Minutes of the <u>FINANCE COMMITTEE</u> which held a meeting on <u>Monday, September 14th, 2026</u> at 6:10 P.M. *Circulated 9/25/2026*

FINANCE PRESENT: Chair Tollett, Cerra, Schneider, Van Wormer, Davis
COM DEV PRESENT: Chair Schneider, Mitchell, Doehne, Rothgery
UTILITIES PRESENT: Chair Mitchell, Davis, Armstrong, Oswald, Rothgery
ABSENT: None

OTHERS PRESENT: Dir Loesch, Law Dir Deery Finance Dir Pileski, Asst Finance Dir Farrell, Engineer Schneider, Public Works Supt. Conner, HR Dir Yousefi, Judge White, Judge Bennett, Muni Clerk Breunig

1.The matter of approval of meeting minutes from the Finance Committee Meeting, which took place on <u>August 10th, 2026,</u> ***as circulated on 8/28/2026.***
Motion made by Mr. Cerra and seconded by Mr. Schneider to approve the 'said' Meeting Minutes.
MOTION CARRIES

2. The matter of Amending Ch 165 to reflect a new salary scale for Municipal Court Employees.
Referred By: Clerk Breunig, Judge Bennett, Judge White, HR Dir Yousefi

Chair Tollett had recused himself from this matter due to a perceived conflict and stepped out of Council Chambers and Pro Tem Davis took over chairing this part of the meeting.

Municipal Court Clerk Breunig introduced himself and stated that he is here along with Judge White and Judge Bennett and Dir Yousefi. He began this position as Muni Court Clerk in December of 2025. The prior clerk and the Judges had already engaged Gallagher Benefits to perform a salary study for the court employees. That was a result of various conversations that had taken place over a few years between the court, appointing authorities and City Council. That study has now been completed. There were a number of good responses. There were 10 responding courts that submitted date. They have obtained a lot of good data from that survey. What they are not asking for here this evening is any kind of blanket, 2%, 3% or 4% raise. What they are asking for is for the city to adopt a new salary scale which will look like the scale that is currently in effect for Ch 165 employees. It would be a 14 grade, 12 step charts where every employee would be placed in a chart position based on what their job description is and years of service and appropriate to that scale. They will place their employees within that scale based within their own budgetary constraints. That will result in some increased payroll. Gallagher did point that out in option 2 of the study. Their estimate was about $238,000 in annual additional payroll and that number is overly high. It will be lower based on some factors.

One of which is a number of the employees, under state statute, are required to be paid 40% by the county and 60% by the city and that lowers that number. And several members of his staff are paid out of special funds that are generated through court costs and court fees which are paid by litigants of the court and not the general fund. He will have two highly paid employees who will retire from his office next year and those positions will be filled by lower paying employees. Also, Judge Bennett will be finished at the end of next year and they will probably lose a number of his staff and that cycle will start again. There are some conservative numbers in that study. He believes what is put before this committee is fair to both the city, as the host city for the court and to our employees, generally. Mayor Brubaker supports this.
That completed Clerk Breunig's brief overview.

Director Deery said depending on how Finance votes, this salary study has been in progress for some time and she asked what is the proposed effective date?

Clerk Breunig said it would be July 1st of this year. The Gallagher study data came up aged as of July 1st, 2026. He would ask for it to be back dated to July 1st and they would request an emergency clause so they can get those numbers and calculations to Finance as soon as possible.

Dir Deery said, so that the committee understands, we would be looking at revising CH 165 and looking at a salary ordinance revision. A separate piece of legislation to be prepared by Finance and revising CH 165, which will be 2 pieces of legislation.

Dir Deery asked Clerk Breunig if in the scale of the salary study, the scale will absorb longevity, much like when Gallagher did the salary study for CH 165?

