

FINANCE COMMITTEE MEETING MINUTES

MONDAY, AUGUST 30TH, 2021 beginning at 6:48 P.M.

FINANCE PRESENT: Chair Stewart, Tollett, Baird, Jessie, Davis

CD PRESENT: Chair Callahan, Mitchell, Cerra, Oswald, Jessie

OTHERS PRESENT: Law Dir Deery, Safety Service Dir Brubaker, Asst Safety Service Dir Williams, Finance Dir Pileski, Asst Finance Dir Farrell, Building Official Farkas, Asst Law Dir Breunig, Engineer Schneider, WWPC Superintendent Korzan, Water Superintendent Jacob, CD Director Scott, CD Manager Almabayyed, CD Dept. Day, Parks & Rec Dir Reardon, HR Dir Yousefi, Judge Bennett, Councilpersons Keys

1. Approval of the Regular Finance Meeting Minutes ~ JULY 26th, 2021.

Mr. Baird moved, seconded by Mr. Tollett to approve the said Meeting Minutes.

2. The matter of Inactive/Delinquent EPU Accounts to be certified to Lorain County Auditor's Office. (*Standing Referral*)

REFERRED BY: Public Works Supervisor Conner

Mr. Brubaker said this is standard procedure.

Mrs. Davis asked if these charges are one month?

Mr. Brubaker explained that these charges for these delinquent charges are actually multiple months. It's a process before it gets to this point. The address list is an accumulation about 6 weeks of work. The dollar amount is much longer than 6 weeks.

Mrs. Davis said one customer has a bill of almost \$3,000.

Mr. Brubaker said it's an apartment building which has one meter and they cannot shut the water off.

Mrs. Davis moved and Mr. Baird seconded to recommend a resolution to certify said charges to the Lorain County's Auditor's Office.

MOTION MADE

COMMITTEE REPORT WRITTEN

3. The matter of Delinquent Stormwater Utility Fees to be certified to Lorain County Auditor's Office. (*Standing Referral*) (122 Page List is available in Clerk's Office)

REFERRED BY: Engineer Schneider

Mr. Brubaker said this is standard procedure.

Mrs. Davis moved and Mr. Tollett seconded to recommend a resolution to certify said charges to the Lorain County's Auditor's Office.

MOTION MADE

COMMITTEE REPORT WRITTEN

4. The matter of Delinquent Grass Mowing Charges to be certified to Lorain County Auditor's Office. (*Standing Referral*)

REFERRED BY: Safety Service Director Brubaker

Mr. Brubaker said this is standard procedure.

Mr. Tollett said that Mr. Brubaker has done an outstanding job on this program. He's had to call him a few times on serial offenders. And he appreciates his enforcement of this.

Mr. Tollett moved and Mrs. Davis seconded to recommend a resolution to certify said charges to the Lorain County's Auditor's Office.

MOTION MADE

COMMITTEE REPORT WRITTEN

5. The matter of appropriating American Rescue Plan Funds (ARP) for Revenue Replacement to the City of Elyria. *(For Discussion Only)*

REFERRED BY: Safety Service Director Brubaker

Mr. Tollett moved and Mr. Baird to get this matter on the floor for discussion.

Mr. Brubaker said that the Mayor asked these to be referred to they can start looking at appropriating dollars from the ARP into our lost revenues and there's a specific one for the Courts. The Mayor's thought was to appropriate dollars, 5.5 million in income replacement. We don't have to appropriate all of those dollars into that. The other dollars could be used towards police & fire which are our two largest General Fund expenditures to help alleviate the General Fund. They had decided to have this as discussion and hopefully at the Finance meeting in September maybe we could move forward with a plan. This is something that Council needs to be involved in and discussion on that. There will be some other ideas on that as well.

Mr. Tollett asked Mr. Pileski that if we replace 5.5 million dollars into the GF, would we still have to re-appropriate that 5.5 to where it needs to go out of that?

Finance Dir Pileski said that we're not really moving money into the GF. There's a formula for the replacement revenue. It's calculated at \$5,542,254. That revenue replacement has to be spent on General Services, which is the broadest category of the 4 under the ARP Act. Dir Pileski read to the committee what General Services involves:

Government Services can include but are not limited to:

1. Maintenance of infrastructure or pay go spending for building new infrastructure including roads, modernization of cyber security, including hardware and software and protection of critical infrastructure, health services, environmental remediation, school or educational services and the provision of police, fire and other public services.

