) Committee meeting, it was suggested that a pay range for the position would be in the vicinity of \$25 to \$35 per hour. Nairn referred to the material forwarded from the Fiscal Officer and thanked her for her efforts. She noted that the mechanic position in Bainbridge is paid between \$28.20 and \$29.33 per hour. Russell Township pays \$27.58, Gates Mills ranges between \$25.81 and \$29.92, and Chagrin Falls ranges from \$25.02 to \$30.44. The committee's suggestion of \$25 to \$35 per hour was fairly close if not a little higher than the surrounding communities. She added that the material did not reflect longevity with the various cities and villages.

Nairn stated Porter created the final draft of the position description. Carroll noted the range, and asked Nairn how it was determined. He added that the Clemans Nelson assessment completed for the Village reflected a salary range for the position. Carroll asked if this range was in line. Carroll relayed that in his experience, the Village ended up paying the upper range, and noted that \$35 was higher than any of the other communities. Nairn acknowledged this. Porter stated the starting pay would be \$25 which was below some of the other communities. Carroll asked Porter if this was the starting pay that was being considered. Porter stated yes. Carroll asked what the current salary was of the potential applicant, and Porter recalled he was earning about \$23.00. The Fiscal Officer stated it was \$29.65 per hour. Carroll noted that at the start of the process, the Mayor had proposed a \$1,000 or \$1,500 raise or bonus. Porter thought it was \$1,000. Carroll said this would be a \$.40 raise. If the committees adhered to the Mayor's recommendation and built it into the pay range of the new mechanic position, the individual would be at \$30.13 per hour, which would be in the middle of the range and would be more than the other employees. Porter explained that with \$35 at the upper range for the position, it would allow for growth with certifications. Carroll asked if this was specified in the proposed draft. He did not want to make false promises to the applicant and he also did not want to get to the \$35 per hour quickly. Carroll and Porter supported starting the applicant at the \$30 range.

Carroll cautioned that he did not want to see the practice of raising the pay after a probationary period in this instance. He explained that the individual was already established and had certifications or some level of qualification. Therefore, Council was establishing this mechanic pay range whereby he would earn \$30.13 and be done with it unless he obtained additional certifications. Porter agreed.

The committee discussed the potential of having an individual apply who had additional certifications, and agreed it was not the intention of the Street Commissioner or Village to add staff to the Service Department. Carroll addressed whether the job would be advertised to the public or remain as an internal process. If it were to be kept as an internal hire, he did not want to bring in outside individuals with no intent to hire them. Carroll suggested gathering applications internally, conducting the interviews, identifying the candidate, and bumping him up to the identified rate. He did not want this to be a six-month process. Carroll emphasized that he did not want to be revisiting this issue in a year with a request for more money for the position.

The committee addressed professional development classes for the individual who fills the mechanic position. Carroll encouraged professional development for all Village employees.

Carroll emphasized that he did not want to be revisiting this issue in a year with a request for more money for the position. Carroll said he would like to see the Village have built-in steps and built-in longevity. Carroll addressed longevity pay to address disparities. He liked the process suggested by HR and thought it was a great first step. Porter said an internal candidate would be preferred, but depending on the results, it might be necessary to go outside the Village. In the past, looking internally for a candidate had been beneficial for the Village. He agreed that the candidate should not make less than they currently make and added that the potential internal candidate had been doing this work for years. Porter addressed the savings to the Village of being able to do the vehicle maintenance/repairs in-house.

Berger asked if there were anyone in the Street Department making more money than the internal applicant, and Porter said no. The Fiscal Officer concurred that the proposed candidate was the highest paid. Berger said there was a max rate on maintenance of \$31.42. He assumed a mechanic made more than a maintenance person. Porter agreed. Berger wanted to make sure that the committee had not trapped itself. Porter said that the proposed pay range is \$25 to \$35, and the pay range ordinance would have to be modified to include the position and set a pay range for it.

Berger asked what would happen if the internal candidate failed to apply, would the committee go outside for a candidate? Porter said they may. Carroll said the Village may not have to fill the position. Berger clarified that the position was optional not mandatory within the department. Porter said no – that it was in recognition that the Service Department did most of its maintenance and repair in-house along with Police Department and Building Department vehicles. In looking at the pay range ordinance, Porter pointed out that there were positions listed that the Village did not have filled. This could be another one. Berger asked if it were not filled internally, would the committee go through the exercise of doing an external search, or would it be left blank for the moment. Porter said he would wait to see the internal results first.

Nairn asked when the highest paid employee in the Street Department was hired. The Fiscal Officer answered 2007. Nairn asked if he was specifically hired because of his mechanical skills, and Porter said no. His mechanical skills were highly favorable to his candidacy compared to the other applicants. Nairn asked if there was an advertisement put out for a mechanic in 2007, and Porter said no, that it was for a maintenance worker. The Fiscal Officer

explained that at the time, the Village was looking for someone who had mechanical skills, but there was only one job description for that department. The point of hiring him was to do the mechanical work. Nairn said that she had read in the proposed job description that 55% of his workday should be spent on mechanical work only. She asked if at least 55% of the work week was spent doing mechanical work. Carroll said this was a question for the Street Commissioner. Carroll did not want to convey that the individual would only do mechanical work and no other tasks like cutting grass or other lesser tasks. The individual would be responsible for mechanical and everything else the Street Commissioner told him to do. Eventually, the Village would want to hire a mechanic to replace the individual at retirement instead of an individual without those qualifications.

Porter added that the internal candidate did a lot of stone and masonry work previously.

Nairn asked if there was a requirement to advertise the position even if the Village planned to hire from within. Carroll and the Fiscal Officer did not think so. The Fiscal Officer suggested posting the position internally in the event another worker also had skills. Carroll thought this was a better process than giving bonuses. He added that he was concerned about the high end of the scale and would like to see it well defined so that the Village did not have a mechanic making more than the Service Director. The Fiscal Officer advised that this was possible because of overtime pay.

Nairn clarified that with the new position, the individual could not refuse to weed whack anymore. Porter explained that it was a mechanic/laborer position. The committees reviewed the responsibilities and percentages listed on the job description. Berger suggested taking lawn maintenance out of the 55% section and that the Street Commissioner should track hours and activities through a daily activity log. At the end of a year, the committee should review the data to see if 1,100 hours were spent doing mechanical work. If not, the Village would have an awfully expensive grass cutter. Carroll offered that if there were only 600 hours of mechanical, would it be more costly to have a mechanic in-house rather than sending work out. The Fiscal Officer asked how the Village could then reverse the decision to have this position if it was found there was not 55% of mechanical work. She suggested that instead of putting it in place, the department should track the hours this year and then the position could be put in place after the information was analyzed. Carroll agreed this was a smarter way to go. Carroll said the one nice thing about the bonus was that it was a one-time event, where \$30 an hour would be forever and a day moving forward.

Porter thought this could be addressed in the Street Committee meeting.

Berger said it could all be put in place so that it was available. The employee could be offered a bonus and an explanation of how Council planned to address the new position in 2021 or 2022. Nairn asked if there had been any discussions or promises made. This had been a problem in the past and she was concerned. Carroll stated there had been no discussion or promises on the part of the Street Committee, nor from the Finance Committee. Nairn added there had not been from the HR Committee either. Carroll did not know about the Mayor, but thought this was a balanced approach.

Greg Heilman referred to the percentages and requirement to document daily activity and offered that the rates could vary. Berger said it would be an average over time over the course of a year. Heilman added that there could be a year that was rough on the equipment, and the next year there could be a new piece of equipment that required less maintenance. Berger noted that there were four snowplow trucks, two of which are ancient. Porter and Berger agreed that there was mechanical work being done and studying the quantities of work would provide a measurement to confirm.

Nairn referred to the fact that the individual was initially hired because of a specific mechanical skillset and asked why the issue of new job position had been raised at this time. Carroll said the Mayor brought it up last fall during salary considerations when he wanted to give the individual a \$1,000 bonus because he was doing mechanical work and in appreciation for the work he had done. This led to the conversation of why the Village was just giving a bonus in this instance, which led to the discussion of having a mechanic position. It was an effort to steer away from "buckshot". Carroll explained that over the past several years, the Village had gotten into the position where raises were being arbitrarily given. They needed to be based on something other than being liked, which was what was being done. This practice sets a bad precedent and had gotten sloppy over the last several years. The committee was trying to tighten it up. Berger added that as the individual had demonstrated abilities, more and more of the mechanical maintenance work had been kept in-house. This happened over time, and the Village now finds itself in the right position to recognize the skillset. Nairn clarified that the individual had saved the Village a lot of money, and Porter concurred. Berger said that although \$30 per hour sounded expensive, in comparison to what the Village would be charged by a dealership, it was a reasonable cost.

Nairn asked if there were other individuals in the Service Department who did mechanical work. Porter said it depended on how this was defined. Nairn concluded that the other employees were not saving the Village as much money as the potential applicant. Porter said this was correct. Nairn summarized that the Village would put this position in place, but first would track the various on the job activities for the rest of the year. Carroll said it could be reevaluated at the end of 2021 or early 2022.

Porter said that the recommendation from the committees would be to enact this mechanic/laborer job description as an amendment to the Employee Handbook. The Street Department and Street Committee would monitor and see how soon, if at all, the position should be filled. In the meantime, Porter would amend the job description as indicated by Berger and would circulate it. Carroll again expressed concern with the upper range amount.

Nairn addressed the creation of a tiered salary system for all Village employees. Nairn deferred to the Fiscal Officer to explain how it was done in the Police Department as a reference for a tiered salary system. The Fiscal Officer stated that with new hires, the Police Department has Patrolman 1st Class, 2nd Class, and 3rd Class which are based on years of experience and evaluation results. Council determines the pay ranges, and this system used by the Police was an internal process for them. For promotions, the Chief considers the person's current rate, the rate

to which the individual would be promoted, and half that difference. After their probationary period, they are evaluated and considered for receipt of the full amount for the position.

Carroll explained that Russell Township has a similar structure. He explained that it was a step increase based on the amount of time the officer had with the Village and/or experience. Increases are systematic over a period of time. Another option would be to consider a longevity option where longevity pay is provided. This is a percentage based on the amount of time in years. The Fiscal Officer explained that in the Police Department, at the end of the day, they are all police officers and basically their jobs are the same. At some point, they will make the same amount. In the Service Department, there are three different pays for three different employees who have three different skillset specialties. The Street Commissioner wanted to set something up to provide incentive and direction for promotion.

Nairn had not heard discussion of evaluations. With the Police Department, the evaluation period is six months, but this time had also been extended for officers when more growth was necessary. Carroll stated that in fairness to the employees, they should be told what they would start at and what they would go to at the end of six months. The Fiscal Officer disagreed and referred to the issue of incorporating yearly raises when the probationary period spanned two calendar years. Carroll said that the raise identified to the employee should include this, but the Fiscal Officer added that Council would have to change how it was worded. Carroll preferred building in the raise and changing the language. The Fiscal Officer asked why it was necessary to tell the employee what he/she would be making in six months, and Carroll said in fairness to the employee, they need to know what would happen after probation. He said it prevented an elected official, committee, or Department Head to say they wanted a specific person to go to a certain rate. Carroll stressed the importance of establishing the rate, and if there is a raise that is scheduled within the year, the rate would go up.

Nairn asked if someone were hired November 1st, would they get a raise eight weeks later when annual across the board raises are given. Porter said if they were full time, and he and Carroll explained this would be if it were an across the board raise. Carroll explained that if there is a starting rate and they are hired in November, as of January, for example, the employee automatically gets the agreed upon across the board increase.

Berger said it was complete insanity and explained that it was necessary to do a step scale where on the anniversary date the employee would move from "x to y" because the employee has remained a year longer and get rid of annual increases of 2% or 3%. It would be put on a schedule. Carroll said this schedule would change. If someone starts in November at \$28.00 per hour. When the next person is hired, the position may have gone up to \$28.50 because of the raise. The individual who starts two months later will get \$.50 more an hour than the person who started in November. Fiscal Officer interjected that the Village has ranges and not an exact dollar amount. If someone is hired at a specific amount and then receives the across the board raise, the next person who is hired after the first of the year will start where the first person started the year before. Berger added that there is flexibility with different skill sets. Carroll argued that then there is arbitrariness. Nairn agreed and said it is in the flexibility that things get messy. Berger asked what is not flexible about Council sitting in a meeting and saying, 'well we

haven't done any evaluations and we have no idea what anybody has done, but here is 3%. This is as arbitrary as it gets. Nairn agreed. Carroll did not think it was arbitrary if you are looking at the position. Carroll said it was a valid point that there may not be evaluations. He said he was ok with the range but felt it had been very arbitrary how raises had been done for the past four years. Raises had not been based on anything other than, 'I want more money,' and without justification, or, bluntly, the Mayor saying, 'I'm going to do this.' It has created animosity and consternation over the years. This practice was what the committee was trying to resolve. Whether it was a range or step process, Carroll wanted to see it become more definitive than arbitrary. Carroll explained that with past practices, employees felt like they had been wronged, and Nairn added that the result was resentment.

The committee discussed models of other municipalities. Berger asked if there was a maximum salary that the Village would pay for a given job and clarified for the next 20 years. Carroll explained that part of the Clemans Nelson study was having a range and as raises were given, the ranges must be increased. Carroll did not think there was a maximum because with the cost of living increases the ranges would be amended over time. Berger said that theoretically, the mechanic position could end up making \$100,000 per year, and Carroll replied that this could be the case at some point. Porter added that things change over time. Porter indicated that the Village's pay range ordinance states the maximum, and that it changes. Berger stated that it changes on the arbitrary 2% and 3% cost of living raises. Porter stated that this year, however, evaluations would be done.

The Fiscal Officer asked for clarification regarding a step system. She asked if the Village were to replace a Police Chief of 15 years and were to hire a new Chief with 15 years of experience, would the new Chief start at that 15 year pay or the experience within that community. Carroll explained that he assumed it would be both. Using the Street Commissioner as an example, he said the current Street Commissioner started at the low end and was then bumped up. He is not currently making what the former Street Commissioner was making, but, after a certain period of time he would be. Carroll thought three to five years was reasonable. Carroll had also seen it where a Fire Chief was replaced with a new Fire Chief and they had the exact same rate, or Police Chief or Service Director. There were different models. Carroll said that perhaps employees would start out in a range and then it would be stepped so there was flexibility. Regardless, Carroll felt the Village needed to establish a system in which the employees would know when they were hired. He relayed a past episode where pay was definitely discussed with a prospective employee in her interview and then it became an issue. The employee was told out of the gate what was going to happen, but then other things were stated outside of what Council had said and this created issues. The Village needed to get away from this because it created too much animosity and too many unknowns. Whatever the system was, it needed to be consistent regardless of who the employee was. Consistency is crucial.

Porter explained that in the military, service members had their rank and then there was their service. As they progressed up the ladder, they received more money because they had achieved a certain rank and had been in the military for a certain period of time. It also allowed in times of war to bring individuals in at higher rates of pay, but they would not get their years of service.

Berger said to bifurcate it and as a two-step process, position plus years of service. Carroll explained that this was similar to longevity. Carroll thought this was a fair way to do it as long as it was relatively consistent across departments. The Russell model was all over the place.

Carroll said he wanted consistency because of the morale issues that had been created over the last several years. Nairn added that it was a toxic work environment, and Carroll agreed. Porter asked them not to say that. Nairn said this was what happens. Berger stated he did not perceive that there was a toxic work environment. Nairn clarified that it could contribute to a toxic work environment. Berger said that it could, but the Village did not have one. Porter said this was a legal phrase that gives all sorts of problems to employers.

