

**CITY OF INDEPENDENCE  
FINANCE COMMITTEE MEETING  
MINUTES  
FEBRUARY 9, 2021 4:30 P.M.  
VIRTUAL MEETING VIA ZOOM**

Present: Chairman Vice Mayor Dave Grendel  
Councilperson Kenn Synek  
Councilperson Dale Veverka

Also Present: Mayor Gregory P. Kurtz  
Councilperson Kathleen Kapusta  
Councilperson Tom Narduzzi  
Councilperson Jim Trakas  
Councilperson Chris Walchanowicz  
Finance Director Vern Blaze  
Procurement Coordinator Dennis Zdolshek

Chairman Vice Mayor Grendel called the Finance Committee meeting to order at 4:38 p.m.

Chairman Vice Mayor Grendel said hopefully we will be able to do a review of the Five-Year Capital Plan; and I know that there have been some questions.

Going back, I can see this Capital Improvement Plan, the legislation was back from 2007, and we started with the year 2008. I can remember the early years, and Mayor I know you go way back even before that. A lot of times we would just say, I know the first 5, 6 years, John would tell us the money is there. We just had blind faith or trust in whether it be him or Michael Zuber or that. We had blind faith in our money people that they knew what they were doing; but we didn't have any plan such as we have here now. I think it has been perfected. I know it's been perfected with Maggie and Vern adding the outstanding purchase orders that are out there. We have a better idea because in the old days too we would ask John where's the money coming from; and he would go I have a few old P.O.'s that I am going to get the money from. So, we had blind faith.

So, I think as a Councilperson, it's not perfect; but it continues to get better all the time, giving us an idea of where the money is coming from and how much money we have. Again, it's a plan, it can easily be changed. Mayor, I know you see a lot of times opportunities come up at a moment's notice or things happen that you have to have the flexibility. So, it kind of gives us a game plan going into, but always with the idea that things can change from month to month or even week to week as far as what this plan has.

I think Vern probably is the best in reviewing it, and I like the comments you made, the verbiage that you used on Page 1, at the bottom of Page 1 where you discuss the open P.O.'s and then the

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column years and that. You explained what you have, the last few that you have added now, if you want to explain that.

Finance Director Blaze said thank you Vice Mayor. I appreciate your comments about the plan evolving for the better over time, and I completely concur with that and kudos to Maggie for prior to me getting here, that year she was kind of by herself with some Interim Finance Directors, and she added that open P.O.'s column. I think that the advancements that we made since then is getting that bottom line total on Page 1 down to a more realistic level for all the years listed. I think that is a significant improvement because then it makes the document much more realistic; and even though I have expressed, not concern, those numbers might be a little bit on the high side. I am okay with the plan as it is because this just assumes that we are going to appropriate future dollars that would come in. We do have cash on hand that can be used. So, the amounts that I had suggested in that mid teens, these numbers range from, I will throw out 2025, but the first 4 years it's between \$16,500,000 and call it \$18,000,000. So, we are a little bit over that, but we do have cash on hand which would be applied to that. I like what has been said by Maggie and others that this is just a plan, it's a guideline, it's a framework for going forward. Look we sent a version out in late December, and that was the final plan. By January 8<sup>th</sup> we had amended it slightly, and the version you should have in front of you should be dated January 30, 2021. I figured if I say that these plans are figuratively done in pencil because circumstances are constantly changing. We live in a dynamic world, and we have to have flexibility and don't see this as a rigid unmovable document. This is a very flexible fluid document, and it will adapt and change as circumstances change going forward. It sends a message to the community like hey here's what your elected community leaders intend to do with tax dollars as far as investing it in capital and infrastructure over the next 5 years. They should appreciate that and will appreciate it. Appreciate it that it's in a very structured, well thought out format, and to enhance it a little bit further, Vice Mayor you did mention we added that verbiage on the bottom of Page 1.