Clerk Breunig said that is correct. Currently all the full-time employees are on the 'old' CH 165 compensation model where it has three steps; A, B and C and are high compressed salary ranges with little room for movement between those ranges. This will replace the old longevity system, instead of going up 1% every year, every employee would move up a step. There are some gaps built in there, which will comprise both longevity and cost of living increases. It will be much the same as City CH 165 employees, though job descriptions and job titles will be different, pay grades will be different, it's a similar chart, the old longevity system will be out.

Mr. Oswald asked about approving a new model and when they come back and change the new model….

Mr. Breunig said when they built this system is to encompass some room for change and growth. He would not anticipate coming back anytime soon. They would request if this is done that CH 165 looks to be treated the same from one classification to another. If there are future cost of living increases that apply to other city's salary scales, they would then request that those same changes be applicable to their new salary scale. He would not anticipate changing the scale itself.
There could be a position that could be created in the future that they would have to come back and account for. What they are asking should be good for the immediate future.

Chair Mitchell asked if this is retroactive to July 1st, does that include the pay?
Clerk Breunig said yes.

HR Dir Yousefi made a comment that the same market data information that they will use for Section 165, which is a specific survey that they have identified, would be the same that they would use for these. They already know what next year's rate would look like.

Mr. Schneider said there are 10 comps here which seems like pretty good data to work off of and those numbers are pretty solid showing and a decent participation rate.

Clerk Breunig said his understanding is when the city did this, there were only 7 comps. They do have a lot of data which is run through Gallagher's algorithms to account for differences in geography and demographics, but the data points are there. At least 80% of the job duties had to match up for it to be a good comp.

Finance Pileski said he read through the report and it does mirror to the CH 165 salary study that was done. There does appear to be enough money appropriated in all the department budgets this year for the increase of the 2nd half of the year, so, they won't have to change the budget. He still has to make this warning, we are spending more money than what we are bringing into the general fund. On January 1, 2025 the general fund cash balance was 15.4 million. At the end of August of this year, the general fund cash balance was 10.7 million. In that 20-month period, they spent down 30% of the cash balance for a total of a 4.7 million drop in cash. He just wants to point out where we're going. If we duplicate this form of spending over the next 20 months, after that we will probably have to look at cutting the budget. Most of the expenditures come from personal services and fringe benefits. The general fund is bleeding cash. But, he does support this salary study and there is money in the budget.

Clerk Breunig said he is very cognizant of budgetary constraints and needs. He wants to remind everyone that justice is not a revenue producing enterprise. But they do give money back to the general fund, revenue produced in the form of fines and court costs and shared with the city in the form of monthly disbursements in accordance with the Ohio revised code formulas. He tries to make everything as efficient as possible and save costs wherever he can. Personnel and buildings are the two most expensive of running the services.

Judge Bennett approached the microphone. He said the actual cost for the increases that Gallagher came up with for July to the end of the year was $238,000. The number Judge Bennett came up with is $111,000, additional cost will be $55,000. A number of the employees are paid through the City and the County. All the part-timers are paid through a special fund. They pay for the building with special funds. They have always been good partners.
This salary study was requested a couple years ago and they finally got in sync and got it done. It's a benefit to the city and to the employees. They are heading toward 3 million dollars of giving back to the city in 17 years.

That concluded the discussion on this matter.

There were no more questions and Chair Davis read the committee report and asked for a motion.
Motion made by Mr. Schneider, second by Mr. Van Wormer to authorize to amend the Salary Ordinance to reflect a new salary scale for Elyria Muni Court, effective 7/1/2026, emergency clause requested.
MOTION CARRIES COMMITTEE REPORT WRITTEN

Chair Tollett returned to chair the remainder of the Finance Committee Meeting.

3. The matter of delinquent and final utility accounts approved by the Utility Resolution Board and to be certified to the Lorain County Auditor's Office.
Referred By: Public Works Supt. Conner

Supt Conner said this list is 40 accounts for a total amount of $27,905.34 which were approved by the EPU Resolution Board on the 11th.

Mr. Schneider asked about the one account which had a poison ivy issue.

Supt Conner said the service worker went to the property to turn the water off but there is poison ivy around the shut off valve for the service worker to be able to get to it. The property owner received a letter and still didn't pay.