If Council chooses to spend 5.5 million in replacement revenue. We would have to appropriate it in the fund they we create, the [ARP Fund] and we would have to drill this down to show how we're spending it. We just can't appropriate it and say 'General Services'. The reporting on this is just 'off the charts'. There will be a lot involved with this.

The first step for council would be, if in fact they want to spend the entire 5.5 on General Services or if you want to spend a portion of it on General Services. We can spend the entire 9.3 million on sewer and water, if we want. It's Council's job to come up with a figure to apply toward replacement revenue / General Services and then will divide that up into the functions that are decided.

Mr. Tollett asked a hypothetical question, would if we earmark 50 percent of the 5.5 million for Police & Fire and would it be better for the Finance Dept. for accounting purposes for it to go directly to Police & Fire or to go to Police & Fire through the General Services budget?

Finance Dir Pileski said the Police & Fire is going to be a budget within the General Services. So there will be a separate appropriation if you decide to spend 50% between Police & Fire and there'll be a Police Dept. Budget and a Fire Dept. Budget under this new fund. So, it will stay in the New Special Revenue Fund. We won't be moving any of this money into the General Fund. We'll be paying for expenditures that would be normally be taken out of the General Fund. Instead it will be taken out of this Replacement Revenue in the ARP Fund, much like we did with the Cares Act. So 5.5 would be the max for the General Services Fund.

Items that don't require encumbrances, which is Payroll have to be spent by December 31st, 2024. If Council chooses to spend some of this on infrastructure or purchasing of equipment, we have to encumber those monies which is an open purchase order. That encumbrance has to be opened by December 31st, 2024 and paid for by December 31st, 2026. There are 3 other categories under this act, but this is just one. And it's a little over 5.5 million in replacement revenue. That includes lost revenues as far as income tax, other local taxes, court costs, muni court fines, it's all built into this calculation. There are requests from Muni Court which total about \$90,000 which is well within the amount that they lost. It's a matter of determining how much of this 5.5 million does the City want to appropriate toward General

Services and then it needs to be broken down from there.

Mrs. Davis asked if a percent can be put in the water budget to help residents with their water bills? So we don't have to increase the water rates for the next couple of years.

Mr. Pileski said that is another category for sewer and water infrastructure projects. So some monies can go toward that. It's not under General Services or Revenue Replacement, it's a separate category. And there's another category under Economic Hardships brought on by Covid and there is already an ordinance setting aside \$500,000 for Small Business Programs and \$500,000 for Essential Services which is what would help with water and utility bills. But if Council wants to keep the rates from going up by paying for some projects that is an option, but that won't be under the Revenue Replacement. It would be a separate category.

Law Dir Deery asked if that infrastructure money would be outside of the 5.5 million?

Finance Dir Pileski said we are received 9.3 million and we can use all 9.3 million for water and sewer projects if we choose. But the 5.5 million is a guideline of what revenue we lost and needed to be replaced due to covid and that pot of money needs to be spent on General Government Services.

Chair Stewart said there are guidelines which were handed out this evening and we should read in it's entirety and we'll have more discussions on these. The guidelines and procedures state what we need to abide by. This is not like the CARES Act money where we had to expend in a certain time line. For this, we have until 2024 and ultimately until 2026, so we do have time and it's critical to look at every option that we have so we can really find the best use for these dollars, which will ultimately be 18 million dollars, it's a lot of money and we have to spend it wisely.

Dir Pileski said that we'll be going through this same thing next year because we received 9 million 390,000 this year and we're anticipating to receive the same amount next year and he'll have to recalculate the replacement revenue based on this year's revenues. There could be another pot of money or another dollar figure that can be appropriated next time around for replacement revenue. But that will be up to Council as to whether they want on that or on infrastructure or small business programs or essential services. There is also a category called premium pay for essential workers.

Chair Stewart said this is an incredible windfall of money that is coming our way and we have to do it right.