I heard a sermon one time, and the Pastor said that people who used to dog John Madden when he was a color commentator on NFL football, but he said if you listen to him, he explained NFL football in a way that didn't talk down to people who really knew football; but he explained it also at the same time at a level that people who knew nothing about football could also understand what he was talking about, interpreting plays that he was seeing. That's what we are trying to do here is just always assume that the public, the media, whoever it is, are not finance experts; and that if anything we did to enhance the understanding of this document, the better it is. We added that verbiage on the bottom of Page 1, and I am sure as the next 3 years of my term here unfolds, we will make additional enhancements to this document to make it even better.

So, thank you for getting it to this point. I don't know if the intent is to go into specifics on this or just look at a high level, but I am here to help facilitate whatever way this discussion goes.

Chairman Vice Mayor Grendel said well we can try to go page by page because some of these there aren't any problems with understanding and that. There are 4 pieces of legislation tonight that come out of the Five-Year Plan. There is the vehicle for the Building Department. There's the ambulance for the Fire Department. There are the Police cars, and then I believe there's that mower for the Rec Department. Now again, you pointed out at the bottom of Page 1 the

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verbiage you have there that any project over \$15,000 will be legislated. So, Council still has the final say of any item over \$15,000. So, if there's something on here, and Mayor you let the Department Head describe what we are purchasing, what the need was; if we are not satisfied with that, we have the final say in that. We will get an explanation, like with the Fire Department for example. I am sure Chief Rega will mention, he mentioned in his notes that they will save 3% by purchasing before April 1<sup>st</sup>. So, there's a reason why we are pushing a little bit ahead of schedule.

I know Dale mentioned that he had some questions regarding that Rec Department purchase, and he talked to Tom Walchanowicz. Tom had a great description and explained to Dale, kind of gave him a little level of comfort of what the need was and everything else.

Council still has the right and should demand the right to get an explanation from the Administration or from the Department Head what the purchase is for and why the timing is different and everything else. Usually like I say, this is a flexible document that we have to keep our eye on. The Mayor could come 3 weeks from now and say hey I got this proposal, this opportunity, and we need to change some of the things on the Five-Year Plan to make it happen. We need to have the flexibility to do that. We are not married to this, but we need to be able to move the scorecard.

One thing that was pointed out, is this version that you have that's dated January 30<sup>th</sup>, is that on the website for the residents to see the most recent version of this?

Finance Director Blaze asked Debi when I e-mailed it to Mayor and Council, did I copy you? Did that get onto the website?

The Clerk of Council said I did not put it on the website.

Chairman Vice Mayor Grendel said again there will be better coordination so that residents are seeing the same thing that we are looking at in our records here too.

Finance Director Blaze said I apologize for not following up on that; but I will say this that the version that is out there publicly, if you add up the total capital and infrastructure and real estate for the next 5 years, this totals over \$75,000,000. The difference between the version online and this version is a matter of a couple of thousand dollars. Dave Snyderburn added a couple of thousand dollars to the chiller project here at City Hall. So, it's not materially different.

Chairman Vice Mayor Grendel said I see, and I think Vern you said we removed 4 \$50,000 allocations for that Pleasant Valley bridge too now that we are not going to have to come up with the money. It's going to be paid by the County.

Finance Director Blaze said correct. So, that actually just fell off, and it won't be needed. Kudos to Don for following up with the powers to be at the higher levels because we thought we had to pay 100% of the non-roadway part of those projects; and then it turns out that we didn't. So, we were able to save \$200,000 by not having to allocate that \$50,000 for the next couple of years and probably re-allocate to that in some other uses.

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Chairman Vice Mayor Grendel said very good. Well let's just move on. We can go if Council wants, do you want to go from page to page just if you have any questions or that? How do you want to approach it?

Councilperson Synek said I would like to make some higher level comment before we delve into the detail things. Debi, am I able to share my screen?

The Clerk provided screen sharing to Councilperson Synek.

Councilperson Synek said I just wanted to put it up so we could see it.