Mr. Oswald asked about the two properties which are owned by Jack Kulasa which are over $1000 each.

Supt Conner said Mr. Kulasa has been slow in paying.

Dir Loesch said Mr. Kulasa owns multiple properties in the city. Most are dilapidated and have property maintenance issues with the Building Dept.

Mr. Van Wormer said a property owner he knows had asked him a question regarding tenants. He said he has his tenants put the water bill in the tenant's name, but, sometimes the tenant doesn't pay and he has to bring the bill current. What happens if that kind of situation, will the bill follow the property or the tenant?

Supt Conner said the bills follow the property, so ultimately the property owner is responsible if the tenant leaves a bill.

Mr. Cerra said that is a State rule and is supposed to change in the near future, for the bill to follow the tenant and not the property.

Law Dir Deery said that is being heavily contested in the State. Elyria is actually one of the few communities that does allow tenants to sign in for service. Many communities require the service to stay in the landlord's name.

It has been brought up here and a lot of landlords were not in favor of it. If the State does go that route, it will create problems, because having it follow the property owner is one of the only recourses that we do have. If the landlord brings the account current, there are civil actions they can take to recoup. Many landlords put in their leases that if the tenant doesn't pay, it's a breach of the lease. Her department, as well as Supt Conner are watching this proposed bill closely. It could cause a lot of grief.

Mr. Schneider said the mechanism through getting the balance due at the time of transfer through the title company has been successful. If they eliminate that water hold back from the title company at the time of closing, we would have to have an entire department to track down those who owe the balances, because a lot of those bills get caught at the time of transfer of service. He said that our success rate is good.

Mrs. Rothgery asked what is the percentage of what we get back?

Supt Conner said once they are leaned, though, we do have to wait the 6 months, and the county gets these charges placed onto the property taxes as quick as possible. So, the success rate is close to 90 percent.

There were no more questions and Chair Tollett read the committee report and asked for a motion.
Motion made by Mr. Cerra, second by Mr. Schneider to authorize a resolution to certify said charges as liens to the LC Auditor's Office. Emergency clause.
MOTION CARRIES COMMITTEE REPORT WRITTEN

4. The matter of a Demolition Lien to be placed on the property of 204 Lake Ave.
Referred By: Chief Building Official Farkas

Building Official Farkas said 204 Lake Ave was condemned and demolished. The asbestos evaluation was $775, asbestos removal was $13,310 and the demolition of the house and the garage cost was $18,700 with a total due of $32,785.00. He has sent our 2 letters certified mail to the last ownership and both have come back returned.

Mrs. Davis asked if we would get the amount of $32,000 when the property isn't worth that. What would we get back?

Law Dir Deery said once this is leaned, it is treated as a special assessment and will be treated by the county the same as taxes. If it goes into foreclosure, it will have to sell for the taxes that are owed on it. If it's forfeited and no one bids on it, we don't know that we would get anything, but, it's treated the same as taxes. And if we do find assets, we will go after them. In the case of Mr. Kulasa, he has a nice house in Texas and we have put a lean on that. We are also foreclosing against his other properties.

There were no more questions and Chair Tollett read the committee report and asked for a motion.
Motion made by Mr. Cerra, second by Mr. Schneider to authorize a resolution to certify said charges as liens to the LC Auditor's Office. Emergency clause.
MOTION CARRIES COMMITTEE REPORT WRITTEN

5. The matter of a Demolition Lien to be placed on the property of 184 Roosevelt Ave.
Referred By: Chief Building Official Farkas

Building Official Farkas said 184 Roosevelt Ave was abandoned and the owner is deceased. The property had been condemned and demolished. The asbestos removal was $2,750, debris removal was $6,200 and the demolition of the house and the garage cost was $14,700 with a total due of $23,650.00. He has sent our 2 letters certified mail to the owner with no return and no interest.

Mr. Oswald asked what triggers the demo? Is the demo first and then we lean it?