Mr. Tollett said the Infrastructure Bill that's been approved in the Senate and is in the House appears that it will pass and it's estimated to be 1.4 trillion and some of that will also come back to us. It's his opinion that we be real careful that we don't do a hard allocation on infrastructure projects until we see what comes from that bill that we'll know about in October.

Mr. Pileski said that is definitely something to be taken into consideration. He also said that Council doesn't have to appropriate if you spend the entire 5.5 million of the replacement revenue on General Services. He doesn't feel it has to be appropriated all at one time.

We have until the end of 2024 to spend non-encumbered items so this extend over a two or three year budget years. We can do it in pieces or appropriate it all at once and whatever is not spent at the end of the year, we can be appropriate the difference between what was appropriated and what was spent in next year's budget, this is up to Council. He said he believes once we decide what we're going to do, we've got to drill this thing down so it's easier to report and this will be the focus of the single audit act with the independent auditors because this is going to far exceed the money we get for block grants, so this be the focus of the single audit act next year and the 2 years after.

6. The matter of appropriating American Rescue Plan Funds (ARP) for Revenue Replacement to Elyria Muni Court, requested by Municipal Judges. *(For Discussion Only)*

REFERRED BY: Safety Service Director Brubaker

Mr. Tollett moved and Mr. Baird to get this matter on the floor for discussion.

Finance Dir Pileski said the Courts have requested \$88,774 for a list of items;

1.) Replace Computers, 2.) Replace Monitors, 3.) Replace Scanners, 4.) Upgrade network, 5.) Replace Printers, 6.) Replace x-ray machine, 7.) Complete installation of ad gator and google cloud storage for 3 years. He thinks this is a continuation of the projects that were started with the CARES Act monies.

Judge Bennett came up to the microphone and said that he and Judge White had a meeting with The Mayor and Mark Ballard on June 25th to tell them about these funds and to see if they could help the court. It's clear that the courts had lost a great of revenue. For awhile police officers weren't even writing tickets. It was indicated by the Supreme Court that the State and Municipal Courts could not close, so they remained opened, though the everything was down. Before covid, they had 9,000 to 9,500 people come through the courts each month and in the midst of covid it went down to 3,000. People coming to the court, means revenue, people paying tickets and fines. The courts were on a replacement plan for computers and other equipment and that plan got scrapped because the funds weren't there. So today they are requesting an opportunity to replace that part of the revenue so they can upgrade those items. As Mr. Pileski said, the courts loss is greater than what they're asking for.

Chair Stewart said their request is minimal and much needed. Based on what's been brought to light with these additional guidelines that we want to make sure we have everything covered. Once we digest these issues we'll be able to move forward.

Judge Bennett said they had followed Federal Guidelines and shut down evictions, which was another revenue loss. They also limited minor misdemeanor fines to \$10.00, which could be as much as \$150.00. They put a program in place, that if someone wanted to take care of their case they paid \$10 in fines along with court costs, instead of \$150 fine. Court costs still had to be paid because they are allowed to have special funds. Certain amounts of court costs are allocated to certain projects; security, payment on the building. They were going to end this program July 4th but are glad they didn't because covid is back and we're seeing the same thing and we will continue this program through the end of the year. So they know the funds will down in 2021.

Chair Stewart thanked Judge Bennett and said he will keep him informed with how they are progressing and moving forward.

Judge Bennett told the Committee about some of programs that are offered through the Courts. One is called Elyria Drives where they help those with Drivers License problems. There is a program about how to Seal your Record, About what to do when you have a Warrant, how to take care of that so you don't get arrested. And a program with the Bar Association to help Landlords and Tenants access funds to keep evictions from happening.

Finance Dir Pileski wanted to add that the City received \$9,390,406 in this ARP money and if the City chooses to budget \$5,542,256 of replacement revenue for General Services and if you factor in the \$500,000 that's already been earmarked for Essential Services Program and the \$500,000 for Small Business Programs, that still leaves \$2,848,150 that would have to be allocated somewhere.