Carroll said perhaps the Village could have a hybrid model and look at the longevity. Berger said there would be three pieces to it, position, longevity and service, and annual adjustment. Berger would not refer to the adjustment as a raise but a recognition of a cost of living, not a raise for job performance. Carroll said he had a problem with evaluations being a part of this. He explained that with evaluations, there was the halo theory, and to tie evaluations to promotions and/or raises was problematic unless there was an HR department that weighed into it. Carroll thought evaluations were important and feedback to employees was good, but unless they were written and done objectively it was problematic.

Porter said another idea would be at the five-year employment anniversary with the Village, the employee could receive \$1,000. At 10 years, the employee would get \$2,000 and at 15 years, \$3,000, and 20 years, \$4,000. There would be nothing for 25 or 30 years. The Fiscal Officer asked if this was longevity, and Porter said yes. Porter said this would not be retroactive, but proactive. For example, an employee with 14 years would receive \$3,000 at 15 years of employment, not \$3,000 plus the \$2,000 and \$1,000 from previous anniversaries. Carroll said he would present it as a \$1,000 increase in salary versus a one-time bonus. Porter said he would call it a salary increase. The Fiscal Officer asked if would take the place of across the board raises. Carroll explained that the employees would receive their yearly 2%. The anniversary bonuses would be in addition to these raises. Essentially, it was a flat longevity increase and not based on a percentage of the salary. Berger stated that it would be necessary to figure out who to fire at four years and 11 months. Porter questioned the practice of the Village firing someone to save \$2,000. Carroll stated just cause would be needed and employees have the rights to their jobs. Porter added that the Village would now also be doing evaluations. Porter stated that former Mayors Brett and Young had a theory about compensation in the Village with which Porter agreed. It was that the Village did not want to be at the top end nor the bottom end, but in the middle so that good people can be recruited when needed and good people will stay.

Carroll suggested that moving forward, this would be something HR and Finance could work on to see what made the most sense. Carroll advised that the anniversary pay also had implications with pensions. Porter advised that this model was one he came up with and it could be adjusted, but felt it would give employees something to shoot for and reward long-time service.

Carroll suggested having another joint committee meeting in April, and Porter agreed. Nairn suggested that HR and Finance meet independently in March and then meet jointly in April. Carroll concurred.

Nairn acknowledged that a lot of good ideas were discussed by the committees and thanked Greg Heilman for coming and contributing.

Nairn adjourned the meeting at 8:44 a.m.

Cindy Nairn, Chairwoman HR

Chris Berger, Chairman Finance

Joint Finance and Human Resource Committee Meeting
April 9, 2021 7:30 a.m.

Members Present: Chairman Nairn, Chairman Berger, Carroll, Porter,
Fiscal Officer Romanowski, Chief Rizzo, Mayor

Nairn called the meeting to order and requested the meeting be recorded.

Nairn addressed the staffing at the Police Department and explained that the Chief wanted to add the position of Police Detective. Rizzo explained that this matter was discussed with Safety Committee. The Chief and the committee wanted to add a full-time detective to the staff Monday through Friday between 8:00 a.m. and 4:00 p.m. He explained that the department needed to grow and has had nine full-time officers since 1996 and has not had a secretary or clerk since 2006. The Chief and other officers assumed these duties. Although the activity levels have not increased substantially, the types of calls currently received require more detailed investigation and follow-up. The patrol officers have also had to act as detectives, which often means taking the patrolmen off the road. Additionally, walk-in traffic, phone complaints, radio traffic, etc. can lead to calling patrolmen from their patrol duties to address this business. The detective would handle all incoming traffic, calls, reports, and follow-up. The Chief explained that the plan would be to move the department's current Detective/Patrolman Mike Kleinknecht to the Monday through Friday dayshift position. He could also be used to fill a full-time patrolman position for officers on vacation. With Kleinknecht's position then becoming vacant, the Chief proposed moving one of the new part-time officers into the full-time Patrol Officer position. The Chief explained that since this officer did not have full-time patrolman experience, he would come in as a Class "C" Patrolman, which is set at 20% of the going Patrolman rate. It would take him a number of years to graduate to Class "A" Patrolman. Carroll asked how long the step process would take and how the Chief internally handles the increases. The Chief explained that with less than three years of full-time experience, it would take two years and two good evaluation periods to be moved up into the second class, which would be Class "B". To achieve Class "A" would require another two years and evaluations exceeding expectations. Nairn asked about the frequency of the evaluation, and the Chief explained they are annual evaluations done by the end of the first quarter.

The Chief further explained that generally, there is a \$4,000 difference between ranks: Patrolman to Sergeant, Sergeant to Lieutenant. He explained that during the probation period, the officers' salaries are decremented 10%. At the end of the probation, they are moved to the rate of the full-time patrolman, for example. This is providing the officer has the experience to qualify as a Class "A" patrolman. The Chief clarified that the department is not giving raises after the fact. Carroll verified that if an officer were to come to the Village from Chester Township, that individual would start at 10% below the full-time patrolman salary, and after successful completion of the probationary period, would then receive the full pay. The Chief explained the pay and promotion process for the patrolmen, and then clarified the promotion procedure from Patrolman to Sergeant. With this promotion, the individual receives 50% of the difference between ranks until the six-month probationary period is complete. The remainder of this

difference is awarded after that. The only other raises the officers receive are the annual across the board raises.

Porter asked if the part-time position that will be vacated in this process would be filled. The Chief said it would.

The Fiscal Officer asked the Chief about the job position description and salary for the Detective position. The Chief explained that he provided a proposed job description combining what the department used to have in a Police Clerk and adding detective responsibilities. The Fiscal Officer asked if the salary rate would be the same, and the Chief stated it would. The officer is currently a Class "A" Patrolman/Detective. There would be no change in salary.

Porter asked about the cost to the Village, and the Chief explained it would be the cost of full-time salary for the new officer, which would be for a Class "C" full-time Patrolman. The Chief explained that the new patrolman would start at \$64,000. The Fiscal Officer explained that with benefits it would be \$90,000 - \$100,000. Porter asked if the budget would have to be amended, and the Fiscal Officer concurred.

The Mayor reviewed the pay the new full-time officer would receive. The Chief explained that the officer will be starting at the lowest level and will not receive a raise for two years. The Mayor stated that in 2023 the officer would be earning \$68,000. The Chief explained that this depends on how everything goes and reiterated that there must be two successful evaluations during this period and there is a matter of timing. The Mayor stated that in May of 2025, the officer would be earning \$72,000 assuming there were no other pay raises. The Chief said it would be 10% less than whatever the current Class A Patrolman would be earning. Carroll proposed that the officer should also receive the cost-of-living adjustments (COLA) in addition to any raises, as with all employees.

The Fiscal Officer addressed the matter of raises given to employees after completing the six-month probationary period and explained that raises after the probationary period is new. When it has been done, Council approved a motion listing the new salary amount at the end of the probationary period. With the last two hires, Council gave the dollar amount for that raise at the time of hiring them but did not take into account any across the board increase. The HR committee recommended doing the difference between what the person started at and what the raise was supposed to be. That would not be fair to that person that got the across the board raise but did not get the raise for finishing the probation. Carroll explained that the way the Chief has it, the across-the-board raise should be built in to the 10% raises between classes. The Fiscal Officer acknowledged this but explained that the problem was that when Council passed the motion, it gave an exact dollar amount. She felt the approval of any end-of-probation increase be approved at the end of the probationary period. Carroll stated that it would be nice if there was consistency regardless of department.

The Mayor stated that it would take the new full-time officer four years to pick up two \$4,000 increases. So, if he were at \$64,000 as a Class "C", two years later he goes to Class "B" at \$68,000 and then two years later, he would become a Class "A" at \$72,000. The Chief stated this was a dynamic number because each year the employees receive a cost-of-living increase.

He said it would be whatever the full-time salary is at the time. He explained all patrolmen get paid the same amount of money.

Carroll asked about the salaries of the patrolmen, and the Chief explained that all the patrolmen, unless on probation, make the same amount. The sergeants make the same amount. The Chief explained how he determined the salary of the new Lieutenant.

The Mayor asked about Sergeant Kimball's salary.

Porter asked the Mayor if he agreed with the proposal of the new Police Department position and new full-time officer, and the Mayor agreed. He thought the Village could possibly hire a clerk at \$50,000-\$55,000 and have very little flexibility with additional help. He thought it was more beneficial to bring in another police officer for \$100,000 considering how things had changed. The Chief explained that he looked at the idea of hiring a clerk, but that person would rely on the Chief or a patrolman, which would defeat the purpose.

Nairn noted that the Chief had been fiscally responsible, and she thought the proposal was a good idea.

Porter stated that it would be necessary to amend the Employee Handbook to include the job description. The Fiscal Officer explained that it would be necessary to establish the pay range and amend the budget as well. The Fiscal Officer asked when the committee wanted to do this, and Porter thought the process would begin at the first meeting in May. The Fiscal Officer added that a motion would be necessary to begin the search for a part-time patrolman. Nairn verified that this process could be completed by June 1st. Porter stated yes.

The committee discussed the various positions, duties, and hierarchy of the Police Department.

Nairn addressed the Street Department mechanics position and advised that the Street Commissioner is tracking the time spent doing mechanical work. She spoke to the Street Commissioner about the need to accurately document this information and verified that the Street Committee had done the same. Porter stated he expected to hear more from the Street Commissioner at the next Street Committee meeting, which the committee wanted to change from April 30th to April 23rd at 7:30 a.m. in Village Hall. Nairn asked the committee if they would enlighten her on the method being used to collect the data about how much mechanical work is done in a day, week, month, etc. Carroll stated he would address this with the Street Commissioner. Nairn suggested that the Street Commissioner keep a physical running record instead of just asking the individual how much time he spent on mechanical work last week. Carroll would address this and report on it at the April 12th Council meeting. Nairn thanked Porter for the work he did with writing job descriptions.

The tiered salary system was addressed. The topic was initially discussed at the joint HR/Finance meeting on February 19th. Since that meeting, Berger sent the committees his ideas for pay scales for full-time Village employees. He considered five components of salary: Job classification and salary range, number of years of service with the Village, cost of living adjustments determined by Council, and a yearly performance evaluation level of acceptable. Carroll asked if the raise to which he referred would be the COLA everyone would be getting.

Carroll clarified that Berger was not specifying a tier raise. Carroll thought this was where there was difficulty because if everyone received an acceptable evaluation, they would receive the across-the-board raise. Berger said no because they would have different years of service. Carroll clarified that the evaluation is not going to weigh in as far as the amount the employee would be receiving. Either the employee is acceptable or not. Carroll posed the scenario of something being acceptable in one department but not in another for purposes of receiving the raise. Carroll and Berger agreed it would be based on job classification. Berger explained that the Village must move towards evaluations having some impact on wage increases. Berger suggested that evaluations and raises be done based on anniversary dates, not January 1st. He said it would be a continuing process throughout the year. Nairn felt the concept of staggering the evaluations would be beneficial.

Nairn asked how the COLAs have been determined by Council. Porter advised that someone on Council would identify the consumer price index, and then Council would consider this as the cost-of-living adjustment combined with acknowledgement of the good work employees had done, which was how it had arrived at 3%. Carroll noted that Council gets a 3.5% raise regardless of what the employees get and felt Council's raise should use the same metric used for Village personnel. Porter discussed the potential conflict in doing this and explained this was the rationale with the original decision by Council. Berger added that the evaluation process for Council is at the ballot box.

Berger posed the following questions: How long would it take for an employee to become capable to do all the aspects of his/her job? Is there a point of time in service where after six years, for example, that someone should be fully expected to do everything in their job description 100%? Is there a maximum salary that an employee can make? Berger asked if it were reasonable to say that there is a maximum dollar amount that the Village would pay for a position? Would there be a point to tell someone with 15 years that they are at the maximum salary they could earn with the Village? Carroll provided examples with the Police Department and explained that the only increases available might be the annual COLA. Berger stated that the committees had discussed annual raises in terms of 3%, and Carroll replied that it would be whatever the COLA would be. Berger stated that COLA is 1.3%. Council would not be giving 3% and then all the other adjustments on top of it. That component is going to be 1.3% or 1.5%. Carroll stated that whatever the patrolman's maximum salary, the only increase beyond this would be the COLA/annual raise. Carroll explained that as it was explained by Clemans Nelson, there is a range and when someone reaches the top of the band, it is necessary to increase the band. Carroll asked about longevity bonuses, and Berger stated he kept it in his plan since it seemed to be important to the committees. Carroll saw this as beneficial, and Berger said it provided a recognition for term of service. Carroll thought a flat rate is good. The Fiscal Officer asked whether an employee who is maxed out would still get the COLA but not the raises? Berger agreed. Berger stated that they would still get COLA and service bonuses, but Council would not keep jumping the number up higher in terms of annual compensation because they have breathed another year. Carroll reiterated that they would receive the COLA and longevity pay, but no other arbitrary pay raises, which is what had been done. Carroll thought it would be good to meld Berger's idea with what the Chief had been doing. Nairn asked if it would still be

considered tiered. Carroll described the combined process, and the Fiscal Officer stated that she appreciated that it would be in writing. Berger stated it was all spelled out. Nairn said there would be no arbitrary buckshot. Berger said it is a matrix and it is only necessary to fill in the numbers.

Carroll suggested having another joint HR/Finance meeting. He and Berger could work to meld what the Police Chief described and present something additionally for the committees to consider. Nairn suggested Friday, May 7th, at 8:00 a.m.

Nairn made a motion at 8:50 a.m. that the committees go into Executive Session to discuss employee compensation, seconded by Porter. Roll call – ayes, Nairn, Berger, Carroll, and Porter. Motion carried.

Nairn made a motion at 8:51 a.m. to leave Executive Session, seconded by Porter. Roll call – ayes, Nairn, Berger, Carroll, and Porter. Motion carried.

Nairn made a motion to adjourn, seconded by Porter. Voice vote – ayes, all. Motion carried.

Cindy Nairn, Chairwoman HR

Chris Berger, Chairman Finance

Prepared by Leslie Galicki

Finance Committee Meeting Minutes
Monday, February 18, 2022, 8:00 a.m. Village Hall

Members Present: Chairman Galicki, Councilman Berger, Fiscal Officer Romanowski, Fiscal Auditor Lechman, Mayor Koons

Galicki called the meeting to order and read the roll.

The Fiscal Officer reported she is working on the 2021 State report and hopes to file it by next week. It is due February 28th.

She advised that the County Auditor's office indicated the Tax Budget hearings this year will occur August 15th and 16th.

In the past, employees were given \$100 for getting a physical exam and this was done by motion. The motion had not been done, and she wondered if Council wished to continue this practice. Five or six out of 16 employees do it each year. Berger thought this was an HR issue and he would put in on the agenda.

The Fiscal Officer explained that the Village uses Microsoft 365 and pays \$99 per year for five computers as a family plan. Because it is a family plan, she and the Chief have been paying the sales tax for it. She is conducting research into business accounts to have tax exempt status. However, some of the business plans are expensive. The committee discussed an offer for Microsoft 365 Apps for Enterprise. Berger suggested going up to the business level, although it would be more expensive, but would make things right from a licensing standpoint and eliminate the need to pay sales tax.