So, we are looking at the top page summary of the Five-Year Capital Improvement Plan, and so we keep referring to this as a plan. I am 34 years into the CPA business, I have read a lot of financial reports over my lifetime. I have seen good ones, and I have seen bad ones; and this is not a good one. Here's why. So, we have this open P.O.'s column with \$15,493,000 in it. We have 2021 with \$16,000,000 in it. The most natural reading of this report is that the City intends to spend about \$32,000,000 in the next 12 months for permanent improvements. Mind you, the history over the last 5 years, we have averaged spending about \$12,000,000 a year. So, we have a so-called plan that calls for \$32,000,000 of spending when we know on average we spend about \$12,000,000 a year. So, to me to call this a plan is disingenuous to plans. No one can read this document and have a clear understanding as to how much is the City going to spend for the permanent improvements in year 2021, and what projects are we going to spend that money on.

This is a catalog, this is not a plan. It's a list of potential things we could spend money on. It is not readable and interpretable as an action plan, this is what we are going to do in the next 12 months; and that's quite distressing. We spent a lot of time, effort and energy to build this, and it's necessary; but we have to take it to the next step as a Council and critically evaluate this list of things we could do and sort it out into the things that we intend to do or will do or can't do in the next 12 months. So, \$32,000,000 of spending is not where we are going to be. This is not a realistic plan. It's just a shopping list.

Chairman Vice Mayor Grendel said I guess it's kind of hard because I have worked with something like this. I think we have had this for a number of years. We have never had the open P.O.'s before, so we have never had that column up until this year.

Councilperson Synek said it was on last year's.

Chairman Vice Mayor Grendel said well Maggie just put on the last couple of years, but I know that basically we just had the 5 years. Again, are we going to spend every single dollar that's on there? No, but we have it on there, the flexibility that we have a placeholder. At least we are able to, it's far greater than what we had before. Mayor, maybe I don't know if you want to add your thoughts on this.

Mayor Kurtz said this is the most accurate presentation, proposal I have seen in 30 years of public service. To suggest that it's not appropriate, I disagree. Can it be refined? Yes, I think that was the opening comment. It's the first year the Finance Director had a chance to really

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refine this. All of Council had a chance to weigh into this, and I am comfortable going forward. We are not going to have flexibility in something, it's not like a private sector accounting where I am very familiar. It's a whole different way I do business when I put my public hat on or private hat. So, other negotiating and trying to come up with the best deal for the City; so anything other than this is a good blueprint, I just disagree. I think that we have a framework. It's the most accurate framework we have had in a decade, and so I don't know what else you want to do.

Councilperson Synek said we could do better. I think I heard somebody say once before we could do better. What we need is a plan for the Administration to say this is how much we intend to spend in 2021 for capital improvements; and this is what we intend to spend it on. Let's have a serious discussion about those lists of projects and that total dollar amount. We can't even begin to have that discussion right now, what we are going to do in the next 12 months because it's not laid out in a way that anyone could say these are the specific road projects we are going to spend "x" dollars on between now and December 31, 2021. These are the capital equipment purchases we are going to spend money on. You just never get there. It's a shopping list. Frankly if I were the Mayor, I would want it this way too because then I am free to kind of pick and choose as the year goes along; but in the checks and balances world of public service, Council should be kind of a check and balance to the Administration to ask the Administration what are you going to do in the coming year? How much is it going to cost? That leads to a discussion of prioritizing. Council gets a chance to weigh in. The community gets to weigh in. Right now we just have a shopping list. It's very nebulous and amorphous. We can do better. We should do better.

Mayor Kurtz said well we are doing better. We did better than when I first got back here, and quite frankly, you have a number of Department Heads that stay very focused on their responsibilities throughout the year; and you will see as tonight's legislation indicates as was indicated by the Vice Mayor. Look it, this is how the process works. We present, and we plan, and when we get to the spot of being able to finance and have our finances in order, we ask Council to approve. If Council isn't familiar with or doesn't like the direction we are going, they have a vote; but we present what we believe in legislative form. Obviously, it's very accurate. You must approve anything over \$15,000; and so tonight is a good example. We have several pieces on the agenda where you will have the right and authority to either vote it up or vote it down. If you vote it up, then the Department Heads will follow that lead; and they will make sure that we get the best value for our investment. If you vote it down, then we will go back to the drawing board, and we will try to recalibrate and figure out the next strategy that we have to come forward with. You have to have a lot of flexibility in this.