7. The matter of a Water and Wastewater Infrastructure Grant.

(This matter was passed by Utilities Committee on 8/18/2021)

Referred By: Engineer Schneider and Superintendent Jacob

Engineer Schneider said the State of Ohio notified local municipalities of a Grant opportunity which is 2 million toward water and wastewater. This grant is being funded through the American Rescue Plan. The City is looking to apply so we can get a piece of these grants. We have a number of projects on the water and wastewater side that are already planned and the more funds we get to help pay for those, it will help control our rates in the future.

There's not a lot of information on this grant program. There caps and they have a point program, a point system as to how they are going to award these. They are requesting that cities submit applications. They will submit for Phase 1D and 2N of the East Side Relief Sewer

Project for the Wastewater side, which is a 15 million dollar project. It caps out at 5 million dollars but possibly another 5 million which could be paid for providing the local is an economically depressed city which we qualify. They will also submit for the water plant projects. One is the Clark Street Water Tower which is already in the design process and will be in construction soon. There is also a project to study for improvements at the plant. It's time sensitive as far as getting the applications in as soon as possible.

Superintendent Jacob said, the water plant projects are 'shovel ready' meaning they are prepped and ready for construction. His office already submitted the paperwork because it's first come ~ first serve. And you get points, like the water projects are going to be 10% city funded, we get extra points if the City throws in money. We put in \$1,750,000. We're working on two projects and a number of other ones that will get submitted in the next few months.

Chair Stewart asked if this is a match or is this just a grant?

Engineer Schneider said the program doesn't require a match but they encourage a match, that way, they can spread out the dollars. At this time we don't know what it would be because we don't have dollar figures on everything. Right now, we're looking to apply. Once you apply you're not required to take the funds if there's some hidden language.

Law Dir Deery said that this grant process doesn't require a match but if the City is going to utilize that to increase our odds, then we need to know what we're offering so that they can prepare the legislation.

Asst. Dir Breunig said he requested this matter to be dual referred because he didn't know what that match was going to be and if we were going to encumber this with a financial obligation and financial match on the part of the City. Given that they don't know what that dollar amount is, we need to revise the committee report to authorize the application for the grant and we would have to come back later once we actually know what their numbers are and authorize the acceptance of the grant and then we can build in that dollar amount match from the City. At this point we can authorize the application, normally we do it both in one where we authorize the application where we accept the grant. We can't advise that at this time because we don't know what that dollar match is going to be. We'll have to create additional legislation at a later point.

Law Dir Deery asked if this will be multiple grants?

Mr. Schneider said there will be multiple projects on both sides.

There are two for the Water Plant; Clark Street Water Tower (money was already appropriated for that) and the other is for the Study at the Water Treatment Plant. You get points if the project is ready to go within 6 months.

Mr. Schneider said there are 2 projects on the Wastewater side; Phase 1D and 2N for the East Side Relief Sewer and the Head-works project at the plant.

Mr. Tollett moved and Mrs. Davis seconded to amend the previous motion to authorize the Mayor to submit applications for two water and two wastewater grants, not the approval of either on at this time and take out 'accept if offered'.

MOTION MADE

COMMITTEE REPORT WRITTEN

8. The matter of the disposal of property from the Elyria Fire Department that is no longer needed and/or unfit for public use.

REFERRED BY: Safety Service Director Brubaker

Safety Director Brubaker passed out a list of multiple brands and styles of the SCBA Units breathing units which need to be disposed of by scraping or selling them.

Will come back to Council to purchase new versions of these. Chief Pronesti said these items are sitting around and they would like to get rid of them. Dollars we get from these can go toward the purchase of new units.

Mrs. Davis moved and Mr. Tollett seconded to authorize a Resolution for the Safety Service Dir to declare said city property no longer needed as per attached list.

MOTION MADE

COMMITTEE REPORT WRITTEN

Mr. Tollett moved and Mr. Baird seconded to authorize an Ordinance for the Safety Service Dir to dispose of said city property no longer needed as per attached list.
MOTION MADE COMMITTEE REPORT WRITTEN

9. The matter of adding the position of 'Public Information Officer' to the Safety Service Department.

REFERRED BY: HR Director Yousefi

HR Director Yousefi said they are looking to add the position of Public Information Officer. This position will establish communication plans and carry out that plan with the use of press releases, crisis communication, website and social media maintenance. They will also be service and advisors to the Mayor and Safety Service Director. This will allow the City to communicate pro-actively rather than reactively when we're looking at communicating with the residents. Currently this work is being done by outside consultants and some by the Mayor. Funds are available for this position. Based on the qualifications that are required and the duties of the position and it's been ranked into the salary grade of C-52. Other positions at this grade are Community Development Manager, Asst. Engineer, IT Manager and Operations Manager.

