

## **KIRTLAND CITY COUNCIL MINUTES**

### **SPECIAL MEETING**

**March 30, 2020**

The special meeting of Kirtland City Council was called to order at 7:00 p.m. by Council President Richard Lowery. Mr. Schulz led the prayer which followed the Pledge of Allegiance. The members of Council present were: Scott Haymer, John Lesnick, Richard Lowery, Jeffrey Ruple, Matthew Schulz, Joseph Smolic and Kelly Wolfe.

Administrative personnel present were: Mayor Kevin Potter and Law Director Matthew Lallo.

Speaking in regard to COVID-19, Mr. Lowery stressed the necessity of continuing with social distancing; he also stressed the need for cleaning and disinfecting. He noted that in northeast Ohio, the healthcare system believes that the maximum impact in Ohio will be April 14 – 15, and it is expected to be huge. Mr. Lowery stated that he believes Ohio is prepared, because the state has had time to maximize efforts before this hits. Mr. Lowery stated that the hope is that it is stretched out over a period of time.

### **OLD BUSINESS:**

#### **PUBLIC COMMENTS ON AGENDA ITEMS OF OLD BUSINESS:**

Council President Lowery noted that there are copies of answered questions regarding the budget available to anyone interested (copy attached for the record).

**Ron Fenstermaker, 8851 Billings Road**, noting that that he spoke at the last meeting, stated that he summarized his questions and e-mailed them to Council and the Mayor; the Mayor handed out those questions today, and he requested reassurance from the Mayor that he will be provided with the answers. He noted that he will also have some follow-up questions. Mayor Potter noted that he is open to receiving calls or meeting to discuss his questions. Mayor Potter requested that Mr. Fenstermaker send his questions to the Council President, and he will forward them on.

**ORDINANCE NO. 20-O-16**  
**(Mayor Potter)**

- (Third Reading) - **AN ORDINANCE SETTING THE  
APPROPRIATION FOR THE YEAR 2020.**

The legislation was read by title only. Councilman Schulz thanked Mary Kovalchik for answering the questions he had from the last meeting. He thanked everyone for working together to get his questions answered. With respect to the road plan and the sealcoating, Mr. Schulz inquired about the accounting of the \$88,000 of the annual road plan. Mayor Potter noted that \$23,000 was pre-funded from Aqua Ohio last year, which is not included in the \$88,000.

Councilman Haymer thanked Mary Kovalchik and Louis Slapnicker for putting this together, noting that this is easier to follow than the poster boards used in the past.

Councilman Lesnick stated that this is a work in progress, noting that this has to be submitted to the County tomorrow. Mr. Lesnick stated that, especially this year, the City will have to look at the budget on a month-to-month basis. Mr. Lesnick noted there will be a control board, and financial reports will be provided monthly. He noted that the appropriation may need to be changed several times this year.

**OLD BUSINESS – ORDINANCE NO. 20-O-16 (continued):**

Councilman Schulz inquired about reporting of the tax rolls from RITA. Mr. Lesnick advised that both revenues and expenditures will be available, with projections for the year. He noted that the monthly financial statement from the Finance Director will include revenues and fund balances.

Council President Lowery suggested that Finance Committee meetings be scheduled for several months in advance. Mr. Lowery stressed the importance of keeping a close eye on revenues and expenditures; he noted that Council is willing to assist the Mayor in any way possible going forward.

Council President Lowery publicly thanked Councilman Lesnick on behalf of Council, noting that he did a lot of work behind the scenes. Mr. Lesnick stated that Council now has line items before them, and the new software makes it possible to see what is under each of those line items. Mr. Lesnick noted that Council members can send him their questions regarding any of the line items, and he will forward them to Mrs. Kovalchik.

Councilman Schulz asked the Mayor about the possibility of providing information to the public through Open Checkbook, now that the City has new accounting software. Mayor Potter stated that there would have to be a cost analysis of the labor costs relating to the entering of information and submission to the State, including extra time on the Finance Department staff, and weigh it out against the types of reports that the new software system will be able to deliver. Mr. Lesnick stated that many more reports are going to be available through the new software system, and to his knowledge, if the City goes to Open Checkbook, there are only two reports that are available for free; additional reports are at a cost. He noted that Mrs. Kovalchik or Mr. Slapnick can advise if that is incorrect. Mr. Lesnick suggested that the City take a look at the reports available on the City's new software system, and if it suffices, then the City will not have to go through another system.

Regarding the 2020 Comprehensive Road Plan, Councilman Schulz referred to the anticipated available funding and asked if the sale of the roller was accounted for. He stated concern that Springer Drive and Springer Circle estimates from the 2019 road plan amounted to roughly \$300,000, and the City had only \$140,000 available. There was discussion concerning costs associated with the road plan.