Councilperson Kapusta said I just want to make a comment. I think our action plan is that these are what we are proposing as possible projects. I don't believe that this gives an open check to the Administrative side of our government because we know that these things still go through our committees. You see how we are introducing our legislation tonight, my name is on 3 major purchases because it's committees that I am a part of. So, we have a chance first of all there to speak up and especially now more recently since so many of the Council are coming to all of the committee or many of the committee meetings. I think we have that, and then when we come to a vote like we are tonight on these. That's our second chance to say yea or nay; and we know

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that fluidity I think is what gives us our strength, not our weakness because having that degree of fluidity allows us to respond as the needs arise, what we think maybe now as we are sitting here in February of 2021 may not be what we are going to do come July because something of more importance may come to the front; and I would rather us be able to meet the needs.

As far as the open P.O.'s, we didn't have it before; but that was put on thankfully at our request. We said we would like a better idea of what's out there; so I applaud that. I don't think that's a negative. The same thing, I look at those 3 pieces of legislation that I referenced earlier; and all 3 of those came through the Five-Year forecast. This is the Department Heads judicially planning and putting money aside so that we don't get, those 3 are almost a half million dollars. So, we don't get that all at one time as a hit without any planning. No, they have been planning each year to have those funds. So, I think that's a very good process and a very positive way to do it.

Chairman Vice Mayor Grendel said thank you Kathleen.

Just to give you an example, we have been blessed with Chief Nelson before and now Chief Rega, they were in the forefront of the planning stages here, especially if they have the big ticket items that we have to plan and save money to pay for. So, I appreciate that. When we first started this I think it was the Police and Fire Department that started it, and we went with Service too. It's worlds ahead of how it was 15 years ago or 14 years ago. Jim Crooks really brought us into the 21<sup>st</sup> century when he brought this discipline for planning and everything; and I applaud him for that.

Councilperson Veverka said a couple of comments. First of all, I am very pleased that the outstanding purchase orders are now listed so that when Don or any of the other Department Heads are looking at a project, and we are dollars short; when we have the money there, it's pretty easy to see that it's money from a past P.O. that can be used. That's a really great thing, and I really appreciate the fact that our Department Heads, Chief Rega in particular, but other Department Heads, Tom Walchanowicz, other Department Heads have a very sharp pencil as they go through and plan certain sections, certain portions of the Five-Year Plan. The place that I get kind of dismayed and concerned is when I am looking at certain sections of the document; and I see miscellaneous improvements and big chunks of money that just say miscellaneous improvements. There are places in the document to at least give some idea of what those miscellaneous improvements are. If indeed we as a Council and as a Finance Committee have the ability to be involved with those projects, those improvements, whatever they are; it doesn't seem to me to make sense to say miscellaneous improvements with large amounts of money and then include that in this document. To me we are targeting those purchases that we need to have, the required ones, and some of these other numbers that have been, I don't want to describe it as being slid in, but are there and with very little explanation other than miscellaneous improvements. If you go through the document carefully you will find there are lots of these; and seriously to me I am not quite sure I believe that those have a place in a document that's supposed to give us a target. In other words, it's more like a place to put money and have it sit out there and the possibility then later is to say well it was in the Five-Year Plan and use that as a justification.

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Basically, it's important to have specific targets. So, my biggest objection, especially related to these random sections with big money amounts. We are not talking \$10,000; we are talking large amounts.

Mayor Kurtz said Councilperson Synek I understand, but the rest of you, you voted on these things every year in the past. So, I am not sure why all of a sudden there's shock treatment.