The Fiscal Officer addressed legislation to create a new fund for the Parkland Dam project. If the committee agreed, it would be on the agenda for the February 28th Council meeting.

Regarding the State legislation to reinstate virtual meetings, the Fiscal Officer explained that the Governor signed off on it February 17th. She explained that the next Council meeting could be done by Zoom, or with Microsoft Teams or Google Meet, both of which are free. She suggested setting up the Council meeting as a hybrid so that Porter and Cavanagh, who were scheduled to be out of town, could participate. It would be set up as a hybrid through Google with Zoom as a backup in case there were issues with the Google Meet platform. The Fiscal Officer and Police Chief would set up some trial meetings in the meantime. The Mayor suggesting doing a test run with the Lake Louise Homeowners' Association (HOA) meeting on February 27th with both Zoom and Google Meet. The Fiscal Officer would notify Porter and Cavanagh. She added that virtual meetings will only be allowed until June 30th.

The Fiscal Officer had been in contact with bond counsel about the Parkland Dam residents' petition and the issue of residents getting the money submitted within 45 days of the completion of the petition. The Fiscal Officer would provide the revised petition when it was made available by bond counsel.

Galicki asked if there was any new business, and the Mayor stated that the Geauga County Auditor's Office was one of 15 entities in the State that received a clean audit. The Fiscal

Officer agreed that it is one of the best and added that although its requirements made for more work, the County Auditor's office ensured that things were done as the State wanted. The Mayor stated that the Village should send a congratulatory letter to the Geauga County Auditor's Office. The Mayor said the Auditor made arrangements to meet with him for breakfast to discuss the Special Improvement District (SID).

Regarding the Budget Commission hearing the previous year, the Mayor stated that he thought the Village could have sent a project list to the commission in July. The Fiscal Officer explained that by July 20th, it is necessary to have the Tax Budget adopted by Council and filed with the county. This year, she is planning to have a full budget list and give a report as an attachment to the budget to explain the Village's projects. Lake Louise Bridge and the full repayment of the Bell Rd. loan will be complete as promised and the Central Detention Basin should be underway. Additionally, if the Road Program also increases, these will all be things to show to the Budget Commission. The Mayor asked about setting up a reserve fund for Bell Road East. The Fiscal Officer advised that she will be able to address this after the reserve fund training provided by the Auditor takes place. The process and requirements are very specific and not for the purposes of hiding money.

The Fiscal Officer also received information from the County Auditor regarding SID's and saw it as something that could benefit the people in the county while removing the Village from the process. The committee discussed the mechanics of a SID.

The Mayor asked if there should be a petty cash fund for the end of the year to repay the Fiscal Officer and the Chief for all the tax money they pay over the course of the year. The Fiscal Auditor agreed it would be great to reimburse them for the sales tax they pay but did not think this was allowable. The Fiscal Officer agreed and added that the Village is not supposed to be paying sales tax. The Fiscal Officer said it could be done as a bonus, but then that would create questions as to why they received a bonus while no one else did; and it would be circumventing the rules.

The Mayor said that the meeting with the bond counsel was confusing, and the Fiscal Officer agreed. She suggested arranging in-person meetings moving forward instead of virtual.

The Mayor stated that SID's had been around for years, and the Fiscal Officer agreed but explained that in terms of water projects, this is new. Although it may be too late for the Parkland Dam as Council wants to move forward more quickly, she ultimately saw the SID as being a beneficial tool for residents.

The Fiscal Auditor stated that as part of his financial report at the previous Council meeting, he said the Village would have about \$2.5 million at year end based on the budget. He was curious about whether there would be a five-year plan so the Treasury Investment Board would know how much of this could be invested. Galicki asked the Fiscal Officer how the current projects impact this sum, and the Fiscal Officer explained that she would make this determination after completing the amendments to the budget. She hoped that after finishing the State Report, Council could work on the five-year plans whereby current and anticipated projects were identified and for which reserve funds could be created and funds then invested.

The committee discussed the topic of a new Service Department building which was mentioned at the previous Council meeting. The Fiscal Officer had been unaware of the plan, and the Mayor thought it was poor planning to throw in a building in the middle of the year. The Fiscal Auditor suggested the Village could look into a capital improvement levy if the Village were considering a new building.

Galicki adjourned the meeting at 8:30 a.m.

Dennis M. Galicki, Chairman

Prepared by Leslie Galicki

Finance Committee Meeting Minutes
Wednesday, March 16, 2022, 9:00 a.m. Village Hall

Members Present: Chairman Galicki, Councilman Berger (Google Meet), Fiscal Officer Romanowski

Visitor: Patrick Holtz, Garden Park Dr.

Galicki called the meeting to order, and the Fiscal Officer read the roll.

The Fiscal Officer reported she was still waiting for the revised petition for the Parkland Dam project residents. She would reach out to bond counsel again today.

The Fiscal Officer reminded the committee that the Special Improvement District (SID) webinar by the County Auditor would take place at 1:00 p.m. on March 16th. She would be attending and provided Council members with a link.

The Fiscal Officer did not have revised numbers from the Engineer for the Whitetail project after its change from the Manor Brook project. The budget must be amended for the revisions. She referred to agenda items the Mayor asked the committee to discuss, and explained that she had pages of items to review for required amendments due to additions and changes for this year's budget. She hoped to have this by the next Council meeting. Relating to this topic, she asked the status of the Sugar Bush project. In 2020, the Village committed to giving Sugar Bush funds to help dredge their silt pond since it was felt that the Bell Road project may have contributed to silt accumulation. However, the dredging did not take place. The budget was amended in 2021, and Sugar Bush went from asking for \$7,000 to \$10,500 because costs rose, and Council approved the request. In the November 8, 2021 Council meeting minutes, it was reported that dredging was being done that week, but the dredging still has not been done. It was not budgeted for this year and would require an amendment if it were to occur. Berger said Sugar Bush was responsible for the delay since they were in control of getting the contractor. Galicki asked if anyone from the Village was coordinating with Sugar Bush, and Berger suggested referring it to Public Utilities Committee. He would contact Sugar Bush to determine the status.

The Fiscal Officer said she would be refunding the donation to Cindy Nairn as Council approved at the Council meeting. She did not think the Village had the plaque for Mrs. Harvey, and it would be necessary to get money for this from her. Galicki noted that Mrs. Harvey donated the butterfly garden, and asked whether the Village should provide the plaque, or charge her in fairness to other donors. Berger would consider waiving the charge for the plaque. Galicki thought it was petty to ask for this payment since she generously donated the garden. Galicki would make the recommendation to waive the cost of the plaque for Mrs. Harvey at the March 28, 2022 Council meeting.

The Fiscal Officer addressed the policies for Village Hall use, donations, and bench donations. She added that perhaps the HR Committee could develop a policy for appreciation gifts for elected officials, etc., so that there would be parameters and dollar amounts. Berger said to add this to the HR meeting agenda for the next meeting.

The Fiscal Officer received the income tax disbursement on March 16th. For the year, the Village is up \$100,000, which is the highest year ever. As of March, the Village had received \$499,000. It would be

necessary to amend the Certificate of Estimated Resources with the county. Galicki verified this was the result of people working from home, and the Fiscal Officer concurred. Berger asked if there were a threshold at which the certificate must be amended, and the Fiscal Officer explained that when a municipality knows revenues will be significantly higher, it is required to let the County know. The Village would want to get the Certificate of Estimated Resources up so the Village could increase its appropriations. She explained that when the Village appears before the Budget Commission, this is just for tax levies, not for income tax or grants. These must be reported, but the County does not have control over them.

Regarding the full budget schedule, last year, the long-range planning was done on September 8th, and the Budget Work Session was October 4th. The budget was not adopted until December 13th, which was the last meeting of the year. The goal is usually to adopt the appropriations the first meeting in November. The earliest she would recommend the Budget Work Session would be the end of September. She encouraged developing a timetable for large projects like Bell Road East, in order to have an effective budget. She asked if the committee would want such a planning meeting before the Budget Work Session. Berger recommended putting the Budget Work Session on the calendar, with approval scheduled for the first Council meeting in November. If Council wished to have a long-range planning session, it was up to Council to arrange it.

The Fiscal Officer explained that she would be providing the tax budget worksheets for the Department Heads along with their five-year schedules to look at with their committees to determine any large expected expenditures for 2022. She explained that at Tax Budget time she must figure out her transfers for next year to ensure the money is in the funds to do the projects. The Tax Budget in July somewhat limits the budget at the end of the year. It would be helpful for the Department Heads to clearly communicate their plans to the committees. It would be ideal to eventually develop a five-year budget.

Galicki addressed the Mayor's statement that number of questions Council has in the year after the budget is passed is embarrassing, and that Council does not know what they pass on the budget. Galicki thought Council knew what was passed on the budget since it was reviewed before passing it. Most of the questions come from people who want things that they did not have the foresight to include in the budget. Department heads need to be more engaged in identifying in the long term what they want.

The Fiscal Officer verified Galicki would determine the date of the Budget Work Session at the next Council meeting.

The committee discussed the need for policies, and the Fiscal Officer offered to reach out to her Clerks' and Ohio Municipal League to see if she can obtain samples.

The Mayor also indicated that he wanted to be educated on reserve funds. The Fiscal Officer said this training would be provided by the County Auditor possibly in April.

Another item on the Mayor's list was the Fire Department donation, which was not in the budget. Last year Council passed a resolution in support of this, but it was not in the budget. It was never fully decided if the Village would donate the money or what the dollar amount would be. Berger advised that it was a nonbinding resolution and did not think it appropriate to budget for this. He thought it was nebulous as to whether Council would support it. The Fiscal Officer agreed and said the Mayor asked if

the Village was in or out. Berger said this was not a decision for the Finance Committee but rather Council and should be raised there. Galicki concurred. Berger suggested Galicki ask the Mayor where the Fire Department was on its fund raising process. There was discussion of the funds being entirely raised and thus no need for the Village to contribute. Berger noted that the Village did not commit itself to spending any money through the resolution. Galicki added that he struggled with using Village funds to repair a building in an adjacent community for use by a private organization. He considered that the Village Police Department operates in a converted ranch house and questioned the logic in giving away funds to another community to improve their facilities. He understood the relationship but added that it is a private contracted organization. Berger said in previous Finance Committee meetings, this was discussed, and his perspective was that if Chagrin Valley Fire Department wanted an extra \$60,000 then they should come to the Village with a contract that puts that \$60,000 in the contract over six years, for example. He viewed this from a governmental responsibility standpoint. Galicki added that conversely, the Village could give the funds but then ask for a guarantee that contract pricing would not be increased over a certain amount of time. Berger also suggested the potential for including a claw back clause in the event the Village were to seek services elsewhere.

The Fiscal Officer offered that the Fire Department's contract expires at the end of this year, and they should be approaching the Village with the new contract. Historically, this was done in November, which gave Council no choice because of timing. There was a question of who should be contacting the Fire Department about the contract, and Galicki explained that in the past, it was former Councilman Carroll. He thought the Finance and Safety Committees could consider it and added that perhaps Carroll would assist in reviewing the contract. Berger recommended Safety Committee reach out to the Chagrin Fire Department regarding the status of the new contract.

The Fiscal Officer continued to review the Mayor's list of agenda items. One pertained to the year-end balance and she explained she would not have an answer about projections until she could make the amendments. Berger said that during his time on Council, deficits have been projected, but had not occurred. The Fiscal Officer explained that this was because the Village was not completing its projects. Projects had been delayed, and some may be finished this year. Once she had the amendments in, she would have a better idea of where the Village would end the year. Berger referenced a statement by the Mayor that residents had picked up on the fact that the Village had a surplus of \$4 million. Berger suggested finding a way to explain the dynamic of the Village's finances and that it did not have a \$4 million surplus because funds had been allocated for projects. He suggested including this in the newsletter. The Fiscal Officer concurred and offered it could be in the summer newsletter.

The Fiscal Officer addressed the Mayor's proposal to add Maple Springs and Woodside to the Road Program. It had not been budgeted and Council approved going out to bid for the roads identified for the 2022 Road Program. Adding these streets could delay going out to bid or possibly require going out to bid for another road program since it would be another \$335,000. Galicki addressed the uncertainty and potential impact of oil prices. He questioned whether the Village really wanted to take this on and added that it would require a budget amendment. Berger advised that the Road Program was presented by the Streets Committee and concluded it was their place to consider this suggestion.

The Fiscal Officer advised that the Central Retention Basin project was supposed to go out to bid in December but had not to date. She reviewed the requirements of the Ohio Revised Code and stressed

that the Village could not keep delaying projects. Galicki recommended directing a question to Public Utilities about when the bid process would occur. Berger said that the delay was due to reconfiguring the project but agreed that Public Utilities would discuss it.

Berger verified that the part-time Administrative Assistant had accepted the full-time position, and the Fiscal Officer said yes, but it would be necessary to amend the budget.

Berger asked if this could be included in the Fiscal Officer's amended budget, and she said yes.

Berger then addressed the three positions Council asked to advertise. The Fiscal Officer said this would be in the paper the following week. Berger asked if the budget should be amended now, and the Fiscal Officer thought there was already \$7,000 budgeted for the part-time Zoning Inspector. The committee discussed the budgeting processes with new positions and corresponding payroll. Galicki suggested that in anticipation of new hirings, departments should include this information with their budget proposals for the coming year.

Galicki invited Patrick Holtz, Garden Park Dr., to speak. In preparation for the Budget, Holtz wanted to offer his thoughts on the importance of vision and strategy in the development of the budget and long-range planning. Holtz had worked in transportation and infrastructure, in government, and as a lobbyist. He also worked as a planner with Northeast Ohio Area Coordinating Agency (NOACA). In 2013, NOACA put together a document called Vibrant NEO 2040, a land use study, which he felt the Village should utilize. He addressed the question of whether South Russell was a village or an intersection in terms of strategic planning. Holtz suggested engaging the public more in projects and thought that by incorporating their ideas, the Village would have more integrated projects.

Holtz concluded by sharing recently, Congress approved the funding for the largest infrastructure bill since the Defensive Highways Act of 1946, which was a 30% increase in infrastructure funding. Most of the funding was through discretionary grants, which targeted elements in the Vibrant NEO 2040 study like sustainability, livability, etc. He encouraged the committee to review it.

Galicki acknowledged that Holtz had some good points and agreed that strategic planning is an Achilles' heel to a lot of communities. There might be merit in Holtz addressing the Planning Commission.

Berger made a motion to adjourn, seconded by Galicki. Ayes, all. Motion carried. The meeting was adjourned at 10:07 a.m.

Dennis M. Galicki, Chairman

Prepared by Leslie Galicki

Finance Committee Meeting
Friday, April 15, 2022, 8:30 a.m. Village Hall

Members Present: Chairman Galicki, Councilman Berger, Fiscal Officer Romanowski, Fiscal Auditor Lechman, Mayor Koons

Galicki called the meeting to order and read the roll.

The Fiscal Officer reported that the committee had been emailed information by the Solicitor about the gift policy as it relates to the Ohio Revised Code (ORC). The Fiscal Officer felt there should be a written policy. The Solicitor sent Auditor of State bulletins and the Fiscal Officer explained that the documents indicate an ordinance or resolution is necessary and the gift policy cannot be arbitrary, unreasonable, or incorrect. Additionally, it is only forward looking, and the Solicitor did not think it could be done for members who had already left, Maistros and LaChapelle. The questions provided by the Solicitor were whether it was necessary for a public purpose? Would it be for all boards? Would it pertain to Council members serving as Council representatives of the boards, like Planning Commission? What would the dollar amount be? The Fiscal Officer showed the committee an example of a resolution of appreciation, which is prepared and framed in-house, and costs about \$20 compared to the expense of having it professionally framed.

