

FINANCE COMMITTEE MEETING MINUTES

MONDAY, JUNE 26th, 2023 beginning at 6:53 P.M.

CD PRESENT: Committee Chair Callahan, Mitchell, Oswald, Schneider, Lipian
FINANCE PRESENT: Committee Chair Stewart, Tollett, Cerra, Davis, Schneider
OTHER COUNCIL MEMBERS PRESENT: Corbin, Simmons

OTHERS PRESENT: Law Dir. Deery, Mayor Whitfield, Safety Service Dir. Lundy, Assistant Dir. Calvert, Assistant Dir. Williams, Fin. Dir. Pileski, Asst. Fin. Dir. Farrell, Parks Dir. Reardon, Engineer McKillips, WWPC Supt. Korzan

1. Approval of the Finance Meeting Minutes ~ May 8th 2023

Mr. Cerra moved and seconded by Mr. Schneider to approve the Meeting Minutes.

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

Referred By: Public Works Supervisor Conner

Sup. Conner explained the Resolution Board recommend twelve accounts for referral to the Lorain County Auditor's Office.

Mr. Cerra moved and Mr. Tollett seconded to recommend a resolution to authorize the list of delinquent utility charges to the Lorain County Auditor's Office.

MOTION MADE COMMITTEE REPORT WRITTEN

3. The matter of authorizing the Mayor to enter into a contract with Black & Veatch for the Water Transmission Line Study, Phase 2. [This was passed by Utilities on June 7th].

Referred By: Water Team Leader Jacob and Engineer McKillips

Engineer McKillips explained the request was to enter into an amendment to the current contract with Black & Veatch for phase two of the waterline transmission line study

Mr. Cerra moved, Ms. Davis seconded to recommend an ordinance authorizing a contract with Black & Veatch for Phase 2 of the Water Transmission Line Study and authorizing the Mayor to enter into a contract for the program, emergency clause requested.

MOTION MADE COMMITTEE REPORT WRITTEN

4. The matter of a property lien for boarding up and securing the property located at 264 Windsor Drive.

Referred By: Building Official Farkas

Item Tabled

5. The matter of a property lien for boarding up and securing the property located at 309 East Broad Street.

Referred By: Building Official Farkas

Item Tabled

6. The matter of waiving Building Permit Fees for renovation projects at Elyria Catholic High School and not to exceed \$7,500.00.

Referred By: Council Members Cerra~Ward 7 and Tollett~Council At Large

Council member Tollett explained several projects are in progress at Elyria Catholic High School currently. The bleachers were deemed unsafe and the school was forced to replace the Press Box and install all new bleachers. The school encountered a structural issue with the coliseum and had to reinforce the structure and remove all exterior brick work. Due to ongoing projects, numerous building permits were required. The request of \$7,500 in fees is asked to be waived for ongoing work. Council member Cerra agreed with Council member Tollett and added that similar requests were honored for Elyria High School when the new school was being built. Law Dir. Deery requested clarification of the request, regarding would the \$7,500 be considered a reimbursement, waiver of future fees or combination of both. Council member Tollett stated it would be a combination of both. Law Dir. Deery asked confirming questions regarding the structure of the matter should it move forward. Motion was amended to include fees for the calendar year 2023.

Mr. Cerra moved and Mr. Tollett seconded to authorizing an ordinance to waive fees and not to exceed \$7,500.00 for calendar year 2023.

MOTION MADE

COMMITTEE REPORT WRITTEN

7. The matter of monies to be allocated to Muni Court Magistrate account to run an additional docket for increased traffic citations.