Dir Deery said, yes, the first thing is the property owner is given the opportunity to demo it on their own and at their cost. If they don't do the demo on their own, the city will demo, we pay and then forward the invoice to the owner to give them the opportunity to pay it and if they don't pay that invoice comes to this committee and then onto the county to be leaned to the property taxes.

Chair Tollett asked out of curiosity, where do they find the asbestos?
Building Official Farkas said the asbestos tests check for the siding, around the windows, floor & wall coverings, plaster, duct work. In severe cases it's in every element of the structure, typically 1900's.

Mr. Oswald said he's heard of a situation where the old tiles, 12-inch squares were asbestos and most of the asbestos is found in the glue.

Mrs. Mitchell asked how the city will get a payment if the owner is deceased?

Law Dir Deery said if the taxes aren't paid or if it goes through probate and the taxes will have to get paid by the heir of the estate. If it goes into foreclosure, the taxes will get paid at that time.

There were no more questions and Chair Tollett read the committee report and asked for a motion.
Motion made by Mr. Schneider, second by Mr. Cerra to authorize a resolution to certify said charges as liens to the LC Auditor's Office. Emergency clause.
MOTION CARRIES COMMITTEE REPORT WRITTEN

6. The matter of a resolution of support of Elyria School District Issue 4 on the November 3rd, 2026 Ballot.
Referred By: Mayor Brubaker

Mr. Van Wormer asked who on the committee had attended Elyria City Schools and anyone who has attended or worked at Elyria City Schools. He said he could not imagine not supporting this levy, it's very important.

There were no questions and Chair Tollett read the committee report and asked for a motion.
Motion made by Mr. Van Wormer, second by Mr. Schneider to authorize a resolution of support for Elyria School District, Issue 4. Emergency clause.
MOTION CARRIES COMMITTEE REPORT WRITTEN

7. The matter of applying for/accepting a 2026 Ohio EPA Community & Litter Grant.
Referred By: Mayor Brubaker

Dir Calvert said they are requesting to apply for and accept this grant for the purchase of a new F550 Dump Truck with box (chipper truck) which is part of the fleet management which will replace a 2012 F250. This replacement will help with the fleet rotation. The estimated cost is just under $80,000 and is not included in the 2026 budget and they will request those funds to be appropriated in the 2027 budget. They won't hear back if they will receive the grant until April 2027 so there is a little time. They are asking to pass this as an emergency to allow time to complete the application and submit it. There is a 25% match for this, so they would be funding $15,000.

Mr. Van Wormer asked if there is opportunity to re-coup funds from the current vehicle?

Dir Calvert said they would sell the old chipper truck on gov deals and recoup as much funds as possible.

Mrs. Davis asked if we've applied for this grant before?

Dir Calvert said yes, we have applied and received funds from this grant in the past.

Law Dir Deery asked Dir Pileski since the 25% would not need to encumbered until 2027, should that be included in the legislation for this matter? And would we need to identify that we have this money for the match in the application?

Dir Calvert said that the City would have to commit to the match for the application. We may only need to acknowledge that we have those funds.

Dir Pileski said they can add to the ordinance 'to be determined by the Finance Dir' and the funds will be appropriated in the 2027 budget.

There were no more questions and Chair Tollett read the committee report and asked for a motion.
Motion made by Mrs. Davis, second by Mr. Schneider to authorize the Mayor to apply for and accept the 'said' grant. Emergency clause requested.
MOTION CARRIES COMMITTEE REPORT WRITTEN

8. The matter of Amendment #2 of the Consent Decree Flow Monitoring Service Agreement to continue with Verdantas, LLC., for a second 3-year period.
Referred By: Engineer Schneider
Engineer Schneider said they are asking to enter into amendment number two for flow monitoring with Verdantas, who is a consultant company that has been performing this work for the city for some time.
This will entail putting flow meters in the sewers and all sorts of other things to determine how much when it rains, how much INI is getting into the sewers. They are looking to enter into this agreement which will be a 3-year agreement with an additional not to exceed amount of $869,560. This is part of the overall wet-weather program which gives a lot of information for sizing sewers in the future and divert flow.