The Mayor thought the policy should come from HR. The Fiscal Officer added that it was also a Finance Committee matter. Berger asked if the Village had the money to provide a token gift to the individuals. The Fiscal Officer thought so and added that there was an appreciation line item and money budgeted in it. Berger said HR would determine the policy and who qualified, and this would satisfy the rules in terms of public purpose and non-discriminatory etc. Galicki said from a finance perspective, compensated positions did not need a token of appreciation. Berger concurred. Galicki felt it should be for the true volunteers. The Fiscal Auditor raised the issue of Council members being given a framed print. The Fiscal Officer explained that they get a print and are allowed up to \$300 for framing. They also receive a framed proclamation. The Mayor said that this was giving compensated Council members gifts. The Fiscal Officer raised the question of the Solicitor's ruling that Maistros and La Chapelle could not be given gifts but the framing of two prints had been ordered for two former Council members. The Fiscal Auditor said this had been done for 40 years. The Mayor stated that the policy was being violated, and the Fiscal Officer clarified that the Village has no policy. Her point was that if it were to be done for the former Council members then what about the two former board members? Berger thought the two board members needed to be recognized. The Mayor proposed it could be taken out of the Mayor's account, and the Fiscal Officer explained that the Mayor's fund still contained government money and could not be used to avoid the rules. The Mayor stated that on his \$5,000 he does not have any rules. The Fiscal Officer explained that the Mayor must follow the State rules. The Fiscal Auditor clarified that with the Mayor's discretionary fund, he is permitted to spend it without Council's approval, but spending of funds must still follow the law.

The Fiscal Officer added that HR wanted her to purchase \$50 gift cards for the two board members from a local restaurant, but the one individual no longer lived in the area. The Fiscal Officer reiterated that without a policy, they cannot move forward with the gifts to former Council or board members. Berger

reiterated that this needed to be done. The Mayor proposed that over the next month, the individuals be given their Resolutions of Appreciation while HR addresses the matter.

Galicki cited the material provided by the Solicitor, which addressed the arbitrary or unreasonable nature of the gift. The Village had an established practice for 40 years with providing the framed picture to public servants on their departure. Furthermore, under the verbiage, the \$50 restaurant gift card may be authorized. Galicki perceived that the issue was that a policy needed to be established to have a procedure. He surmised that the Solicitor's concern was that one individual would receive a gift card and another would not, or some other inequity. He concluded that what the Village wished to do would be authorized, but a policy was needed. The Fiscal Officer proposed that a motion be made at the next Council meeting approving gifts for the current departing members and inform Council that the committees were in a process of drafting legislation for this issue and will present it when it is ready. Berger agreed and said the motion could be to resolve to create an ordinance that adheres to the ORC and the opinion of the Ohio Attorney General in an expedient fashion.

The Fiscal Officer reported that she had just completed two days of online required training for the State Auditor's Office. Some of the training pertained to the American Rescue Plan Act (ARPA) funding. This was the money the Village would be using for the Central Retention Basin. The Village should be getting about \$400,000 and the project was estimated at \$520,000, so all of the ARPA money would be used for stormwater which was allowed under the ARPA rules. However, she found out that the Village was supposed to have a Federal Procurement Policy in place. Whenever Federal money is provided, a Federal Procurement Policy must be in place. This will be requested at the next State Audit. The Fiscal Officer reached out to other Villages in the State to obtain samples of their policies, two of which she distributed to the committee.

Galicki asked about a different ARPA fund policy, and the Fiscal Officer explained that she was aware of this policy, but the Village was spending more money on the project than it was receiving. She explained that the policy pertained to situations where it was not known how the money would be spent and would then be designated as an unrealized loss. The municipality would have to say it had a loss and that ARPA funds would be used to repay itself. She reiterated that with the retention pond project, she did not believe it was something the Village needed.

She clarified that what the Village did need was to have a procurement policy pertaining to how the Village spends the ARPA money. The Fiscal Officer would distribute details of the required information for the policy once she had reviewed the material. Berger asked what the target date was to get the policy done, and the Fiscal Officer thought before summer.

The Fiscal Officer relayed that the Fire Prevention Officer would like to have the radios that do not sell on Gov Deals donated to the Auburn Career Center. She explained that for items that do not sell, the next step is for Council to determine they have no value and then the Village can dispose it. The Mayor asked if they could have been donated before putting them up for sale, and the Fiscal Officer explained that if the Village could get money for them, then the Village was obligated to do this. Otherwise, it could be a donation.

Galicki revisited the gift policy discussion and asked whether the Village's policy with proclamations had been for every board and committee member or just board members. The Fiscal Officer said there

had been no policy. It had not been consistent. Specifically addressing a long-time committee member who had passed away, Galicki suggested giving a proclamation posthumously to his family members.

Berger asked about the plan for reserve funds. The Fiscal Officer thought there should be reserve funds established for Bell Road east and plow trucks. It had been projected that Bell Road would be paved in 2024. The Fiscal Auditor asked how reserve funds worked, and the Fiscal Officer equated it to having a savings account into which money is placed every year. When the county asked why the balances were high, the Village could use the reserve funds to explain the planned use. In setting up the fund, it is necessary to say what the purpose of the fund is and how much will be put in over the term of it. If the Village were to get a grant for Bell Road, for example, the funds can be returned to their original fund. Berger added that it not permissible to put a partial amount back. The fund would need to be closed and monies returned to their source. Then a new fund could be started.

With the plow trucks, if they were put on a regular replacement cycle, and the Village put money aside, then they would always be able to be funded. Berger thought there was a Street Department replacement plan, and the next truck is scheduled to be replaced in 2026 or 2027.

Berger addressed the \$150,000 loan Council had approved for repayment. The Fiscal Officer said this would occur at the end of April. Berger asked if a reserve fund needed to be set up for the Central Retention Basin or Whitetail 319 project? The Fiscal Officer explained that Whitetail already has a fund and was not sure how a reserve fund would also be created. Berger was concerned about the Village having a lot of general funds that were not targeted towards specific projects.

The Fiscal Officer reviewed that the Village's promise to the Budget Commission was to pay off the Bell Rd. loan, to be in a contract for the Central Retention Basin, and to complete the Lake Louise Bridge project. The Central Retention Basin still must go out to bid and be contracted by the time of the Budget Commission hearing. Different reserve fund scenarios were discussed, and the Fiscal Officer cautioned that the reserve funds help show a commitment but are not intended to hide money.

The Mayor addressed a couple of issues about reserve funds. He said that not to point fingers, but last year was a "gottcha." The Village should have known or have been informed about creating reserve funds. Some communities, when you talk to them now, laugh that the Village did not know about reserve funds. The Fiscal Officer stated that not many people in the county really knew about reserve funds. It was something the Tax Board had begun to push in the last few years because municipalities had monies growing and the Tax Board wanted them to be accountable. The Mayor said the Village was getting money poured in faster than it could be spent. Again, various reserve fund possibilities were discussed. The Fiscal Officer explained that the purpose of a reserve fund is for long term projects for which the Village would need to put money aside. They would not be useful or appropriate for budgeted and or annual projects. Berger asked the Fiscal Officer to speak to the County Auditor to obtain the details about appropriate uses of reserve funds for the Village. More reserve fund options were discussed and the committee discussed these suggestions in terms of a strategic plan. Berger concluded that he did not want to experience what he did the previous August with the Budget Commission and wanted to accomplish what needed to be done to take care of this issue.

The committee discussed changing the May Finance Committee meeting to May 6th at 9:00 a.m. The Mayor said the agenda would include Reserve Funds, Fire Department Donation, and ARPA Federal Procurement guidelines.

Berger asked the Fiscal Auditor about the status of Income Tax revenue as it relates to people working from home. The Fiscal Auditor said it had been settled in the favor of the residents. Previously, taxes were still being withheld by the former work cities. The Fiscal Officer indicated that now it is being withheld for the residence city if the employee is working from home. Berger concluded that the Village's tax income would go up, and the Fiscal Officer and Fiscal Auditor agreed. The Fiscal Officer notified the county that the Village's revenues from income tax would be increasing.

The Mayor asked the Fiscal Officer when the park benches would arrive. She explained that she did not order them. The Mayor asked who would order the benches, and she said the Street Commissioner. He had ordered all the previous benches, not the Fiscal Officer. She asked if three were being ordered and the Mayor said that three were to be ordered, and one was for the Butz Voss family who paid for the bench two years ago. Two extra benches would be purchased to save on shipping. She explained that she had the purchase order, but in the past, she had not ordered any of the benches. They had all been ordered by the Street Commissioner. This was another policy the Village needed in place. Berger asked for clarification, and the Fiscal Officer explained it was for the process for the benches and park. It started with the trees and benches. Sally Butz Voss' family donated money for the bench and needed to be ordered but there had been a decision to wait. She reiterated that she does not order the benches, and this was why a policy was needed to determine who would be responsible for ordering. The money for one of the benches would come from the donation and the other two would have to come out of the Mayor's fund because they had not been budgeted for the park. There was also a problem with the benches in the Butterfly Garden. A policy needed to be in place and the employees should be the ones doing the work so that they know what is going on. The Fiscal Auditor asked for clarification, and the Fiscal Officer thought the Street Commissioner had purchased the other benches in the past, she only cut the purchase orders.

Berger asked if the policy would be specific to benches or purchasing. The Fiscal Officer explained that last year in the fall when the subject came up, the Park Committee was still determining what kind of benches they wanted. Berger asked what the purchasing policy was that the committee should be identifying. Galicki explained that there had been no consistency in bench ordering, and it seemed to stem from various people. He thought a centralized policy was needed. Berger asked if this meant that there would be specific line items that would be purchased by specific departments. The Fiscal Officer explained that since the park was done, there had not been good communication about, for example, the number of benches around the playground. Initially, it was supposed to be five or seven, but eight foundations were installed. Now an eight bench would be needed, which is where the Sally Butz Voss bench will be. The Fiscal Auditor asked who buys things for the Cemetery, and the Fiscal Officer said the Street Commissioner and cemetery office. He suggested the purchasing be done according to the purview of each department. Berger stated that a purchasing policy is needed that includes where it is initiated. The Fiscal Officer said that was not the issue.

The Fiscal Officer explained that in addition to actually purchasing the benches, there is the question of whether any more benches are to be sold. She asked this in the Budget Work Session last year. The

Park Committee was supposed to be working on this, then Council decided to do the Park Master Plan to decide the layout. If there were something that identified how many benches were wanted, the charge of the benches, and who was in charge of purchasing the benches, the current situation would not be happening. However, the Mayor thought the benches were already purchased. The Mayor stated he gave the Fiscal Officer the information. The Fiscal Officer replied that he gave her a purchase order request and she told him that she was working on the finances and had other deadlines. She had to find where the other donation money came in. Because of all the miscommunication, there is no more money in that fund, so she must figure out what to do about it. The Mayor indicated she should take it out of the Mayor's fund, he did not care, but get the benches ordered. The Fiscal Officer reiterated that she does not order the benches. The Mayor asked why this was not made clear. If he gave her the purchase order request, he was done. The Fiscal Officer said she had not gotten to it yet because she had other important deadlines. She would order it today. The Mayor said if it is the Street Commissioner's responsibility, he would have him do it on Monday.

The Fiscal Officer equated the situation with the other benches for the Butterfly Garden. Cindy Nairn purchased a bench after donating money for a bench because there was a miscommunication, which was why the Fiscal Officer was asking for a policy. Galicki added that he did not understand why Nairn and Judy Harvey did this. The Mayor said it was because Judy Harvey wanted to. The Fiscal Officer said that the ladies indicated they were told to purchase them. There are communication issues and the Fiscal Officer felt a policy of what is to be purchased, how much to charge, what to sell them for, who does the purchasing, etc., would help with these types of things.

Berger said that with a small community, it is easy for issues to lap over into other departments and people get involved with things that maybe they should not. He had no problem with writing a policy, but it should not be about park benches. Rather it should be about purchasing and be from the perspective of the greater picture. The benches would fall under the Streets Department or the Park Committee. The Fiscal Officer explained that when she is being contacted by people asking to donate, she does not know if more benches are being sold, the price, etc. Berger said this was part of the Strategic Plan from the Parks Committee, and Chairman Canton should be asked what the committee recommended. If someone called before this occurs, the Fiscal Officer could say that she did not know if the Village was accepting donations and would forward the caller to the Property Chair. The Fiscal Officer indicated this was what she had done.

Galicki adjourned the meeting at 9:36 a.m.

Dennis M. Galicki, Chairman

Special Finance Committee Minutes
July 6, 2022, 10:30 a.m. Village Hall

Members Present: Chairman Galicki, Council member Berger, Fiscal Officer

Galicki called the meeting to order and stated that the committee would be discussing the Fiscal Auditor position, Tax Budget, Reserve Funds, Ohio Fire and Police Fund (OP&F), and investments.

Galicki stated that the Fiscal Auditor's position was not a required position under the Ohio Revised Code (ORC) for a municipality. The Fiscal Officer provided the Fiscal Auditor's job description, highlighting those responsibilities that she does and those of the Fiscal Auditor. She prepares the budget. The Fiscal Officer and Fiscal Auditor both balance to the bank. Each month, the Fiscal Officer provides the Fiscal Auditor the check register and cash revenues. He enters them into QuickBooks and makes sure that they balance on every fund. The Village has one bank account which is divided into the different funds. Both the Fiscal Officer and Fiscal Auditor provide Council with monthly reports. Previously, the Fiscal Auditor made the deposits to the bank to create a separation of duties. Making timely daily deposits was problematic for the Fiscal Auditor, for whom the position was part-time and became an issue on the State audit. Now, the Administrative Assistant does the deposits. Over the years, things have changed with technology. The Village receives direct deposits from the State and Geauga County. The Building Department Administrative Assistant collects the Building Department revenues and brings them to Village Hall where they are entered into the Fiscal Officer's system and then deposited into the bank by the Administrative Assistant. For the Cemetery, the Administrative Assistant collects the money, but the Fiscal Officer notarizes the deeds, so there are two people who have looked at the money which creates a separation of duties. Regarding the duplicate set of books, this is a duplication of work but ensures the Fiscal Officer and Fiscal Auditor balance on all funds. The Fiscal Auditor is also a signer on the checks with the Fiscal Officer. The Chair of Finance is the backup. This responsibility could be delegated to the Chair of Finance with the other Finance Committee member as the backup. Regarding investments, the Fiscal Officer surmised that Council would hire an outside investment firm that would advise on this, and it has the Treasury Investment Board to weigh in on the Village's investments.

The Fiscal Officer asked if the committee wished to keep the Fiscal Auditor's job as it stands, which is a salaried position with no set hours. Would they want to make it an hourly position? Would they want to absorb it into the administrative role?

Berger suggested there was a violation of the separation of duties with both Fiscal Officer and Fiscal Auditor being able to sign checks. The Fiscal Officer explained that it is not one or the other but rather dual signatures for the Village's checks. If the Fiscal Auditor is unavailable to sign, the Chair of Finance signs instead. Berger further explored funds intake, and the Fiscal Officer explained that other than the electronic receipt of funds, there are monies from the Building Department and Cemetery, which are taken in by the two Administrative Assistants. The committee discussed that only a small amount of cash is taken in. Berger referenced fraud in the Chagrin Falls Building Department.