Chair Stewart said that currently there is a consultant and the Mayor doing this work. Is this more geared toward the Safety Services? Is there communication that the Police and Fire have already established? If this is something that's already in place in these departments, why would we move forward with this?

HR Dir said this is bigger than crisis communication. This is more global communication plan where we're able to communicate with the residents on a regular basis, newsletters. To have a place to keep track of complaints and for the City to be able to react to that.

Mr. Stewart said the Mayor is at the forefront of informing residents and supplying information on Social Media and in other ways and that really shouldn't change and we should just continue informing residents the way we are.

Asst Dir Williams said this is in line with the Project Manager position. What we presently have is the Safety Service components. Many of these tasks were being done by the former employee, Ren Flanders. The determination was based on the work that was being done and it didn't need to be done at that high of a salary level. The position fills somewhat of a Project Director. The current big project piece is having someone with communication expertise background; writing, public relations and how to communicate with every element. The role is much more expansion, it's in the neighborhood of projects. They've introduced it at this level because they don't believe they should be paying the premium [Safety Service] salary.

Mr. Jessie said he recognizes the importance of all that was described. Anytime we're talking about adding a position, it has a ripple effect for other years in terms of budget. There was a debate over several years of whether they should create a position of Economic Development Director and Council was never in majority agreement. But we now have that need filled by Dawn Calvert through our Safety Service personnel.

Mrs. Davis asked how much we are paying for out source?

HR Dir Yousefi said she didn't have the information of how much they are paying the outside consultant. But they will eliminate the outsourcing once they create the position.

Mrs. Davis asked what the outside consultants are doing?

Law Dir Deery said this is a short term contract. This person was brought on within the last 6 weeks.

Mr. Pileski asked who the contract is with?

Mayor Whitfield said they are working with Jen Kennedy. The Mayor wanted to explain about the gap between administrative staff and assistant safety service director. Administrative staff caps out at \$40,000 and assistant safety service director starts around \$90,000.

So there is nothing in between. Not qualified for safety service pay but should earn

more than administrative staff. Mayor said this is their resolution to everyone who have voiced concerns around salary ranges. He said that he is doing a lot of the communication work now but the City needs to establish it's own voice. We have 53,000 residents and who's responsible for communication to them, who's responsible to make sure they know when a road is closed, when a power line is down, crisis communications. The hope was to come to council to get a new classification within safety service so they could pay a lesser amount than an asst safety service position but more than an administrative position.

Chair Stewart said that he doesn't feel there is a need for this position. He thinks others within the Department can do this, including Mr. Williams.

Mayor Whitfield said this is a profession and it's important. If we want to grow as a city we need someone doing Economic Development work, if we want the message around the city to be clear and not misinformation, we need this position. The consultant we have now is assisting with the design of the newsletter. Ultimately we need someone in-house who's moving with the rest of the staff. We need to focus on the communication effort.

Mr. Tollett said that he would recommend that we table this and that a full job description be presented. The clarification of the job duties in detail would be helpful and what fund this position will be paid from.

Chair Stewart agreed and this matter will go into 'Pending Items'.

10. The matter of changes and clean-up of language to Salary Ordinance section 165.33.

REFERRED BY: HR Director Yousefi

HR Dir Yousefi said they want to make some changes to this section, some of it is clean-up. Under 165.33 C2, they want to make it clear that the increase in the steps comes with the person's anniversary date. The next section has never been utilized. They want to make sure that the salary ordinance goes along with what actually happens in reality. In section 165.33 C4, there was a typo which had been fixed.

Mrs. Davis asked what the personnel placement committee is and why are they the ones that can make approvals?

Law Dir Deery said the Personnel Placement Committee has been in existence for a long time. If Dir Pileski or Dir Brubaker would want to bump an employee up more than one step then that committee which has Finance Dir Pileski, The Mayor, Safety Dir Brubaker on it would decide if that employee should go to a higher step.