Referred By: Judge Bennett

Finance Dir. Pileski explained the Elyria Police Dept. implemented a Traffic Unit with two full time officers. During the first two weeks of the program two hundred, sixty-five traffic citations were issued. The impact of citations, has increased the volume of court cases at the Elyria Municipal Court. Judge Bennett, the Administrative Judge, submitted a letter to council requesting that an additional \$45,000 be appropriated in the Special Traffic Magistrate Fund to hire one new part-time Magistrate and possibly a staff member. Finance Dir. Pileski requested a recommendation for authorization of transfer to the special traffic fund from the general fund of \$45,000. Appropriations of the transfer would be addressed in item number 10. Council member Tollett inquired about the traffic citations, requesting clarification of over six hundred citations, over half have been in school zones, he stated he believes that is what the residents wanted to be enforced. Council member Oswald expressed his discontentment with the request for additional funding for the extra workload. Council member Lipian asked if Finance Dir. Pilesk could share contents of the letter that favor the request. Finance Dir. Pileski explained an additional traffic docket would be added on Wednesdays as well as the current docket of Thursdays. This would require hiring extra support staff and security. The increase has not only occurred on the traffic docket, however also on the regular court docket of Judge White and Judge Bennett. The majority of the traffic citations are minor misdemeanors, but certain speed offenses are misdemeanor fours which means that the matter must be heard by a judge because of the possibility of a 30 day jail sentence, and the defendant has the right to an attorney. The increase to the docket has been fifteen to twenty of these cases in addition to the regular case docket of more serious criminal offenses. Most of the m4 tickets involve school zone tickets, the numbers are expected to drop during the summer months. Council member Tollett explained that when you speed through a school zone, it must go before a judge. He further explained that the income

from citations, more than offsets, the request for increased staff. Council member Lipian inquired if the income from the tickets could be provided and if the city ordinance has been enforced. Finance Dir. Pileski responded the money is collected through the Elyria Municipal Court, the court provides the city share and a monthly report. The report for June has not been received. Finance Dir. Pileski explained that he would have to request from the judges the case separation of the traffic citations from other cases to determine the exact amount of revenue the program is generating. Council member Lipian requested confirmation of city ordinance enforcement versus state of Ohio to confirm that a portion of the money stays in the city. Finance Dir. Pileski stated that enforcement under city ordinance, the city of Elyria would receive most of the money, if enforced under state ordinance, the city of Elyria, would receive forty-five percent. Council member Davis requested if a break down could be provided for the number of people that mail in their citation payment opposed to appearing in court. Law Dir. Deery explained that there have been a few waivers, however there have been those who opt out of the waiver and choose to come to court to contest their tickets, which has increased the docket. Law Dir. Deery further explained, that quite a few, are a must appear in court and non-waivable.

Mr. Schneider moved and Mrs. Davis seconded to recommend an ordinance authorizing the Finance Director to transfer \$45,000 from the general fund to the Special Traffic Magistrate Fund.

MOTION MADE

COMMITTEE REPORT WRITTEN

8. The matter of The Skill Up Our City Initiative.

Referred By: Safety Service Dir Lundy (*For discussion only*)

Safety Service Director Lundy explained the AFSCME driven program that will assist employees to obtain new skills and secure important licenses and certificates. SSD Lundy stated that it is important for employees to be aware that a career pathway exists. The initiative is for the city employees to have a career, not a job and to learn and grow. SSD Lundy invited Matt Beale, city of Elyria, Union President and Matthew Hetrick, AFSCME Regional President.

Mr. Beale expressed that he would be speaking on behalf of union workers and what he has witnessed in the loss of employees over the years due to wage gaps. He stated competitive wages are desired. He explained the impact has caused staff shortages. His belief in working with this program would be a benefit in retaining employees and decrease the lapse in time to re-fill positions. Mr. Hetrick explained that he has witnessed municipalities struggle with hiring due to wage rates, since the pandemic. He has witnessed municipalities increase their wages and offer additional incentives for employees with water certifications, cdls and other required certifications. He expressed his appreciation to speak before council outside of contract negotiations. Mayor Whitfield stated he wanted to share about the importance of acting on the issue now. He expressed the city of Elyria can not compete with the private sector, however still needs to be competitive. Mayor Whitfield explained that HR Dir. Yousefi would explain more about the process of the initiative. HR Dir. Yousefi explained department heads created document that developed a narrative that explained how individual departments could create career ladders. Criteria was established within the departments for each job how to elevate to the next level. Department heads identified positions within their departments that they believed are underpaid, HR researched market comparison with Lakewood, Parma and Lorain. Current and proposed organizational charts were created for each department for the entire city. An evaluation of each proposal was reviewed and a summary was created. HR Dir. Yousefi met with the finance team to evaluate a cost analysis of the program. The idea of the initiative is to create