Chairman Vice Mayor Grendel said no, I agree. This is the best because I could go back to some where we had things we didn't even discuss, some projects like on the freeway, monuments and stuff like that. There were placeholders, but they were no closer to being passed by Council than something really outrageous.

So, this really has narrowed it down. I get back to the thing that nothing gets done unless it's approved by Council if it's over \$15,000; but I look here, this has been a guide. We moved the road projects around so many times in the past because of opportunity and of things that come up that we didn't even think about like the year before or 2 years before. So, it's constantly moving, and before we didn't know where the money was coming from; and John would tell us oh don't worry. We felt that John had a private stash there in the back of City Hall that he could all of a sudden bring a P.O. up to pay for it.

Councilperson Kapusta said I totally agree with you. The road projects is a perfect example. We invested a lot of time, effort and money in the Mannik & Smith study. We used that as our overarching guide for how we should manage our streets and the infrastructure, but the reality is as you say opportunities come up. We are doing something nearby, it behooves us to use the resources and to maybe minimize the cost of some of them by switching those around. So, that's why I referenced earlier the need for the fluidity. You have the structure, you have a plan; but there's going to be variations to that appropriately so, but they are not just in the wind. They are well vetted by Council. They are presented to us. If we don't get our questions answered by the Department Directors then shame on us because they are always available to us; I have never had one in the years I have served on Council, not be there immediately to respond and to add more information. We will take a second reading on it. There are many things we don't put through on the first that it's brought to Council; and so I say that we have more than an ample opportunity to weigh in.

Chairman Vice Mayor Grendel said and Mayor I can remember back on your last stint, you wanted to just repave Lafayette and that area because it was in deplorable condition, and Council said no to you because we said we are going to totally be rebuilding that. We don't want to waste money and then have a rebuild in a few years; and it took a lot more than a few years as you can see to get it done; but there are times when you approach us or maybe Don might approach us with wanting to spend the money, and Council has said no, it doesn't seem to be in the City's best interest. Again, you go back to the drawing board and come up with another proposal that makes sense. It's total flexibility, but at least now we have a far greater idea on the money aspect of it. Are we going to spend that amount of money that Kenn mentioned? I would bet you any money that we aren't going to spend \$32,000,000.

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Mayor Kurtz said absolutely Vice Mayor. Everyone is entitled to their opinion relative to this document. You can vote it up or down, but for those of you that are part of the system, except for Councilperson Walchanowicz and Synek, I suggest you look back at your history of voting. If you really want to object, then I want to talk to you face to face because there's something more personal here and it's disappointing.

Chairman Vice Mayor Grendel said and Kenn like I said, I can understand for your background and everything; but people have been on Council for a number of years. Jim, I don't know, you were probably back in the 1990's and everything. We didn't have this kind of preciseness or this kind of planning tool back even up to 2007 or 2008.

Councilperson Trakas said it depends on revenues and what you are bringing, and you know how that works. Obviously, at one time we used to dedicate death tax to capital improvements. It's a good thing we don't have that. This has to be inherently flexible because you don't know what your priorities are going to be, and sometimes as we discussed towards the end of last year, priorities shift based on natural disasters and naturally occurring elements. So, open P.O.'s don't mean that you are going to spend the money all in one year, it means they are open P.O.'s. They are available, and you have money allocated. That would be my take on it.

Chairman Vice Mayor Grendel said exactly right.

Councilperson Synek said my hope as a broad objective of this whole process is to develop a budget for capital improvements, capital expenditures, what are we going to spend it on? In that process we set priorities, you look at the big picture. This document is absolutely necessary in being able to identify the possibilities and then narrow them down into most important to not so important, things we must get down in the next 12 months.