Mr. Baird moved and Mr. Tollett seconded to recommend an ordinance to authorizing the 'said' changes to the salary ordinance.

MOTION MADE

COMMITTEE REPORT WRITTEN

11. The matter of amending the IAFF (Fire Dept.) Salary Exhibit to include a new position of EMT Firefighter ~ Fire Prevention Bureau Inspector.

REFERRED BY: Asst. Finance Director Farrell

Finance Dir Farrell said the Administration and Fire Union is changing the way they're operating the Fire Prevention Bureau.

The best way for payroll to handle this would be to create this new 'said' position.

Mr. Brubaker and IFF came to an MOU (Memorandum of Understanding) due to staffing issues within the Fire Department and making sure we have enough firefighters to meet the minimum staffing of 13 on duty. By placing the Fire Inspector on shift so there would be one on shift every day, 8 hours a day, would allow to put 2 of the younger fire prevention staff that were less than two years on the department, back into the count to help reduce that we have the minimum manning and to allow to reduce overtime. This will be a process and we have to create this position.

This will allow to put more senior members who have more experience within the Fire Prevention Bureau. Chief Pronesti and Marshall Gall are both in favor of this.

Mr. Baird moved and Mrs. Davis seconded to recommend an ordinance to authorizing the addition of the 'said' position.

MOTION MADE

COMMITTEE REPORT WRITTEN

12. The matter of Estimating the Active, Inactive & Interim Funds to be awarded & deposited for the 5 year period beginning Dec. 1st, 2021.

REFERRED BY: Finance Director Pileski

Finance Dir Pileski explained that municipalities in Ohio are required by Section 135.01 of the Ohio Revised Code otherwise known as The Uniform Depository Act to enter into new depository agreements for a five year period. Our next five year period will begin on December 1st, 2021 and ending five years later on November 30th, 2026. The resolution would estimate the amount of inactive, active and interim funds that may be available to deposit into the account into the bank accounts. The inactive is estimated at five million dollars which is the same as it was the last five year period. The amount of interim funds at fifty million dollars and amount of active funds at fifty million. This will run in the legal section of the newspaper and any banks that are interested are to turn in their requests by October 15th, 2021. At that time we will bring it back to Finance Committee to Declare which banks are interested to be a Depository and then we'll pass a second piece of Legislation to Declare those banks as a Public Depository of the City. Again this is done every five years.

Mr. Baird moved and Mr. Tollett seconded to recommend a Resolution to authorizing the 'said' funds to be awarded and deposited for the 5-year term beginning Dec. 1st, 2021.

MOTION MADE

COMMITTEE REPORT WRITTEN

13. The matter of amendments to the 2021 Permanent Appropriations Ordinance No. 2021-50. (Standing Referral)

REFERRED BY: Finance Director's Pileski and Farrell

- 1.) Sanitation-increase of \$66,644 Capital Outlay, 2.) Cemeteries-reduction of \$21,000 from Salary & Wages, increase of \$6,000 Benefits & Pension, increase - \$15,000 Operating & Maint.
- 3.) CMG-reduction of \$90,000 Salary & Wages, reduction of \$15,000 Benefits & Pension, increase of \$255,000 Operating & Maint. (necessary due to increase of gas costs)
- 4.) Police/Civil Service-reduction of \$20,000 Salary & Wages and increase of \$20,000 Operating & Maint. for Civil Svc Testing for Police Chief and other tests
- 5.) Fire- increase of \$383,200 Salary & Wages for severance payout and unused sick leave for Chief Mack and others selling back their holiday time.

Mr. Baird moved and Mr. Tollett seconded to recommend an ordinance to authorize the 'said' appropriation changes.

MOTION MADE

COMMITTEE REPORT WRITTEN

Mr. Baird moved and second by Mr. Tollett to adjourn this evening's Finance Meeting at 8:08 P.M.

MOTION CARRIED

Respectfully submitted by,

Colleen Rosado, Council Clerk Secretary

(Committee Meeting was attended by Secretary Rosado ~ Meeting Minutes were transcribed by Secretary Rosado)