career ladders for city of Elyria employees, review underfunded underpaid positions and employee retention. In addition to create a more skilled workforce with licensed and certified employee. Mayor Whitfield shared that three items requesting committee action were being disseminated during the meeting. The three items included: Three incentive increases, Electrician, CDL, and Water License. President Stewart responded that due to receiving the incentive request during the meeting, no committee action would be taken. President Stewart inquired about when did the Skill Up Our City initiative dialogue begin. Mayor Whitfield stated conversations have been ongoing since he took office. President Stewart inquired if the initiative had been long term, why was it not a part of the AFSCME negotiations. AFSCME Rep. Mr. Hetrick stated the contract was negotiated during the pandemic and they did the best they could at the time with negotiations, he expressed his appreciation for the salary increases and sign-on bonuses during contract negotiations, However the effect of the pandemic on the workforce has made it difficult to retain employees. Council member Tollett inquired would the contract be re-opened in the middle of the contract to honor these incentive increases. Mr. Hetrick responded, no. Council member Tollett inquired if the labor market was impacting the push for increases and the increase in unemployment. Mr. Hetrick explained that outside authorities such as the EPA, define some of the required licensing, therefore, certifications programs need to be established. Council member Tollett inquired if CDL certification is conducted internally or externally. Mayor Whitfield responded the city of Elyria has internal CDL instructors. Council member Davis inquired how many employees would be impacted by the incentive increase in the electrician and water license. Mayor Whitfield responded four electricians, twenty-seven employees with a CDL-A, forty-six employees with a CDL-B, fourteen Class-1 water license employees, eight employees with Class-2 water license and four employees with Class-3 water license. Council member Davis expressed her belief that the open contract discussion should probably have representation and if they offer an AFSCME increase, it leads to other non-union chapters to want an increase as well. Mayor Whitfield expressed labor legal counsel was consulted, he doesn't consider this breaking the AFSCME contract, he explained, many MOU's have been signed during the life of the contract. President Stewart inquired when you begin employment in the water or some of the specific departments, is it not required to have/ obtain a CDL. HR Dir. Yousefi responded several department do require CDL certification. President Stewart asked if Finance Director Pileski could provide financial insight. Finance Dir. Pileski stated that he was approached a few hours before the meeting, he was tasked with working with the internal and independent Auditors in completion by the end of the week, of the annual report for 2022, therefore was unable to compile numbers for the initiative. He expressed that he would need to review each individual departmental budget, specifically the sanitation fund to establish want money is available. Finance Dir. Pileski shared many of the CDL drivers are in enterprise funds which consist of water, sewer and sanitation. The enterprise funds are driven by user fees of the system water, sanitation and sewer fees. Anytime the expenses are increased you will need to factor in possible rate increases as well. Council member Tollett asked if Finance Dir. Pileski could provide to the committee a three. Five and ten year expenditure to review for an overview of the total cost to the city over the next three to ten years, based on a three percent average union growth rate for the requested positions. Council member Mitchell stated that she would love to hear the perspective of the labor attorney regarding this matter. Council member Mitchell stated she supports the union and she certainly believes all city employees are great, however to receive a document during the meeting and request a vote was unreasonable. There had been no time to review what was presented. HR Dir. Yousefi stated a rate study had been conducted, she requested it be submitted for review. She echoed Council member Davis, would Chapter 165 be