Berger stated that originally, he supported hiring a replacement for the Fiscal Auditor, but from a day-to-day standpoint, it did not seem like it was really needed. Galicki noted that the Fiscal Officer is preparing the Tax Budget, which is very time consuming, and asked how much assistance she had received from the Fiscal Auditor. The Fiscal Officer said none, that she does the budget and the Tax Budget. In reviewing the actual elements of the job description done by the Fiscal Auditor, he agreed

with Berger. How would elimination of the position impact the Village? The Fiscal Auditor would indicate that he and the Fiscal Officer matched to the penny, but there was a yearly audit. He felt the opportunity for fraud was small. The Fiscal Officer described how she does the monthly bank reconciliation. The financials are provided monthly to Council electronically, and the Fiscal Officer could also give the Finance Committee the bank reconciliation to verify that everything balanced.

Galicki asked what the annual salary for the Fiscal Auditor is, and the Fiscal Officer said it is \$10,778 plus PERS. Berger advised that the Village is currently in the search for a part-time administrative position. He suggested making the bank reconciliation a part of this job. This person would work for the Fiscal Officer, but it would be a second set of eyes, which he thought was preferable to having Council do it. Berger added that the money spent on salary for the Fiscal Auditor could then be applied to the part-time Administrative Assistant position and the Village would get other duties from this position.

Regarding the Treasury Investment Board, the Fiscal Auditor is a member of the board along with the Solicitor and the Mayor. This would have to be amended, and Berger suggested that the Chair of Finance would be the third member of the committee. The Fiscal Officer explained that there was a certification, Certified Public Investment Manager (CPIM), required of one board member. She has always maintained the certification in the event the Village chose to invest money. Berger proposed that the Village could also request a Village resident serve on the Treasury Investment Board as a volunteer.

Berger reiterated that he would not be nervous about eliminating the Fiscal Auditor position. The Fiscal Officer asked the opinion of the State Auditor who was working on the Village's audit. The Auditor said it was a great thing the Village had, but not a necessary expense if there were someone else to look.

Berger stated that the HR Committee will discuss the Fiscal Auditor position in relation to a candidate for the part-time Administrative Assistant position, who has auditing experience and could take on some of the duties without officially calling them an auditor. Berger thought this would be a neat way to put this together. Galicki asked Berger to explain to the HR Committee the Finance Committee's rationale in its recommendation to alleviate any concerns about eliminating the position. Much of what is in the Fiscal Auditor's job description was not done by the Fiscal Auditor or was redundant. Berger suggested that both he and Galicki needed to be authorized signers on the account, and this should remain part of the process. Berger asked about bonding, and the Fiscal Officer explained it was covered by insurance.

Regarding the Tax Budget, the Fiscal Officer provided the committee with a draft. The majority of the tax revenue funds are done, and she is now working through the small details. It will be provided in the Council packets. Galicki verified that this goes to the county. The Fiscal Officer thought that the Village was in good shape because the carry over balance will not be as great, and the Village will have the two Reserve Funds. She added that the Budget Commission would like to see a five-year budget, and she intended to provide a cover letter to them explaining this was something the Village was in the process of developing along with a strategic plan.

Berger asked if the Village should consider another Reserve Fund at this point, and the Fiscal Officer said she would not do anything right now until it was clear where the Village would end the year with Income Tax.

The Fiscal Officer verified that the Reserve Funds had been approved by the county. Galicki asked for clarification about some verbiage confusion in the Bell Road East Reserve Fund, and the Fiscal Officer

advised that she reviewed the legislation. She made it clear to the county and they revised it to state that it is only \$500,000 for Bell Road and the Village anticipates doing the initial transfer this year, and \$600,000 over six years for the large equipment which would be \$100,000 per year. This correction was made. It was a clerical error on the part of the county.

The Fiscal Officer addressed OP&F costs. There was legislation introduced at the state level pertaining to the Ohio Police and Fire pension. Currently, municipalities contribute 19.5% to their retirement. There is a proposal to increase this to 26.5% over the next five years. As a rough estimate, in 2024 with a 2.5% increase in salaries per year and paying 19.5%, the Village's contribution into OP&F would be \$194,000. With the same salary increase at 26.5%, it would be \$264,000. The Fiscal Officer felt it would be important to aware of this. The Village would not have a say in it as it would be a State mandate.

The Fiscal Officer addressed the Fiscal Auditor's report of the Treasury Investment Board meeting and its recommendations. The Fiscal Officer stated that she does not sit on this board but is aware there is a desire to get money invested. However, she thought the Village should wait to invest until after the Village develops its five-year budget and strategic plan. After this point, she thought it would be beneficial to hire a company like Meeder Investments to help decide what investments would be appropriate given the Village's plans. She was not sure where the Treasury Investment Board came up with its numbers. Berger described the board's effort to come up with a rough cut. He was willing to wait for completion of the five-year plan and understood that the Village was not in the business of making money off its funds. However, he felt the Village had an obligation to try to make something off them in the short term if they were just sitting there. Berger thought it would be beneficial to have the Fiscal Auditor explain the board's recommendation to the Finance Committee. The committee discussed the merit in using Meeder Investments with their knowledge of governmental investing.

The Fiscal Officer summarized that HR would need to decide about the Fiscal Auditor position, the necessity to change the signer on the account, and the Treasury Investment Board recommendations. Berger discussed the make-up of the Treasury Investment Board and reiterated that it would be necessary to change the rules.

Galicki adjourned the meeting at 11:13 a.m.

Dennis M. Galicki, Chairman

Special Finance Committee Meeting
Monday, July 11, 2022, 6:30 p.m. Village Hall

Members Present: Chairman Galicki, Council Member Berger, Fiscal Officer Romanowski, Fiscal Auditor Lechman

Visitors: Council Members Canton and Cavanagh

Galicki called the meeting to order.

The Fiscal Auditor reported that the Treasury Investment Board met about a year ago to discuss a proposal by Meeder Investments. At that time, there was a lack of comfort in going forward because Council was considering a five-year plan, which would be important for planning investments. Over the year that has past, interest rates have started to climb. He contacted Meeder to ask for an update on the proposal based on current rates. The Fiscal Auditor distributed the Meeder proposal which showed an investment at the \$2.57 million level. The report reflected yield after the Meeder fees, the minimum of which would be \$5,000. The report looks at what the yield would be with the different levels of investment, and also shows what the Village was earning with Star Ohio, also managed by Meeder. The Fiscal Auditor acknowledged that Council may not be comfortable with the \$2.57 million level, and currently there is \$1.6 million invested in Star Ohio. About the same amount is in a checking account at Huntington Bank. The Fiscal Auditor provided the committee with a sheet reflecting asset allocation, which is at the \$1 million level. This would be his recommendation.

He further explained that the difference between Star Ohio and what Meeder is recommending is a mix of maturity dates. The shorter term would be about 18% of the amount invested. Almost 40% of the money would be relatively liquid with being tied up for less than a year. The remaining 60% would have varying maturities up to five years in accordance with the Ohio Revised Code. Because the Village still does not have a five-year plan, the Treasury Investment Board was hesitant to recommend a high amount for investment, and instead considered an amount where the Village could still benefit. \$1 million would allow for more than double the return with this type of investment strategy than what is currently being earned through Star Ohio. While the rates are high, he saw the benefit of investing \$1 million, and then once the five-year plan is established, this could be adjusted up or down.

The Fiscal Auditor showed the committee the Village's fund balances at month's end for every month for the last 10 years. The minimum fund balance over this period is \$2.3 million. The maximum is \$4.18 million, and the average is about \$3 million. Therefore, of the recommendation is that of the \$1.6 million the Village has in Star Ohio, \$1 million is moved over to allow Meeder to assist the Village with investments. Part of the recommendation, then, is to engage Meeder to help the Village attain the strategies they recommended at a level of \$1 million to be revisited once the five-year plan is in place.

Canton observed that what was being proposed is growth with liquidity. The Fiscal Auditor explained that essentially it is protection of Village funds, liquidity, and growth. It is not a terribly aggressive investment strategy and provides stability while locking in some of the

current higher interest rates. As interest rates rise and the investments mature, the monies can be reinvested at the higher rates.

The Fiscal Auditor reiterated that Meeder is a reputable investment firm which manages Star Ohio, Northeast Ohio Public Energy Council (NOPEC), and most communities. They know the rules and will keep the Village out of trouble. He added that a requirement for such investing is that the Village has someone who takes the minimum level of credits or is a Certified Municipal Finance Officer. The Fiscal Officer has this certification.

Berger referred to the Fiscal Auditor's examples and asked if there were a minimum requirement to get the 2.47% interest rate of return. The Fiscal Auditor explained that through his examples, he wanted to demonstrate that the Village would not want to invest so little that the fees would be more than earnings. Berger asked if the 2.47% was a blended interest rate. The Fiscal Auditor explained that it was a blended rate at that mix of maturities.

In summary, the Fiscal Auditor said it is not required by law to get Council's approval, but the Treasury Investment Board would like to do so. It would involve a motion for the Fiscal Officer to enter into an agreement with Meeder to act as the Village's investment advisor and for up to \$1 million investment to be revisited later pending the outcome of the five-year plan. Berger thought this is what the Finance Committee should recommend to Council.

Galicki noted that the Finance Committee would recommend the Village enter into an agreement with Meeder for the investment strategy.

Galicki adjourned the meeting at 6:44 p.m.

Dennis Galicki, Chairman

Special Finance Committee Meeting
August 5, 2022, 8:00 a.m. Village Hall

Members Present: Chairman Galicki, Council Member Berger, Fiscal Officer, Fiscal Auditor, Mayor, Solicitor Matheney (8:22 a.m.)

Galicki called the meeting to order and read the roll.

The Fiscal Officer discussed the five-year budget and advised during the month of September she planned to meet with committees and Department Heads to get an idea of their plans and from there prepare the budget worksheets for the Budget Work Session. She added that she would want Council to be aware of the impact of potential property acquisition on the balances as well as the potential expense to rebuild the Salt Dome.

The Fiscal Officer addressed the budget for the new Zoning Inspector. For the first month and half, it is at just over \$2,000 and the budget is \$7,000 for the year. A larger budget would be necessary if this schedule were to continue.

Galicki introduced the agenda item of Village policies and processes. He stated that the Village would be losing its Fiscal Auditor. The Fiscal Officer advised that the Solicitor would address the changes necessary in the Codified Ordinances regarding the Fiscal Auditor position.

The Fiscal Officer addressed the Village's purchase order (PO) policy. The law requires that POs are pulled before the Village incurs an expense or places an order. Recently there was a PO requested for \$2,800 for boulders. The PO was put in for a private individual, and the Fiscal Officer requested a W9. She did not receive the W9 and found that it was not an order, but rather the boulders had already been installed. The individual works for a company but did not want it to go through the company. Anything over \$3,000 must go to Council for approval, and although the \$2,800 is under the threshold, she is not comfortable paying it on her own with the back and forth that has gone on with this issue. When she receives the PO request, she will ask for Council's approval to move forward on it. The Fiscal Officer and Fiscal Auditor explained the necessity to have a W9 for the individual and the tax requirements on the individual's part. The committee discussed the irregularity of the situation. Berger stated that until a W9 appears, nothing will be paid. The Mayor stated that the W9 came yesterday in an email. The Fiscal Officer reiterated that she would ask for Council's permission to pay the bill. She added that at one point, there was a suggestion that an employee submit the bill, and she was just not comfortable with paying this without Council's approval.

Regarding investments, she advised that legislation was prepared for the Meeder agreement, which was distributed to the committee. The Fiscal Auditor advised he had contacted Star Ohio since the money that Meeder will utilize will be coming from this account, and with the Fiscal Auditor leaving, someone else must have access to the account. There is a form that will identify individuals with viewing rights for the account or full access. Berger clarified that money had never been pulled out of the Star Ohio account for operating expenses. The Fiscal Auditor said it had only been pulled out for other investment opportunities. Berger said he had no problem with the Fiscal Officer having viewing rights to this account but not full access. The Fiscal Officer asked who would have full access? Berger acknowledged that with the elimination of the Fiscal Auditor

position, this was a question. The Fiscal Auditor explained that in the past, the statements were physically mailed to Village Hall to the Fiscal Officer and the Fiscal Auditor could view them online. This way the Fiscal Officer could ensure the Fiscal Auditor was not moving money around. His recommendation would be to have one person as the authorized signatory and have a couple people with viewing rights. Confirmation would be necessary to ensure it was being reviewed. There should be two sets of eyes on the money. Galicki wondered if this discussion was an indicator that the Village should keep the Fiscal Auditor position. The Fiscal Auditor thought it was only necessary to ensure that controls were in place. The committee discussed different options with the Fiscal Auditor duties and position. The Auditor suggested developing a process whereby every Council member reviews and approves the Huntington Bank and Star Ohio reports. The Fiscal Auditor pointed out the controls provided with the Treasury Investment Board.

The Solicitor arrived at 8:22 a.m. The Fiscal Officer explained that the discussion pertained to the Fiscal Auditor position and the investments with Meeder. Currently, the Fiscal Auditor and Fiscal Officer are on the Huntington Bank account, but only the Fiscal Auditor is on the Star Ohio account. The issue being discussed involves who will be on this account because it is possible to move money around. Would it be better to keep the Fiscal Auditor position or consider a combined position?

Berger said there should be two members of the Treasury Investment Board who have access to the Star Ohio account, but who should they be? The Fiscal Auditor added that another question is who will be the one authorized to move money? Berger said it should not be the Fiscal Officer. The Solicitor explained that the Board is not required by statute, but the Village created it and it has the Auditor or Chief Fiscal Officer as the one who makes the recommendation to the Mayor and Solicitor. She thought it should be the Fiscal Officer. The Fiscal Auditor concurred. The Solicitor further explained that regardless of what members are included on the Board, the process must be where the Fiscal Officer is making the recommendation to the Mayor and Solicitor according to the Ohio Revised Code (ORC). Galicki asked what precipitated creation of the Board, and the Solicitor said it was created in 1981. Galicki clarified that it is not required, and the Solicitor concurred. In 1981, the Village still had a Treasurer, which was an elected position. In 2007, the position of Fiscal Auditor was created.

Berger explained that HR had interviewed for a part-time Administrative Assistant position, and the candidate has accounting skills. Could this individual do the bank reconciliation and review Star Ohio, and confirm the processes? There would be a conflict because this position would report to the Fiscal Officer. However, it would provide another set of eyes of someone with an accounting background. This is being considered by the HR Committee.

The merits of the Treasury Investment Board were discussed. The Fiscal Auditor thought some processes should be developed because currently, there is no requirement of the Treasury Investment Board to notify Council of its actions. For example, Council approval should be required of any transfer of 20% or more of the Village's ending balance of the prior year. Berger thought this would provide transparency.

The committee discussed the Treasury Investment Board membership. Galicki noted that currently it was the Solicitor, Mayor, and Fiscal Officer. Berger stated Council wrote the ordinance and

could amend it. The Fiscal Officer stated that those three must be on it. The Solicitor reiterated that the Village does not have to have the board, but technically it is the Fiscal Officer or Fiscal Auditor, the Mayor, and the Solicitor per ORC. She offered that if Council were to create a Board it can consist of anyone they want, but she would recommend at least one or two of the statutory individuals. The Mayor thought it should be the Fiscal Officer, Solicitor, Mayor, head of Finance Committee, and a citizen. Galicki added that the citizen/resident should be someone with qualifications. The committee discussed that the Board should meet quarterly as well as the necessary changes to legislation for changes to the Board.

