

KIRTLAND CITY COUNCIL MINUTES

December 20, 2021 – Work Session

The work session meeting of Kirtland City Council commenced at 6:04 p.m. Council members present were: Ronald Fenstermaker, Scott Haymer, Jeffrey Ruple, Matthew Schulz, Joseph Smolic and Kelly Wolfe. Absent: Eric Ziegler.

Mayor Kevin Potter, Law Director Matthew Lallo, Finance Director Louis Slapnicker, Service Director Joseph Fornaro and Police Chief Brian McCallister were also in attendance.

Finance Director Slapnicker advised that Council has received the temporary appropriation ordinance, along with an appendix. Mr. Slapnicker advised that the temporary appropriation is the operating budget for the first three months of 2022. He noted that most cities pass a temporary budget, although there is the option of having a final budget in place before the end of the year. He noted that the temporary budget allows the City to operate for the first 90 days of the year, while closing out the year and obtaining the final numbers in preparation for the full budget. Mr. Slapnicker stated that the City is required to pass a full budget by March 31, 2022.

Mr. Slapnicker advised that the temporary appropriation is passed at the fund level. He advised that the temporary budget is down three percent from last year's temporary budget. Comparing the proposed temporary budget to what was actually expended and encumbered in the first quarter of 2021, it is up less than one percent. He noted there is a significant increase in medical benefits, because during the pandemic last year the City's health insurance provider waived the payments for two months. Mr. Slapnicker noted that the new CBA's (collective bargaining agreements) passed by Council have also been incorporated into the temporary budget.

Mr. Slapnicker noted there is a five percent commodity increase to account for fuel price increases and inflation, which is factored into the temporary budget. He stated that the road salt, contracted with ODOT, is also an increase in the temporary budget.

Noting that the temporary budget is mainly for operating expenses, Mr. Slapnicker said that one item included is for an upgrade in Council Chambers for TV/AV equipment. He stated that the quote is approximately \$11,000 to \$12,000. Mayor Potter noted that this quote, from Fairsite Technologies, is much reduced from previous quotes in 2020 for approximately \$35,000, and another quote in the mid \$20,000 range. Councilman Schulz inquired whether there is an ongoing monthly fee; Mayor Potter advised he will have to check the quote. Mr. Lallo noted there is currently a monthly fee of approximately \$17 for the Zoom account, which would be eliminated.

Mr. Slapnicker then reviewed the final amendment to the 2021 appropriation. He noted that Council has received the amended appropriation ordinance, along with an appendix, including 20-O-55, which is the current amendment in place, in a side-by-side comparison of the proposed amendment. He noted that the appendix also includes the line item detail and the dashboard.

Mr. Slapnicker stated there is an overall reduction in the appropriation of \$911,960.49, noting that \$618,650.10 relates to stormwater and sanitary capital funds. In the line item detail for the final amendment, he noted that Fund 450 shows a reduction of \$300,350, and Fund 455 shows a reduction of \$318,300.10. He explained those are being removed from the final appropriation because there is no funding for those on the revenue side, so it is required they be removed. The remaining reduction of \$293,000 is related to the various account decreases as noted in the line item detail.

Mr. Slapnicker noted there are minimal increases. With regard to fees on income tax collections, he said there is an increase of \$9,000, which means the City is bringing in more income tax because the fees are associated with the tax collections, and the fees increase as tax collections increase.

The 2021 financial audit is also incorporated, and those funds would be encumbered, pending Council approval.

Mr. Slapnicker reviewed the estimated fund balances worksheet, noting that the carryover balances are estimated based on the City spending every dollar in the final amended appropriations. He stated that spending is down.

Mr. Slapnicker noted that there are five closeouts for 2019 drainage projects on tonight's agenda. Noting that the City has never had a formal closeout procedure for projects, he stated that the Finance Department wanted to implement a formal process for Council to acknowledge that the projects are closed out, showing the final cost of the projects. He stated that the 2019 projects were originally funded with Stormwater funds in 2019; those projects have been completed for some time. He stated that each of those five projects came in under the amount of funding from Stormwater, so there will be funds returned to the Stormwater fund. He noted that the final contract price is included in the legislation.

With regard to tonight's agenda, Mr. Slapnicker stated there is legislation for delinquent sewer charges that are over 30 days past due; they are assessed to the property along with five percent interest. Also on the agenda is legislation accepting the amounts and rates as determined by the Budget Commission. Noting that Council already passed legislation prior to the November ballot, Mr. Slapnicker stated that with the passage of the senior/recreation levy, the rates have to be recertified.

Lastly, Mr. Slapnicker stated there is legislation on tonight's agenda relating to a change in the credit card policy to add the new Police Chief as an authorized user.

Mr. Slapnicker stated he is requesting that all of the Finance legislation on tonight's agenda be passed tonight, noting that it is mandatory that the temporary appropriation and the final amendment to the appropriation be passed before the end of the year, along with the legislation accepting the amounts and rates.

Councilman Fenstermaker inquired about the American Rescue Plan funds. Mr. Slapnicker advised that those funds will be part of the upcoming full budget process

Council President Ruple stated he would entertain a motion to convene an executive session to discuss collective bargaining and employment of a public official, pursuant to Article I, Sections 7(a) and 7(d) of the City Charter. Mr. Smolic so moved, and Mr. Schulz provided the second. **ROLL CALL: MOTION CARRIED 6/0 (VOTING YEA: FENSTERMAKER, HAYMER, RUPLE, SCHULZ, SMOLIC AND WOLFE. VOTING NAY: NONE).** The time was 6:29 p.m.

Upon adjournment of the executive session, the work session meeting reconvened at 6:52 p.m.

There was no further discussion, and the work session meeting adjourned at 6:52 p.m. upon the unanimous consent of Council.

President of Council

Clerk of Council