included in increases. She stated more information would be needed and asked does the union not receive incentives currently and if so at what amount? The union representative responded the current incentive is \$.15 and \$.40 for CDLs- A and B \$.50 for Class -1 Water \$.75 Class-2 Water and \$1.00 for Class-3 Water. Council member Mitchell stated money is not always a reason for employee resignation, she stated culture, environment and management are reasons as well. Mayor Whitfield stated that other decisions have been made with a lot less information presented. The total request is about \$170,000. Council member Tollett responded to Mayor Whitfield regarding the total, he stated it would be \$170,000 plus three percent next year and then it compounds every year. Council member Tollett stated over the course of the next three to ten years, the proposal would be millions of dollars and to ask for additional time is not too much to ask. Council member Davis inquired if the water license incentive increase will impact residents. Finance Dir. Pielski stated the increases would come from the water fund, sanitation incentive increases would come from the sanitation fund, sewer incentive increases would come from the sewer fund. Council member Davis expressed that residents are unaware of the breakdowns, they recognize the rate of their water bills. Council member Lipian asked if the increase would impact the maintenance department employees as well. HR Dir. Yousefi responded, no. Council member Lipian expressed the importance of looking at the future generations and their perspective of work, work ethic and culture in considering the increases as retirees exit the workforce and we attempt to recruit a new generation workforce. Council member Mitchell reminded her colleagues to be mindful of the state of the sanitation fund as mentioned by Fin. Dir. Pileski. She also reminded them of the recent purchase of three new sanitation trucks.

President Stewart stated the matter would be placed in pending items.

9. The matter of the 2024 Tax Budget. *[Standing Referral]*

Referred By: Finance Directors Pileski and Farrell

Finance Dir. Pileski explained that what was presented before the committee was the 2024 Tax Budget. The document is required by the Ohio Revised Code (ORC). Once it is completed and approved by council, it is then submitted to the Lorain County Budget Commission. It begins the starting point for the city of Elyria 2024 certificate of estimated resources, which governs how much money we can spend by fund type. The budget is divided by fund type, starting with general fund, special revenue fund, which is the largest category. He stated there are now fifty special revenue funds that exist. There is the tax increment financing fund, which is the Chestnut Commons Tiff fund. There are two debt service funds, any capitol projects, and most of these are Ohio Public Works Commission Issue One funding, and the enterprise funds, which are the business type activity funds that are designed to be self-supporting and driven by user fees of the system, such as water, special Parks and Rec, sanitation, waste water and storm sewer funds. There are two internal service funds, employees health insurance fund and the workers compensation fund. There are a few custodial funds, which are monies held for another entity. The document begins with an estimated cash balance at January 1, 2024. Finance Dir. Pileski has the responsibility of reviewing each individual fund within these fund types to determine what the ending cash balance will be for December 31, 2023. The second column reflects your estimated real estate taxes. The number is expected to change once the county determines the city share of real estate tax next year. The estimated government allocation, which only goes in the general fund. This would also be calculated by the county and the number may change as well. In final, you calculate a total available to spend or appropriate along with estimated expenditures

for 2024 and the balance at December 31, 2024. This tax document will be amended at the end of the year to replace the estimated beginning cash with actual cash numbers, in the other sources will be amended as needed. Finance Dir. Pileski explained that over the years he has taken a conservative approach to estimated revenues and then as revenues typically come in over estimates, he would amend the budget with the Lorain County budget commission to increase the revenue amount and once the appropriation is passed that number also replaces the estimated expenditures. The first number will be the temporary appropriation, by March, it will be the permanent appropriation budget. Each budget is applied to the Lorain County budget commission. This document is amended throughout the course of the year. Emergency clause requested.

Mr. Cerra moved and Mrs. Davis seconded to recommend an ordinance to authorizing the Finance Director to establish the Tax Budget for the year 2024.

MOTION MADE COMMITTEE REPORT WRITTEN

10. The matter of Amendments to the Permanent Appropriations. *[Standing Referral]*

Referred By: Finance Directors Pileski and Farrell

Finance Dir. Pileski explained the only appropriation change request he has to present before the committee is the request for the special traffic magistrate fund \$45,000 transferring from the general fund, \$37,399 would transfer to salary and wages and \$7,601 would transfer to benefits and pension.

Mr. Cerra moved and Ms. Davis seconded to recommend an ordinance to authorizing amending ordinance no. 2023-24 permanent appropriations changes.

MOTION MADE COMMITTEE REPORT WRITTEN

Mr. Cerra moved and second by Ms. Davis to adjourn the Finance Meeting at 8:17 P.M.

MOTION CARRIED

RLP/