Mr. Ruple moved to adopt Ordinance No. 20-O-16, with the second by Mr. Lesnick. In discussion, Councilman Smolic inquired about loans and debt service. Mr. Lesnick stated that from the time he came on Council in 2017 until last year, the total debt went from approximately 2 million dollars to approximately 4 million dollars, which included 1/2 million dollars for State Route 306 (most of which is being paid back this year). He noted that it was supposed to be borrowed for only one year, but it was borrowed for two years, with a lot more than the \$9,000 interest anticipated. Mr. Lesnick stated the City is currently at 3.2 million dollars in debt, and after making the debt service of approximately \$400,000 this year, the debt will be down to 2.8 million dollars. Mr. Lesnick stated there is no new borrowing, and there is still only \$58,000 in the General Fund for the end of year carryover. Mr. Lesnick stressed the need to find more money in order to have the needed carryover; he noted the State likes to see 10 percent in their audit, which would be approximately \$820,000 for Kirtland. **ROLL CALL: ADOPTED 7/0 (VOTING YEA: RUPLE, SCHULZ, SMOLIC, WOLFE, HAYMER, LESNICK AND LOWERY. VOTING NAY: NONE).**

**RESOLUTION NO. 20-R-17**  
**(Mayor Potter)**

- **(Third Reading)** - **A RESOLUTION AUTHORIZING TRANSFERS OF FUNDS, AND DECLARING AN EMERGENCY.**

The legislation was read by title only. Mr. Schulz moved to declare an emergency and adopt, with the second by Mr. Smolic. **ROLL CALL: ADOPTED 7/0 (VOTING YEA: RUPLE, SCHULZ, SMOLIC, WOLFE, HAYMER, LESNICK AND LOWERY. VOTING NAY: NONE).**

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Mayor Potter noted that yesterday the river flowed over the road on Route 306 at the bottom of the hill; the City responded quickly, police officers shut down the road and the Service Department came out. He noted that a contractor that has done a lot of work for the City, Badger Transfer, came out and advised that their equipment could be mobilized in short order, for the cost of time and material. Mayor Potter noted that he contacted Tim Miller of Lake County Stormwater, who assured there are project funds through Lake County Stormwater with a special fund for emergency work, and he is willing to provide those funds. The Mayor advised that the road was opened by 4:30 p.m., noting that there were pictures on Facebook. Council President Lowery stated that he was impressed with the mobilization and he stated his appreciation to the Mayor in addressing this issue.

Mayor Potter noted that public notice was sent to the News Herald regarding tonight's meeting in Council Chambers. Referring to legislation passed last week by the State, Mayor Potter suggested a streamed meeting for next week's Council meeting and going forward until it is safe to meet in person. He noted that the public will be included in the meeting. Council President Lowery stated that he highly recommends that an online meeting format be utilized. Councilwoman Wolfe noted that the school has been using Zoom for meetings, and it is working very well. Law Director Lallo stated that he held a test meeting with the Mayor using Zoom, and he has also used it with his clients. He stated that the meeting is recorded, with the choice of audio only or audio and video. Mr. Lallo stated that it records the entire audio to the cloud, noting that anyone that is unmuted and speaking is recorded; it can then be downloaded onto the City's servers for the permanent record. Councilman Lesnick noted that documents can be shared during the meeting.

**ADJOURNMENT:**

Mr. Lesnick moved to adjourn, with the second by Mr. Smolic. The motion of Council passed by unanimous vote and the meeting adjourned at 7:35 p.m.

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President of Council

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Clerk of Council

Finance Director Kovalchik & Assist. Finance Director Slapnicker,

Due to the ongoing concern of spreading the Corona virus (public meeting discouraged) I would like to share electronically my questions surrounding the budget along with others surrounding policy. I surely wish we could meet in person so that all of council would have the ability to weigh-in.

1. Is the house trailer tax a county tax or a city tax? If city when was it last reviewed?

- House trailer tax has changed over the years along with the name. It is a real property tax imposed by the State of Ohio Department of Taxation. These taxes are collected and distributed by the County. There are two methods for taxing house trailers...the more recent are taxed like real property... which means that they qualify for re-appraisal just as real property every 6 years.

2. On 3/23 Governor DeWine arrested all spending, promotions/hiring and is looking to possibly cut spending 20% this year and next year. How does this affect the city? Will the amount Kirtland expects from the increase in gas tax revenues shrink? I am very much interested in having council be presented with a scenerio analysis of a 10% and 25% drop in income tax revenue. What in the budget is absolutely essential? I sense that being prepared for that discussion is very important. The stimulus payment that is coming ~2-4 weeks from the federal government is considered tax free.

- This is beyond the scope of the current appropriations/budget discussions as it asks the administration and council to be prognosticators. At the moment, the current revenue and expenditures are the best forecast we can make. We will implement a Board Of Control for all spending and evaluate on a month to month basis into the future.