Regarding eliminating the Fiscal Auditor position, Berger advised the HR committee supported this. He would recommend hiring the part-time Administrative Assistant candidate at the August 8th meeting. If that does not come to pass, HR would be back to square one. Galicki thought that the hiring of the candidate should be coupled with disestablishing the Fiscal Auditor position. If this is the direction Council wishes to take with the new hire, fundamentally in terms of forming their duties, it is necessary to ascertain whether the Village will or will not have a Fiscal Auditor. The Solicitor explained that the portion of the Codified Ordinances which address the Fiscal Auditor could be changed to permissive, i.e. “may” instead of “must.” Berger observed that this would provide flexibility. The Solicitor stated that this way, with the Treasury Investment Board, it could be ‘Fiscal Officer or Fiscal Auditor.’ This was the way she had prepared the legislation.

The Solicitor explained the necessary changes to the chapter of the Codified Ordinances relative to the Fiscal Auditor position.

Berger asked what the Finance Committee’s recommendation to Council would be for the August 8th meeting. Berger liked the Solicitor’s proposal. Galicki said he struggled with whether to eliminate the Auditor position and whether the new hire would have the qualifications or insight. The current position has worked well for the Village. However, he liked the changes proposed by the Solicitor. Galicki discussed elimination of the position in terms of a backup for the Fiscal Officer in the event of an emergency. Berger said that the HR Committee had discussed this with the Fiscal Officer and tasked her with identifying those functions that could continue and those that could not and how to fill the void. Regarding the amendment to the Codified Ordinances, Berger stated they do not preclude the Village from hiring a Fiscal Auditor.

The Fiscal Officer explained that much of the Fiscal Auditor’s work is a duplication of entering information into a different system to make sure they balance. The Fiscal Auditor agreed. Instead, the Fiscal Officer explained that she could enter it into the system and there are independent eyes looking at what is in her system rather than writing another set of books. The Village is not getting anything for this other than showing they balance. The Fiscal Auditor added that according to the State Auditor, it is not needed. Galicki questioned whether the duplication of effort is actually forcing someone to look at the numbers. The Fiscal Officer explained that doing the bank reconciliation will produce the same result. The main concern is not balancing with each other but balancing to the bank. The Fiscal Officer thought that what was important would be to have someone separate doing the bank reconciliation and verifying all check numbers and deposits are all accounted for.

The Mayor thought this was a big decision and thought Council would vote no. It was coming too fast for most members of Council. Berger stated that with the suggestions from the Solicitor, Council would not be eliminating the opportunity to have a Fiscal Auditor. It would be providing the flexibility for the Village. Galicki agreed with the Solicitor's recommended changes. His concern involved the packaging of the duties with the new hire without potentially fleshing out what the responsibilities will be. Berger advised that there is a job description for the position for Council to consider. He added that a portion of the responsibilities involve being a backup for the Building Department and a floater. If Council does not move forward on the position, then the committee will have to consider how to bridge the gap since the Fiscal Auditor will be leaving. Putting the pieces in place with the proposed amendment would allow the Village flexibility. The Mayor was concerned that Council would not have enough time to consider it. Berger said that Council needed to move forward on the position because there were other functions that needed to be filled.

The Fiscal Officer asked about the check signing issue. Galicki said previous discussions indicated that it would be the Fiscal Officer and potentially the Chair of Finance. The Fiscal Officer said a third was required. Galicki offered that it would be the members of Finance. The Mayor thought it was problematic for Galicki to sign checks with his wife working in Administration. Galicki advised that she has no fiscal accountability. The Mayor still had an issue with it. Galicki did not have an issue with it. The Fiscal Officer explained that there would be three people, which should add comfort. Galicki said that having the construct of the three signers extends to future Finance Committee members. The Solicitor addressed the verbiage which required either the Fiscal Officer or Fiscal Auditor as signers, and Berger suggested keeping this, but questioned what would happen if the Fiscal Officer were unavailable to sign. The two Finance Committee members could not both sign checks. An emergency meeting would be required.

The Fiscal Officer advised that a motion would be required to change the resignation date of the Fiscal Auditor to August 15th.

Galicki addressed an issue raised in the Safety Committee meeting pertaining to a Chamber of Commerce pavilion rental. The application, which appeared to contain different handwritings, indicated police coverage was required, and a police officer attended the event. At the conclusion, he was refused payment by the Chamber of Commerce because they said they did not ask for such coverage. The Village cannot compensate the officer for his time, and Galicki thought the Chamber should be contacted regarding payment. He would address this at the Council meeting.

Galicki adjourned the meeting at 9:05 a.m.

Dennis Galicki, Chairman

Finance Committee Meeting
Friday, September 16, 2022, 8:00 a.m. Village Hall

Members Present: Chairman Galicki, Council Member Berger, Fiscal Officer

Galicki called the meeting to order.

With there currently being no Fiscal Auditor, the Fiscal Officer gave the committee a document to review with the monthly finances and the bank reconciliation. She reviewed the supporting documentation with the committee. She explained that several of the bills are paid online or over the phone to avoid them being late. These are Home Depot, WEX Bank, Medical Mutual, and Bureau of Workers Compensation. Galicki clarified that it was an issue with the mail of getting the bills in time to pay them. The Fiscal Officer concurred. Berger explained that Home Depot and Medical Mutual bills can be emailed to the Fiscal Officer and suggested setting this up. He asked why the Village was not paying all bills online. The Fiscal Officer explained that some bills she is paying online and as time permits, she would like to do more. Berger asked if there would be a control problem with paying electronically. The Fiscal Officer would have to check with the Auditor. Berger proposed that the committee would have to review the bills and authorize their payment.

Regarding the bank reconciliation, Berger clarified that only the Fiscal Officer saw it. The Fiscal Officer explained this is why she is giving it to the committee to review. Galicki and Berger verified that everything looked good. The Fiscal Officer explained that she changed the Fiscal Auditor's report to the "Monthly Financial Summary Report" which reflects the totals previously provided by the Fiscal Auditor and shows totals that match her bank reconciliation. The Fiscal Officer explained the Check Register report for the committee. Berger noted that since the Fiscal Auditor is not a required position, there is no set of rules as to how the job must be done. It may be that they choose to go forward differently. Galicki asked what the Village had before the Fiscal Auditor, and the Fiscal Officer explained that it was a Clerk and a Treasurer, who were elected. The Treasurer's job was to do the financials, but in the Ohio Revised Code (ORC), some of the responsibilities were the Clerk's. The Council of the time attempted to accommodate these responsibilities by appointing the Clerk as secretary to make the job full-time. It is not legal for an elected official to also be appointed, and eventually the Treasurer and Clerk were combined into the Fiscal Officer. The Council of the time wanted to keep Fiscal Auditor Lechman as another set of eyes, so they created the position of Fiscal Auditor.

Berger noted the current balance, and the Fiscal Officer explained that the balance was down \$42,815 since July, but would be seeing additional decreases with large payments for the Manor Brook and Central Retention Basin projects. The Road Program will also be coming due. In total, close to \$1 million in payments in the next month or so. July is the highest point of the year with the receipt of Real Estate Taxes. It goes down from there. Berger asked if the Village should be considering forming other Reserve Funds for "parking" money. He suggested creating one for a salt dome fund with \$100,000. The Fiscal Officer explained that this will likely be proposed for next year's budget. Berger said that does not matter. The Fiscal Officer explained that the Village would not need a Reserve Fund because it would be coming out of next year's

budget. The Reserve Funds are for more long-term projects like a savings account where you are saving up for something that is coming up. If the Village is doing it next year, the Village has already been through the Tax Budget process so there would be no benefit of setting it up. Galicki added that at the time of the Tax Budget Hearing, the cost of the salt dome was not known. It is necessary for them to determine this cost because if it is more costly than anticipated, then perhaps it is beyond next year's budget and it would make sense to set up a Reserve Fund. Galicki stressed the need to identify those costs. The Fiscal Officer thought the committee would be discussing this in its upcoming meeting and hoped they would be getting quotes for several options.

Berger said from a finance perspective, there is a significant amount of unencumbered cash sitting in the Village's account. From the Tax Board's perspective, if funds are earmarked for projects the Village plans to do within six months or a year or two years. The Fiscal Officer reiterated that the Reserve Funds are not for the short term. If the project is to occur next year, the funds will be encumbered at the end of the year in the Appropriations for next year's budget. By the time the Village goes before the Tax Board next year, the project could already be done, so there would be no point in creating a Reserve Fund until it is known if the project will be done next year or in the future. The Reserve Funds serve to act more as a savings account to save for something a little further out to justify why the Village has its cash balances. Berger said they have a different perspective on the use of Reserve Funds. He is looking at it as a practice, not as a specific issue that the Village, as part of its Strategic Planning, should be asking the questions, 'what are the projects?' and 'what should be put in Reserve Funds going forward'? In his opinion, the salt dome should have a Reserve Fund. He thought the committee should be asking how the Village earmarks funds for those projects to ensure that the Village is committed doing it. The Fiscal Officer provided the example of the discussion of creating a Village campus. If this is something Council would want to do, then this would be a good project for a Reserve Fund. Berger thought this was nebulous. Galicki offered that there had also been discussion about storage and another bay for the Streets building. This would also be a potential project, but first it should be determined if it is something that would be combined with the concept of a new Village campus. These are all strategic planning issues. Berger interjected that from a finance perspective, if the Village locks money in for the salt dome, for example, then it demonstrates a commitment to the project. Galicki offered that if the project is budgeted for 2023, then that also makes a commitment. Berger asked if Bell Rd. would be budgeted for 2023, and the Fiscal Officer said no, it would be 2024, which is why the Bell Rd. east Reserve Fund was created. The Fiscal Officer expressed concern with the financing requirements of the project given the timeframe. It is a \$1.5 million project and if the project does not go forward in 2024, it will be necessary to close the Reserve Fund and start over.

Berger reiterated that the Village could use the Reserve Funds as a tool to clarify the commitment of Council to these projects. The Fiscal Officer added, however, that the projects for which the Reserve Funds are created must be realistic. Creating a Reserve Fund without being completely sure the Village will do the project would be frowned upon by the Budget Commission. Galicki recalled that Council committed to setting aside money for a restroom at the park and asked if this was de facto a Reserve Fund. The Fiscal Officer said no. She

explained that it was initially discussed at the Budget Work Session last year but not mentioned in July when the Tax Budget was done. As a result, when Council did the first budget of the year, she could not appropriate \$60,000 for a restroom. When the budget was adopted, it was adopted without the restroom with the intention of amending the budget to put the \$60,000 in. However, the Village has not obtained quotes, and as a result, there was no amendment for the expense. If the committee were to have its three bids and Council decided to do it, it would be necessary to amend the transfers to transfer the \$60,000 over to the fund, and then amend the appropriations to cover the expense. Berger added that this would be only with the intention of building in the next fiscal year.

The Fiscal Officer explained that in July, the Village tells the Budget Commission where all its revenues will be. She explained the funding of the different Village departments and how this relates to her report to the Budget Commission in July. Once the county approves the Tax Budget, the Village cannot amend it until after the year-end balances are certified with the county in January. It is a process.

Berger addressed the obligation to be fiscally responsible to the taxpayers. If the Village is not going to use the money, then the Village should not have the levies. This was the position of the Budget Commission a year ago. With regard to the Reserve Funds, the more Council locks into a plan, the more committed Council is to the idea of completing projects. The Fiscal Officer concurred and added that if the money is locked into a Reserve Fund on a thought, and then the Village does not do the project, the Village will get into just as much trouble from the Tax Board. Berger thought that if the Bell Rd. east project could not be done in a timely manner due to increase in fuel costs, this would be a legitimate reason to give the Budget Commission as to why the fund did not get spent as intended. There would be intelligent thought behind it to provide transparency. He thought they were all on the same page. It was a matter of taking the finance process and making it understandable to the Finance Committee, Council, and the taxpayers at large. He did not think the Village had not done a great job of in the past. The Fiscal Officer added that with her CPM course, she would be completing a five-year forecast which would lend itself to serving this purpose. She also thought it was necessary to get all the committees to understand the importance of sharing information.

Regarding review of the financial documents provided by the Fiscal Officer, Galicki wanted to further review them after the meeting. The Fiscal Officer explained that the committee would sign off that it reviewed the bank reconciliation. Berger said that when the Village eventually has a Fiscal Auditor, he hoped there would be a form signed by the Fiscal Auditor that verifies he/she reviewed the information. Berger said that after signing off on the documentation, the committee could recommend to Council to approve the fund balances. Galicki concurred that this was a good process.

The Fiscal Officer verified she transferred \$1 million to U.S. Bank where Meeder would pull the money for investments. She and the Mayor met with Meeder on September 15th to review the process. There will be an investment board meeting with Meeder on November 29th.

The Fiscal Officer then addressed two bills provided to the committee. One was from Bill Timmons and one from Blue Dog. The Mayor brought them to her on September 15th at which time he indicated that the address was wrong on the Blue Dog invoice and crossed it off. The Fiscal Officer explained that when lawns are too long in the Village, the Building Department sends a letter giving the resident 15 days to cut the lawn and if not done, the Village will do it and it will be put on their tax assessment. Apparently, the Mayor saw long grass in a ditch and called the Building Department and told them to call Blue Dog. Instead of following the process, Blue Dog was called and directed to do it because of the Mayor's instructions. The Fiscal Officer addressed the issue with the Building Department and requested a corrected invoice with the proper address and an explanation of what happened. The Village cannot put this on the resident's tax assessment, so it will have to be a Village charge. Galicki clarified that it was the Mayor or the Zoning Inspector who observed the overgrown grass, and the Fiscal Officer said she did not know the details, but it was her understanding the Mayor sent the Building Department Administrative Assistant a text with instructions.

Regarding the Timmons invoice, the Mayor crossed off the title on the invoice and asked that the Fiscal Officer pay Bill Timmons directly. The Fiscal Officer informed the Mayor she had to pay what was in her system from the W-9's. She discovered there was no W-9 for him and forwarded one to the Mayor to get to Timmons. She will be sending W-9's out to all other vendors for a periodic update. The Fiscal Officer added that the amount on the Timmons invoice was \$4,000. The grass has been cut and invoice received and there is no purchase order. Per ORC, it must go to Council. Berger asked what was paid last year, and the Fiscal Officer thought possibly \$3,600, she did not know for sure off the top of her head. Berger noted that this is a yearly event and a purchase order was not cut. He asked if there was an ORC rule as to what requires a purchase order for the Village. The Fiscal Officer answered everything. If it is over \$3,000 and the invoice is dated before the purchase order was approved, it must go to Council. Berger asked who should have issued the purchase order for this. The Fiscal Officer said it was whoever called Timmons and told him to come do the grass. Berger thought perhaps the committees needed to direct who would be responsible for issuing the purchase order and the committee needs to know what person to go to get it done. Galicki added that the Street Commissioner is the person responsible for the park. Berger asked if the chair of the Parks Committee was aware of the issue, and the Fiscal Officer said no. Berger thought the Properties and Park Committees should be advised and that a purchase order is issued by the Service Department. Galicki thought what was more fundamental is who called Timmons to cut the grass? Berger assumed that the Mayor had the conversation as past practice. Galicki said if this was the case, the Mayor should have gone through the Department Head who should then follow procedures with cutting a purchase order. In terms of expenses, Berger did not see the increase as significant, but what if it had been doubled? What recourse is there?