That sort of vetting process hasn't happened, and I get Council gets the opportunity to vote up or down on each one of these things as they come forward, but that's not a best practice. Best practice is for Council to establish a budget and kind of give direction to the Administration of what the hopes and expectations are in the big picture way for the whole year. Addressing these things one at a time as they come up, that's not a best practice first of all; and second of all, I hear lots of people patting themselves on the back about this document. As I have said, I have read a lot of financial reports in my 34 year career as a CPA, this is not a good one. It does not convey the information that you wanted to tell which is to say what amount are we going to spend next year on capital improvements. You cannot tell that from this 33 page report. Again, a lot of work and effort, I compliment everyone for what went into it. It was a lot of time and effort, but activity and accomplishment are 2 different things. This doesn't lay out a budget and what we are going to spend money in the year 2021.

Again, if I were the Mayor and the Administration, I would want it this way because it gives me complete flexibility to do what I want when I want; but Council as a separate body, and with its opened defined role and purpose in government, this is one of those times where Council has to defend its territory and demand of the Administration to give a plan. Tell us how much you are going to spend next year and what you are going to spend it on, then let's have a discussion about priorities. This handling one at a time, that's not a best practice; it's just not the best way.

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Chairman Vice Mayor Grendel said well I understand what you are saying, but it's a different world. I mean who would have projected that Patriot's Way that we were going to have the culvert collapse last year. You had to have the flexibility to say hey we got to get it fixed, and where's the money coming from. We had the flexibility to get some funding from the Northeast Ohio Sewer District. You have to be nimble, and who knows a road could collapse, anything could happen where all of a sudden our priorities shift from what we had planned to something that all of a sudden it's an emergency. You need to have that monetary flexibility to be able to shift funds to where it's most needed. I think Mayor like you said, the tools that we have now to me, at least as a Councilperson, I feel more prepared now than I ever have as far as making decisions as opposed to when I got on when I was in Kenn's or Chris's shoes in the year 2000. When they started bringing up the Rockside Road project, we had no Five-Year Plan or anything. We were told by the County you either use this money set aside or you are going to lose it. So, next thing you know, that caused Council to get in gear and start our planning, but it was far different than now.

Is it perfect Kenn? No, it's definitely not perfect. We are trying to approach improvement, and that's the main thing we can do; but there are so many, if somebody would have told us 2 or 3 years ago we would be in a pandemic and we would all be wearing masks in public and all, we would have been laughing. You have to be nimble and flexible and be able to accept whatever comes down the pike, whether it be financially for the City. Again, Vern has been warning us, the Mayor has been warning us, who knows what these lawsuits are going be, but we have to be ready to move on different fronts. This is a plan, but the plan is only as good as today; tomorrow we might have a different plan based on what could happen.

I know like what Dale says some of the miscellaneous, but again it comes down if anything comes out of the miscellaneous money, the Council has to approve it; and it has to be something that is for the betterment of the City or our capital things that we have and everything.

Again to me, I am not patting myself on the back, I am patting the people in the Finance Department that have really come forward; and I think Council has done more work on the Five-Year Plan this year than it has in a number of years. I was really pleased because maybe of the fact that we are able to have these type of meetings that we are more available. We have been attending, there have been more committee meetings, more planning in the committee meetings; so I think we are doing much better than we have in the past. Is it perfect? No, but I think it's moving in that direction. I don't know if anybody else has comments regarding this?

Councilperson Narduzzi said I am kind of dumfounded by all these accusations. I don't even know where to start so I am going to try to be calm.

First of all, 3 or 4 years ago we had 2 or 3 meetings for the Finance Committee. John Veres and who was the Chairman of Finance back then, they put the whole thing together and presented it to us. Council had no say whatsoever in it. So, to me those are strides right there.

Second of all, the Mayor cannot do anything, sorry Mayor, without the 7 of us, the majority of the 7 of us. So, he can ask for the moon, and he should. That's his job to make this City better.

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So, he should ask for whatever he thinks is going to help the City out; but it's the 7 of us who say okay Mayor we agree with you.