There were no questions and Chair Tollett read the committee report and asked for a motion.

Motion made by Mr. Cerra, second by Mr. Schneider to authorize to approve the 'said' amendment. Emergency clause requested.
MOTION CARRIES COMMITTEE REPORT WRITTEN

9. The matter of amending the professional service agreement with Bramhall Engineering for design of the sidewalk/multi-use path at Burns & Abbe Roads.
Referred By: Engineer Schneider

Engineer Schneider said there was an ordinance which just passed to enter into professional services in the amount of $305,750. There was an oversite as far as adding in some right-a-way work. Typically, with ODOT, they do projects in phases, but in this instance, they did the entire proposal. So, they are looking to increase this proposal to $330,207. It will be paid for by the grant for this project, so, it's included in the funding received.

There were no questions and Chair Tollett read the committee report and asked for a motion.
Motion made by Mr. Van Wormer, second by Mr. Schneider to authorize to approve the not to exceed amount for the 'said' project. Emergency clause.
MOTION CARRIES COMMITTEE REPORT WRITTEN

10. The matter of amendments to the 2026 Permanent Appropriations.
Referred By: Finance Directors Pileski and Farrell *[Standing Referral].*

Dir Pileski said there are four on the list for this evening all within the State Issue 2 Capital Projects fund. These are Ohio Public Works Commission Projects.

1.) Murray Ridge resurfacing, adding $1,349 to Capital Outlay which will be the last payment made by OPWC for the project.
2.) West Ave resurfacing, adding $287,700 to Capital Outlay and OPWC fund, grant and/or loan proceeds.
3.) Washington Ave. resurfacing, adding $220,550 to Capital Outlay.
4.) The last one is Taylor St. resurfacing, adding $171,450 to Capital Outlay.

There were no further questions and Chair Tollett read the committee report and asked for a motion.
Motion made by Mr. Van Wormer seconded by Mrs. Davis to authorize approval of the 'said' appropriation changes per the attached list.
MOTION CARRIES COMMITTEE REPORT WRITTEN

11. The matter of estimating the amount of active, inactive and interim funds to be awarded and deposited for the five (5) year period beginning Dec. 1, 2026.
Referred By: Finance Directors Pileski and Farrell *[Standing Referral].*

Finance Dir Pileski said the depository agreements are due this year. Every 5-years we are required by the Ohio Revised Code to estimate the amount of active, inactive and interim funds that we can invest.

We estimate that amount and send out depository agreements to financial institutions who wish to do business with the City and for us to invest with them. A resolution is passed declaring them as depositors of the City of Elyria. This is a resolution estimating the amount of active and inactive itramin funds and to set a deadline when they have to be submitted to his office. He is asking for emergency clause due to timing. This is housekeeping which happens only every 5-years.

Chair Tollett asked for an example of an inactive fund.

Dir Pileski said an inactive fund would be something like the Cemetery Trust Fund. It's a non-expendable trust and the only money that can be spent out of the fund is interest earnings that get transferred to Cemetery M&I fund, so that money can be invested. That's an example of an inactive fund because you can't spend it. If someone buys a plot at the cemetery, the funds sit there and they grow in value. He invests that money and the interest earnings are transferred to the M&I fund and then can be spent, that's an example of an inactive fund.

There were no questions and Chair Tollett read the committee report and asked for a motion.
Motion made by Mr. Cerra seconded by Mr. Schneider to authorize approval of the 'said' funds to be deposited for the next 5-year period. Emergency Clause.
MOTION CARRIES COMMITTEE REPORT WRITTEN

Chair Tollett said that is all the business for this evening's Finance Meeting.
Motion made by Mr. Van Wormer and second by Mr. Schneider to adjourn the Finance Committee Meeting at 7:06 P.M.
MOTION CARRIES

The Next Finance Meeting is scheduled for Monday, September 28th, 2026.

Respectfully Submitted by,
Colleen Rosado, Secretary/Administrative Assistant