Berger asked if there was a purchase order procedure, and the Fiscal Officer said yes and explained it. He asked why the Fiscal Officer issued all the purchase orders and why can't Department Heads issue their own. The Fiscal Officer explained that is how it is in ORC. The Fiscal Officer explained that Department Heads do a request. When she issues the purchase order, it is verifying that the money is in the budget for their expenses. Berger responded that the

Department Heads cannot be trusted to issue their own purchase order if it is in their budget. The Fiscal Officer reiterated that it is the law. Berger concluded that he will have to review the ORC. It seemed absurd to him and complicated. The Fiscal Officer said first, it is against the law. Secondly, if the Department Heads were allowed to do this there would be a lot of issues. Galicki offered that the Department Heads are not really paying attention to their budget numbers. The Fiscal Officer added that some do not understand the process. Berger thought perhaps they should be. Galicki relayed his experience when first on Council where the Streets Department was out of money, but did a project because someone told them to do it. There was no consideration of where the Department Head would take the money from in the budget to pay for the project. The response was that the Department Head would just ask for more money. He thought it would be great if all Department Heads paid a little more attention to their budget and stayed within it, but he questioned the level of budgetary management in the Department Heads today. Berger said they were highly compensated and not to be able to run to a budget is a significant issue in any review of their performance. Galicki agreed.

The Fiscal Officer said she would provide the invoice to the chair of Properties/Parks.

The Budget Work Session will be held on October 4th. The meeting will begin at 5:30 p.m. and food will be available to Council at 5:00 p.m. The committee discussed whether or not to include Parks Committee separately or in the October 4th session.

**Special Finance Committee Meeting
October 17, 2022, 8:00 a.m. Village Hall**

Present: Chairman Galicki, Council Member Berger, Mayor Koons, Fiscal Officer Romanowski

Galicki called the meeting to order. Galicki reported that he and the Mayor attended the Ohio Municipal League (OML) Annual Conference. From a finance perspective, he commended the financial stability of the Village. Through conversations with similar municipalities, he found there are more municipalities struggling with finances and how to get projects done. He acknowledged that the Village has used its resources well and wanted to see it continue. South Russell's tax base and amount of money in the treasury are far above the average in Ohio. He offered 'well done' to those who got the Village to this position.

The Fiscal Officer provided the committee with a September bank reconciliation with the supporting documents to review. The month end balance was \$3,306,731.59, which was close to a \$1 million reduction in balances from August. The September summary report formerly provided by the Fiscal Auditor will be distributed in Council packets. She explained that these large expenses were anticipated; the Road Program, Manor Brook 319 project, and the Central Retention Basin payments were made and there were still outstanding payments on all of them. She asked the committee to review the bank reconciliation, the check register, and the credit card report.

Regarding the Treasury Investment Board, there was legislation passed in August which states that the board is made up of the Chair of Finance, the Mayor, the Solicitor, the Fiscal Officer in lieu of the Auditor, and one member of the community. It was suggested this individual be identified by the November 29th Treasury Investment Board committee meeting. Berger contacted three individuals, two of whom could not do it, and he did not hear back from the third. Galicki verified that there was no statutory obligation to have a citizen on the board and that it was an idea of Council. The Fiscal Officer stated that by statute, it would be the Mayor, Solicitor, and in the absence of the Fiscal Auditor, it would include the Fiscal Officer. The Chair of Finance and resident were add-ons. The Fiscal Officer stated that in addition to reaching out to people they know, it could be advertised, which formerly had been done for all boards and commissions. Berger stated that individuals working in the financial sector are prohibited by their jobs from taking a position of advising on finances for the Village. This limited the pool to the retired, or persons who are financially oriented but do not work in the financial sector. The Mayor suggested advertising the position and reaching out to qualified people they know and asked if they wanted one or two. The Fiscal Officer advised that the ordinance specifies one. Galicki offered that government investment has different law and guidance than what a financial advisor in the private sector may have experienced. He understood the desire to have community participation, but in the world of investments, one size does not fit all. The field was a niche. The Fiscal Officer thought it would be good to have someone with financial understanding, but on the other hand, the Village has Meeder Investments to provide advice on how the Village may invest money per Ohio law. Galicki saw it as a check and balance for these recommendations. The Fiscal Officer added that it was also transparency to the community, much like the

requirement of the Village to have a resident on the Public Records Commission. For the Treasury Investment Board, the individual would not be advising the Village how to invest, because this is what Meeder does, but rather, it would be a matter of whether the citizen agrees with what the board is doing. The Mayor thought transparency would be the best asset to the Village. Galicki agreed. The Mayor suggested having interested persons contact Galicki directly, and Galicki deferred to the Fiscal Officer as the authority on municipal policy in terms of fiscal authority, responsibility, and accountability. He suggested advertising and posting the position and having the Fiscal Officer collate the responses and then have the committee decide. The Mayor told the Fiscal Officer to spend the next week thinking about the ad and discuss it at the October 24th Council meeting. The Fiscal Officer advised that Council should make a motion to advertise for the volunteer for the Treasury Investment Board. She could then provide the committee with the responses to review. Berger reminded the committee of the deadline of the November 29th Treasury Investment Board meeting, and the Mayor said he could appoint the individual at the November 28th Council meeting. Galicki added that if no applicants were received, then Council could always eliminate the requirement for this position and potentially the Chair of Finance to keep the committee at an odd number. First, however, the committee should investigate whether there are interested individuals.

The Fiscal Officer reported that the Mayor asked the committee to consider the need to change the Village's Investment Policy. The Fiscal Officer provided the committee with the investment policy from 1997. The Village's policy is very restrictive in that the Village cannot invest in very much. Meeder said there are more options available and will discuss it at the November 29th Investment Board meeting. She envisioned the Treasury Investment Board reviewing the policy. She did not think changes should be made before obtaining Meeder's recommendation. The Mayor asked the Fiscal Officer to have Meeder's recommendations for policy change prepared ahead of the Treasury Investment Board meeting.

The Fiscal Officer provided the committee with the budget, which is not 100% complete due to information she has not yet received or was pending, such as the Police Cruiser. She thought this would be approved at the Special Meeting on October 18th and would not have to be put in the budget again for next year.

The Fiscal Officer spoke to the county about paving East Washington Street, and the county estimates it will be \$155,000 to \$175,000 and the Village's permissive funds are \$121,000. The Village's share will be about \$54,000, which added to the \$850,000 Road Program brings that to \$904,000. This will be split up \$660,000 from the Street Fund and \$244,000 from the Road and Bridge Fund. The Mayor noted that it had gone up almost \$50,000 and the Fiscal Officer explained that they do not know, which is the problem. Last year they underestimated, and the bids came in higher. Hopefully it will be lower, but the Village locked in the Permissive funds. The Mayor asked if the Village had to use the permissive funds, and the Fiscal Officer said the Village already committed and looking at the budget numbers, it would be necessary.

Regarding the culverts, the total is \$414,000 and the Village is getting \$96,700 in grants, which brings the total to 317,000 in Village funds to cover this project. She met with the Engineer regarding the Traffic Light project. Since the Engineer said much of the work and expense will

be done in 2022, she will budget for this and encumber the balance over to next year. For Bell Rd. east, the hope is to get it done in 2024, but the Village is working with the Northeast Ohio Area Coordinating Agency (NOACA) and the Engineer is applying for the OPWC money. As a result, it might have to be pushed to 2025. If that happens, the Village will have to determine what to do with the Reserve Fund with the county.

Regarding American Rescue Plan Act (ARPA) funds, she thought there would be about \$57,000 left for another stormwater project for next year. She put it in the budget because it must be used or returned.

The Fiscal Officer explained that the Tax Budget determines what the Village's revenues are and what the Village's budget must stay within. At year end, the cash balances get certified and then can be used to adjust the budget. As a result, the Village is limited by what it knew in August. It was anticipated the culverts would get done, but they were not. The cash balances will be higher than thought, but she cannot budget for it until year end when everything is certified. As a result, as of this time, she knows there will be a \$17,000 adjustment for body cameras, \$96,000 for the culverts, and \$100,000 into the large equipment fund since it was not accounted for in the Tax Budget. The Fiscal Officer contacted the Central Collection Agency and is working on revising the number for Income Tax revenue for next year and then the Permissive Revenue for \$121,000 for the county. She still needed to review the budget with a fine-tooth comb.

If Council keeps everything that is in the proposed budget, the Village would be \$452,000 over what it is approved for by the County Budget Commission with the Tax Budget. There will be cash balances that are higher, and more income tax than initially thought, so it may not be this large of a deficit. She still needs to review and determine what the Village will have. The Mayor asked if they needed to cut \$452,000. The Fiscal Officer explained that this would be the dream budget. On the first swipe of the budget, Council must cut \$452,000. Once they have the year-end certified balances, then Council can amend for additional expenses. She needs to determine what the Village will be over in its cash balances. For example, if there was \$300,000 more in cash balances, but \$450,000 in wishes, then something will need to be cut. Berger clarified that it would be necessary to remove some items from the budget in order to be in compliance with the county. The Fiscal Officer concurred. Berger further verified that on January 1st, those items can go back in the budget. The Fiscal Officer explained that this could occur after the Village gets its year end balances certified by the county, typically by the end of January. Berger summarized that there is \$450,000 that needs to go on the blacklist until they are allowed to put it in the budget at the end of January or February. The Fiscal Officer added that that would be if there were enough revenues to cover these expenses. Based on the revenues in 2022, Berger asked if there would be enough revenues and cash in order to sustain the expenditures as currently proposed. The Fiscal Officer did not know yet. She explained that there are a lot of moving parts and numbers she did not yet know. There will be engineering costs for the salt dome, which she does not have, for example. Galicki added that he did not think any estimates had been obtained for the salt dome and he hoped there would be enough money earmarked for it. There is also a question of the impact of inflation on the entire budget. The Fiscal Officer added that it was thought that paving of East Washington Street would be a

wash, instead it is \$50,000 more than Council thought. She also did not know whether Council realized how much the culverts would cost. The Village is expecting a \$400,000 cost, but the bids are not in yet. There is also Bell Rd. east coming in 2024, and what the Village will get in grants is unknown. The Mayor said that for Bell Road east, NOACA was talking about 90% that they would cover. The Fiscal Officer added that the Engineer indicated to her he thought that was dreaming. However, she hoped the Village could get some good funding for the project.

Berger said he was trying to understand whether this was accounting or real deficit and should they be concerned. The Fiscal Officer explained that it would not change until she can figure out what was budgeted for this year that was not done, Berger asked if this would be in November, and she said she was working as quickly as she could. Her best estimate would be before the first November meeting.

As an aside, Galicki asked if the Village buildings were heated with gas because a 30% increase was anticipated. With inflationary costs and increase in fuel costs, it presents an unknown for the Village in 2023.

The Fiscal Officer offered that she understood having a larger Road Program but going from a \$350,000 Road Program to a million-dollar Road Program was a large increase especially with Bell Rd. east coming up, and funding and inflation issues. She understood the desire to get the roads in better shape, but according to the Engineer, the Village's worst road is better than a lot of cities best roads. Galicki added since the Budget Work Session, he had struggled with the fact that they took a goal that was part of a 5-year plan to bring all the road evaluations to the 75% level or above and crushed it into one year. He did not know if this was necessary or fiscally responsible. He had concerns that the result might be that those streets would require work at the same time five to ten years from now. The Village has had a very temperate program in the past which seemed to serve the residents well and he wondered if this proposed Road Program was a little too ambitious with the unknowns of the coming year.

Berger thought the committee had gone far afield of its mandate for the meeting. The first thing to determine was if the Village had an issue with financing the expenditures as proposed by Council. If it does, then Finance Committee would communicate to Council and the committees that it does not recommend this budget because it is too aggressive in expenditures. The committee could plan out the areas where there was a need for conservatism and offer it to the committees to determine where they could cut back. He did not think it was the job of the Finance Committee to just arbitrarily say they will not get a million-dollar road program but rather a \$500,000 one. The committee agreed. However, Galicki thought it was in the committee's charter to indicate that Council was being a little too open with the pocketbook. Berger said that until the Fiscal Officer had the numbers, it was all theoretical. The Mayor said \$850,000 came out of the blue and the Village did not have to do anything until they got the bids next April.

The Fiscal Officer summarized that she had to fine tune the numbers and work on estimating what actual year end balances would look like. Once she had these estimates, she would have better numbers. She could put the current draft in the Council packet and let Council know this

was how it was shaping up along with a summary of what and from whom she was waiting for information. The budget is everybody's budget. The committees can make requests, but it has never been just the Finance Committee saying yay or nay. This was why she was surprised at the Budget Work Session because usually there would be discussion where all members of Council weigh in and not just the committees. Berger thought the Finance Committee could recommend to Council that the budget was too aggressive or not or somewhere in between, and then it would be up to the individual committees to decide what projects they could push off. While the Budget Work Session was valuable, it was a wish list because all Council knew was that the Village put \$1 million in investments so there must be money. So everyone is asking for all the things they could possibly want. Now it is time for Finance Committee to come back with a dose of reality if that is the case. He noted that the actual expenditures for 2021 was just over \$4 million and the requested budget for 2023 is \$6.5 million, which is a 40% increase in budget requests. Galicki thought this was significant. Berger said it is only significant if they intend to spend it, which has been the problem in the past with budgeting for projects that had no definitive plan to go forward. The Fiscal Officer explained that there was a problem with the Budget Commission with the Village's cash balances, but now the reserve funds have been established. They do not have a problem with the Village having cash balances if there is a purpose. She reiterated what she still needed to do to determine where the Village will be at the end of the year. She concluded that she thought it was an aggressive ask although it was a wish list. Berger said he had no problem with a wish list and thought it was great. This could be taken with the view that the Village does not have unlimited funds and now they must be realistic. The Fiscal Officer proposed putting the wishes on a schedule. Berger added that part of the proposed Road Program could be pushed out to 2024 or 2025. He was not critical of the wish lists but said it was time to marry it with reality. Galicki said that in putting together an annual budget, wish lists are one thing, but wish lists without priority or that are asking for \$2.5 million for an annual budget is an issue. There is some responsibility of the Department Heads and committee members to determine if it is reasonable and affordable for the Village. With the wish lists, it was like everything was thrown out there with the hope of maybe getting something. It is part the responsibility of every employee and Council member to make sure that what they are asking for is reasonable and will not overtax the taxpayers.

The Fiscal Officer addressed the proposed Budget Work Session scheduled for October 24th. She could provide the draft to Council with a summary of what she was waiting for and where she sees there might be issues, so Council has time to digest it. She asked if another whole Budget Work session was necessary, especially if it was just being limited to an hour. She asked if they could discuss it in the Council meeting. Berger did not think the question could be answered until the numbers were known. He thought that with this information, it would take Council all of 30 seconds to answer the question and decide what the next step is. The Fiscal Officer said she did not think she would be ready by Monday, and Galicki said Council would address it when the Fiscal Officer was ready. The Mayor thought it was a matter of the Fiscal Officer telling Council how much money needed to be cut from the proposed budget and within 30 seconds they could determine that with Streets Department the \$850,000 Road Program was now \$550,000. Berger said they could identify big chunks that could be potentially deferred, so he did not think this would be difficult. Whether this would be the right decision is another

question. The Fiscal Officer explained that it can be deferred if the Village knows it will have the revenue next year, but there is a difference between deferring budgeting for the expenses until there is the revenue, or cutting the expenses because there will be no funds to cover it. The Mayor thought it was a lot of pressure to have it done by October 24th. Berger agreed and had no problem postponing budget considerations until the first Council meeting in November. Galicki suggested not setting an arbitrary deadline. He recommended the Fiscal Officer crunch the numbers and the committee will determine when and if there is another Budget Work Session. The Mayor said that they have the easy job slicing. Galicki noted that the Fiscal Officer had the tough job.