3. The capital budget calls for chip and seal work. Is that the work remaining last year from Aqua Ohio waterline project in Charlesderry neighborhood? This cost is/was estimated by Aqua and a check distributed to the city? What if there are cost overruns, where and how is that handled administratively and in the budget?

- The City received pre funding from Aqua in the amount of \$23,100 in October of 2019 and was identified as ALT A for the Booth Road Project – (sealcoating Alt A). That amount was deposited into the Road Levy Fund and if not yet expended (if I recall the sealcoat was delayed until 2020) remains as part of the encumbrances forward from 2019.
- Why would there be cost overruns on a sealcoat? No it is not budgeted in the 2020 budget since the funds have already been received and set aside in a 2019 encumbrance. The City cannot nor should it try to estimate “cost overruns” on projects that were fairly bid. The City would heavily rely on the Engineer to spec the job out as precisely as possible. Without available funds for a road program if there were any cost overruns the City would first require another prefund payment from Aqua.

4. Are the repairs for the fire department all inclusive? Any insurance coverage payments? Is there a contingency for cost overruns?

- The Capital Summary sheet was prepared and distributed in October. I believe you are referencing Fire Department #1 Structural Repairs. The original estimate \$30,000 was later revised by the Chief to \$35,000 when he received a quote to provide a structural review of the foundation.
- We did vet the potential for an insurance claim. That was declined by our carrier after their review.
- There is no contingency built into the budget beyond the initial quote to inspect the foundation.
- I discussed this with the Chief before preparing the budget and he is confident that the repairs will be minimal and not as extensive as he originally thought. (see email exchange below for additional info)

5. Line 6111 Streets, page 6/11. There contains \$3,500 toward medical, however, there are no salaries listed please clarify.

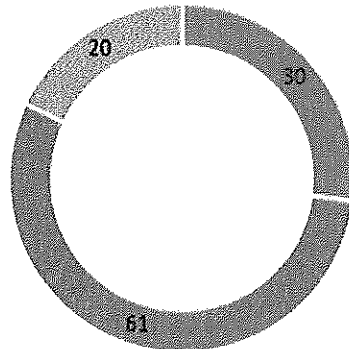
- I believe you are misinterpreting the description Matt. There are Medical Benefits (which are healthcare costs) and Medical which is simply Medical costs associated with RTW (return to work physicals), RDD (random drug testing) etc.

6. Line 7711 Mayor, 52101 \$8,900 for medical benefits. Not sure how this number is distributed elsewhere in the budget b/c isn't a FTE health benefits much more? In the discussion at last meeting it was mentioned that if a FTE who does not accept city health benefits there is a payment in lieu of. Is that correct and what is that amount? How many FTE's participate in that cash payment on an annual basis? Is that cash payment considered income and subject to an employer OPERS/retirement plan match? Please state what the cost of one 2020 FTE health care cost is to the city. Given county contract what may we experience going forward?

- That specific line item is fully funded for a FTE employee carrying Employee coverage for 12 months.
- If an eligible employee opts out of healthcare coverage they are given a \$150 per month stipend. There are currently (5) eligible employees receiving the cash payment.
- No the cash payment is NOT pensionable
- The City is in the final year of a 3 year contract with the County and expects to seek open market pricing (including the County) for 2021

7. Of all the FTE's please provide and chart data as to how many are covered under FICA, OPERS, and the other pension funds. Lastly, what policy or ordinance covers the employees contribution toward pensions? Are all employees bargaining unit and exempt outside of elected officials receiving longevity pay?

## PENSION TYPES ALL KIRTLAND PERSONNELL



■ FICA   ■ PERS   ■ PFPF

### LONGEVITY

#### GENERAL PROVISIONS ORDINANCE & FIRE CBA & POLICE CBA

a) The city hereby establishes that longevity pay shall be paid to all full-time ...  
Completed Years of Service to the City Yearly Amount of Additional Longevity Pay

5 YEARS	\$ 550
10 YEARS	\$ 1,100
15 YEARS	\$ 1,650
20 YEARS	\$ 2,100

Longevity is only paid to those that qualify as both full time and meet the years of service requirements. Currently there are (33) qualifying employees.

8. In your professional experience what ordinances/policies need to be updated relative to wage and benefits?

- Council affirms CBA's every three years for the City of Kirtland. It is characteristic to provide uniformity between the bargaining and non-bargaining benefits. The benefits include (healthcare, vacation, longevity, sick time, retirements etc ....) and aligns them to assure parity between the bargaining and non-bargaining or provides language to assure that it does. For Kirtland that would be Chapter 254 of the Codified Ordinances. Additionally, the City could incorporate both a bargaining and non-bargain compensation

ordinance that annually discloses the hourly and salary ranges for all employees. This delivers a roadmap with minimum and maximum wages for any new hires and provides an additional layer of transparency.

Thank you and God bless you,

Matt Schulz  
440-567-5448 cell  
Council at Large  
City of Kirtland  
"City of Faith and Beauty"