Berger addressed staffing issues from a finance perspective. He reviewed that there was previous discussion about needing help from an additional part-time administrative assistant and he had not heard anything for 60 days. He asked if it was still on the list. The Fiscal Officer said that they were doing well in Admin and setting up processes which would help things run smoothly going forward. The Building Department Administrative Assistant said she was fine in the Building Department. The Fiscal Officer spoke to her contact whom she hoped would be interested in a very 'as needed' position, but this colleague seemed to be enjoying retirement. She concluded that they are in a good place now that the Administrative Assistant is full time and has taken on a lot of work. This has allowed her time to work on the finance and grant issues, etc. Berger appreciated the work that had been done to catch up, but his concern was coverage for staff who would be taking vacations, etc. The Fiscal Officer said that when the Building Department Administrative Assistant goes on vacation, the Administrative Assistant has been able to do work out of the Building Department to provide coverage. Berger asked if this was workable, and the Fiscal Officer said it was workable from her point of view. Additionally, the Building Department Administrative Assistant was willing to help if the Administrative Assistant were to go on vacation. She continues to look at the resumes but finding the right person for the Village's needs who will not require 20 hours per week has been challenging. Berger clarified that 20 hours was too much, but there may be a need for some casual additional coverage. Berger said this discussion would continue in HR committee.

The Fiscal Officer provided Berger with the Fiscal Auditor resumes and Berger said he would consider them on Friday. He thought it was possible the committee may have a recommendation for the October 24th Council meeting.

The Mayor verified that the Administrative Assistant gets vacation time, and the Fiscal Officer said she does after a year of full-time employment.

The Mayor addressed a 45-minute phone call from a resident to the Solicitor and said the Village cannot have residents just calling the Solicitor to question and complain. The Solicitor should say no and to have the resident deal directly with Council.

The Mayor addressed an issue whereby the hotel would not take a personal check at the OML Conference. The Fiscal Officer explained that it was because the Village is tax exempt and therefore payment cannot be made with a personal check. Moving forward, the Village will need to get the dollar amount ahead of time and if there is time, cut a check directly that the

participant will take with them. Otherwise, it would be necessary to pay cash and be reimbursed. Galicki explained that in his experience in the Federal Government, government credit cards were issued and/or the individual paid with their own check or credit card and then submitted a reimbursement request. The Fiscal Officer explained that now credit cards have benefits, and it was not lawful to get personal perks off of a Village expense. There is a lot of paperwork required with this in addition to a report that must be filed with the State. The Village has a policy that either the Village credit card is used and sales tax is not paid, or the individual pays and gets reimbursed. With this situation, the State appears to be cracking down more and would not allow the hotel to accept the personal check with the charges being tax exempt. The Mayor said that two of his buddies used a credit card from their municipalities. The Fiscal Officer indicated that the Mayor does not have a Village credit card. The Department Heads have credit cards that go on their personal credit history and have their social security numbers associated with them. It would be up to Council to get the Mayor a credit card. Berger asked if there were a prohibition from having Village Credit Cards. The Fiscal Officer said it is very much frowned upon by the State and many cities do not allow them and only allow check or reimbursement. Galicki added that issues also arise when, for example, someone attends a conference and utilizes services or meals that are charged to the credit card when such purchases are not an approved expense. The administration of the cards becomes unwieldy. The Mayor asked what Nick Divita did for his training, and the Fiscal Officer said this was another problem because the State is being stricter. He used the Chief's credit card since it was for the Police Department, and the hotel contacted the Village to fill out a form for him as well since the credit card had Chief Rizzo's information associated with it. Furthermore, this was also a different hotel. The State is getting stricter and does not like credit cards. The Mayor thought this made it tough. Berger asked what the Village policy should be. The Fiscal Officer said she had no problem with the way it is now, and with this most recent experience, a check will be cut for the participants. Galicki added that he provided a personal credit card to secure the room and at check-in verified that he could pay with a check at the end of his stay, and they said yes. Then the Mayor had a problem checking out, but this was because it was a personal check and not a Village check. The Fiscal Officer reiterated that in the future, the hotel will be contacted for the exact dollar amount and a Village check will be cut. The Mayor verified that all the Fiscal Officer needs from the participants is a claim for mileage.

Galicki adjourned the meeting at 8:59 a.m.

Special Finance Committee Minutes
Monday, November 14, 2022, 8:00 a.m. Village Hall

Members Present: Chairman Galicki, Council Member Berger, Fiscal Officer Romanowski

Visitor: Patrick Holtz, Garden Park Dr.

Galicki called the meeting to order. Fiscal Officer read the roll.

The Fiscal Officer distributed the monthly review of the bank reconciliation, the outstanding checks, the check register, and the monthly summary report previously provided by the Fiscal Auditor. The committee reviewed the material, and Berger verified it was appropriate for him to sign off on the bank reconciliation even though it contained payments relative to the Manor Brook project. The Fiscal Officer explained that his signature verified everything balanced.

The Fiscal Officer met with the State Auditor who was finishing up the Village's audit. There were no problems with the 2019-2020 audit. Next year, the 2020-2021 audit would be conducted. The auditor noted that there were a couple of items that were not classified correctly but were in the correct fund and were just a matter of internal processing. Galicki asked when to expect the final report, and the Fiscal Officer said by the end of the year. The Auditor will meet with all of Council, just the committee, or whatever Council wishes. Galicki and Berger agreed that it should be to all of Council. The Fiscal Officer would arrange the meeting.

The Fiscal Officer spoke to the Auditor about the Fiscal Auditor leaving and the process that the Village is now using for checking the monthly bank rec. He thought it was a good process. The Fiscal Auditor's position was not a required position under the Ohio Revised Code (ORC), so he thought the Village was covering its bases well. Galicki verified that the State Auditor did not take issue with the vacancy, and the Fiscal Officer concurred. Because the Fiscal Officer is legally responsible, she and the Auditor discussed her questions about the fact that the Fiscal Auditor previously moved money around. The State Auditor stated that the Village has certain positions that are dictated by ORC. They are the Village Mayor, Clerk, Treasurer, and the Village Administrator. The Village does not have an administrator and it has combined the Clerk and Treasurer into one position, the Fiscal Officer. Per ORC, the Fiscal Officer is the one who is the responsible party for the money. There was no problem having the Fiscal Auditor auditing the money, but he should not be moving the money. Berger noted that there are still applicants for Fiscal Auditor, and that Council wanted a Fiscal Auditor in place. He wondered if a job was being created unnecessarily. In looking at the real job duties of the Fiscal Auditor, it appeared there were not many. The Fiscal Officer concurred and explained that the former Fiscal Auditor was the Treasurer, which was an elected position. When Council combined the Clerk and Treasurer positions, the Fiscal Officer became the new person. Council had a comfort level with the Fiscal Auditor at that point and perhaps were not as comfortable with her as the new person. As a result, they created the position of Fiscal Auditor for him and gave him the authority to move money. However, according to the State Auditor, the money was always her legal responsibility. This being the case, she is not comfortable with someone else touching it. The Auditor was impressed with the process they had instituted with the bank rec where the committee reviews it and signs off on it. As

long as the committee is getting copies of the check register, outstanding checks, reconciled checks, and are watching it, this is what is required by law. The Village is doing it more formally where the committee is signing off on it, and Council is passing a motion. The Auditor had no issues with it. He has also said that this is a position the Village created, and while it is a 'nice to have' but not a 'have to have.' Berger asked then what the recommendation would be from the Finance Committee in terms of continuing to look for candidates for the Fiscal Auditor position. Galicki said that his recommendation as Chair of Finance would be that there is no need to go further in pursuing hiring a Fiscal Auditor. However, if Council is uncomfortable with the oversight as it currently exists, the committee would entertain the input from the HR Committee. Berger explained that the Village has applicants who live a distance from the Village and questioned whether it would be realistic to ask them to drive an hour to do a couple hours of work a month. He offered the alternative of finding a resident with a financial background to do an hour of work a month reviewing bank statements and finances to verify they all make sense instead of hiring someone for four hours a week. He did not know what that person would do for four hours a week.

The Fiscal Officer advised that the person did not have to be a certified public accountant (CPA). Furthermore, the Village is still looking for a part-time Administrative Assistant to float and this person could do the bank reconciliation. She reminded that this suggestion had been proposed to Council, and they wanted a Fiscal Auditor. Berger suggested addressing it at the Council meeting. Galicki added that much information about the former Fiscal Auditor's duties and legal responsibilities had come to light after the previous Council discussion. Galicki summarized that oversight was the main objective, and if the Finance Committee is providing this function, there is an argument for not needing the Fiscal Auditor position. In combination with the State Auditor's opinion, there would be food for discussion with Council. The Fiscal Officer added that Council would also have the ability to express their concerns with the State Auditor when he addresses Council.

Regarding the Treasury Investment Board, there are two interested parties, Tom King and Tim Thie. Berger thought the Treasury Investment Board should interview them and then make a recommendation. Galicki asked who appoints the members, and the Fiscal Officer thought it was probably a recommendation of the committee and appointment by the Mayor. It is a volunteer position.

The Fiscal Officer explained to the committee that during the pandemic, there was a large problem of fraudulent claims involving the Ohio Department of Jobs and Family Services (ODJFS). The Village had three cases. The Fiscal Officer did everything necessary with reporting the fraud. This has been ongoing since 2020 and the Village continues to receive invoices. She has followed up with phone calls to ODJFS and the response she has received is that it has been reported and not to pay the bill. It takes a while for it to go through the system. However, the Village continues to get the invoices and they increase since there is interest. As of last week, the ODJFS website acknowledges the large number of fraudulent claims and states that no further action on the employer's part is necessary. If the employer receives the notices about the claims and has already reported them as being fraudulent, they should save them as a record, but no further action is necessary. After the claims are closed, the Village should no longer receive notifications. The Fiscal Officer relayed that the Village continues to receive increasing invoices. She further

explained that usually, if the Village were to pay a fraudulent invoice knowing that it was fraudulent, there would be a finance recovery because it was fraudulent. However, according to a State Auditor bulletin, in this case, if the Village pays it, they will not come back with a finding for recovery. In other words, they are taking the position that either way, paying or not paying is fine. The Village is not paying it, and now owes \$2,200. She has done everything she has been instructed but is uncomfortable that this keeps increasing and wonders if it will ever go away since it has been two years. Berger offered that the Village had hired HR attorneys and suggested consulting them. This would cover the Village.

Regarding the budget, the Fiscal Officer explained that the Village is limited by the Tax Budget and the first swipe at the budget must be within those revenues that were known in July 2022. This would mean that it would not be possible to do everything Council wanted on the first swipe but would mean that after adopting the budget in December and getting the year end Certificate of Balances from the County Auditor, the Village could then amend for the things Council wanted. She relayed that Tom King had been very helpful in addressing her concerns that included the issues with the County with the Tax Budget in 2021, and then what appeared to be the intention of spending everything down yet having Bell Rd. east and other projects. She and King collaborated to put together an analysis which included items Council wanted done next year like the Salt Dome, culverts, Traffic Light, loader, and a \$900,000 Road Program. If the Village were to do everything, at the end of next year, the balance would be \$900,000. It could be done but cannot be on the first swipe of the budget since the Village is limited by the Tax Budget. Galicki expressed his concern about the \$900,000 Road Program. He offered that there are area townships that are borrowing money for their Road Programs. He understood there was an element of Council that wanted to spend down any surplus the Village had. It appeared the driver was that they wanted to do a five-year plan project in one year. He thought there was an opportunity to conserve some of the Village's resources by examining this proposed Road Program which is out of line with the Village's expenditures for the past couple of years. Berger said according to the month end cash balance history, the Village has grown its cash balance \$1,000,000 over the last five years. Galicki asked if this included money banked for ongoing projects. The Fiscal Officer said that some of it was, but that the balances have also gone up because the Village put in a Road Program levy five years ago, which was renewed, and there were also projects. She added that Income Tax collections have gone up, and the Village was saving for the bigger projects, like Bell Road east in 2024 or 2025. The balances have gone up, but there are expenses coming as well. In 2023 there will be the Salt Dome, etc. and 2024 the Service Building addition, a one ton, a large truck, and Bell Road east. The hope is that the Village will get funding for Bell Rd. east, but it is not known how much. Berger said that if the Village does not get funding for Bell Rd. east, the Village will not do Bell Rd. east on its own. Historically, the Village has received funding for its Road Programs. There is a \$900,000 Road Program on the table, but he did not think Council had any intention of spending \$900,000 of Village money to complete those projects. They are waiting to see what kind of grant money comes in from the State. The Fiscal Officer said the Village is not looking at any funding for the \$900,000 Road Program, other than the \$130,000 in the Permissive Tax money for Washington St. There is no grant funding for the rest. The Village does not receive a lot from grants unless it is a big project like Bell Rd. or the through streets where Permissive Tax money can be used.

Berger reviewed that the first swipe of the budget is based on the tax budget. The Fiscal Officer explained that there were things in the budget this year like the traffic light which were anticipated to be done this year but were not. It was predicted that this fund balance would be zero, but now will have \$250,000 in it because the light will be getting done next year. On the first swipe of the budget, the Village cannot do the traffic light, but the second swipe it can because the Village will have that cash balance. Berger proposed that in the first swipe to take out part of the Road Program. The Fiscal Officer explained this is what she would have to do. Those would be further discussed now or later. Berger thought that the process could be explained to Council, and that after the cash balances are certified in January, Council can decide what they want to do with the Road Program or other projects.

To finish the budget, the Fiscal Officer would need to know the raises. Galicki said that historically, the Village has done about 3%. What skews it is runaway inflation. Given that, should the committee consider an additional amount to ease the pain of inflation? He thought there was merit in some increase. Berger said that any raise within reason could be supported financially by the Village. Berger said he did not have a problem with 4%, but thought it is good to be cautious and acknowledged the Village would always be behind the curve. The committee would make the recommendation for 4%.

The Fiscal Officer summarized that between now and the next meeting, she would go through the budget and trim the things the Village cannot do because of the limitations. Hopefully, Council will be able to adopt the budget at the next meeting in November.

Galicki acknowledged the exceptional fiscal responsibility that Council and the Fiscal Officer have demonstrated that has resulted in the sound financial state of the Village, especially in comparison with some surrounding communities.

The Fiscal Officer advised that she is working on a five-year forecast for her Certified Public Manager course. She thought it could be used next year and helpful in moving forward.

Legislation that would be presented at the November 14th Council meeting were reviewed by the Fiscal Officer to include one for engineering and one for reforestation of the 319 project which will come out of the American Rescue Plan Act (ARPA) money.

Patrick Holtz addressed the committee about Council's submission to the Northeast Ohio Areawide Coordinating Agency (NOACA) for Bell Rd. in terms of the no left turn sign. Galicki suggested he bring the matter to Council where the Engineer could be included in the conversation.

Galicki adjourned the meeting at 8:54 a.m.

Dennis M. Galicki, Chairman