Third, Mr. Synek when have you not had the chance to weigh in? You give these crazy statements, but you have every right to weigh in and say what you think when it comes to legislation. So, that right there is why you are a Councilperson and why you were elected. Save that for then, but the planning situation, it's like you are slapping Vern in the back, and you are slapping the Mayor in the back by saying what you are saying. My God, we spent a lot of time creating these documents, and if you don't think they are up to your standards, so be it. You know maybe you should keep those comments to yourself and vote the way you want to vote; but my God you think we are here to rubber stamp whatever the Mayor wants? Think again, that's not how it works. It's like an insult to me that you say these things to say we don't have a plan. Man, I have been doing this for 12 years already, this is the best plan we have ever had the last couple of years. So, I really take offense to that, and I am sorry if I hurt somebody's feelings, but my God you are slapping all of us in the face for what reason. Vote for the legislation or don't vote for it, but why do you have to slap us around like that, it's crazy.

Councilperson Synek asked may I respond?

Chairman Vice Mayor Grendel said yes, go ahead.

Councilperson Synek said Councilperson Narduzzi respectfully, so we have a committee structure right, and so I raised all of these issues that I am speaking about today in an e-mail to the Mayor and the Finance Director and my fellow members of the Finance Committee on December 16, 2020. It took the Vice Mayor more than a month to even acknowledge that I sent the e-mail, and this is the first Finance Committee meeting we have had since December. So, these issues have been raised in the proper channel, but for whatever reason they didn't get worked through the Finance Committee, the schedules didn't necessarily line up well, whatever the reason.

Councilperson Narduzzi said you are on the Finance Committee.

Councilperson Synek said I raised all of these with the Mayor, the Finance Director, with my fellow Finance Committee members on December 16<sup>th</sup>, and no action has happened, no response has been received to my concerns. So, now bringing it up again here in the public; that's the way it works. I tried to work through the system on December 16<sup>th</sup>. I will forward the e-mail to Debi Beal so it can be included in the record of this meeting; but the very concerns I am raising now are the same things that I raised on December 16<sup>th</sup>.

Chairman Vice Mayor Grendel said like I said Kenn, I appreciate your comments. I come from a different perspective. I think Kathleen you do, anybody who has been on Council for a number of years; we are making a great deal of progress because not that we abdicated our rights before, but we had a lot of faith in our Finance Director because the years of history he had, or years of being on Finance, so we didn't have the background information that we do have now as much. We trusted that, he did tell us where the P.O. came from and what area and that; but we always looked to him. Whenever a project came, we would look at John and say John is the funding

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there? Don't worry about it. Or if it came to borrowing or that, we trusted; and I have that same kind of faith. I know Vern is working hard. He might not have the years of background that John had, but he's done his best with providing us with all the information that we need. So, I feel comfortable in the decisions we make. I feel we get the background information from the Department Heads and from the Administration. Is it perfect? We are not supposed to be micro-managers. We are not in there on a daily basis looking over the shoulder of these Department Heads. These people have been with us for a number of years, I trust their knowledge and the way they share that with us. Like I said, I feel better now with the decisions that I make than I ever had in 18 or 19 years on Council. Is it perfect? No, but I am not sitting at City Hall for 10 hours a day. This is just a supervisory type of position.

Councilperson Kapusta said I didn't want to interrupt you Dave, but I would just reiterate what I said. We have access to the people who are requesting these monies. We have access to the Department Directors. Never have I been told that I have to get my approval through the Mayor to talk to these people, and they know. I contact them frequently before our meetings or come prepared with questions during our meetings. I don't blanketly just approve the monies, but I think we have to have that flexibility. I said that earlier too because one of the reasons why I think we are the amazing City that we are and can offer so much is because we have the mobility to respond as the needs arise. We don't have to say when a street is in a horrible disrepair, we have to wait 4 years because it wasn't planned this year. We can respond, and I respect that; and I am glad that we have that.

Councilperson Trakas said just one other thing just to kind of reiterate what I said a little bit ago and kind of a frame of reference. I think maybe 20 years or so ago, there were wish lists that were kind of created, and various Department Heads would come to the various committees and say we want this, we want that; and it really wasn't a vetted list. It was just everything that everybody thought about. I think this is really an estimating process and costing process in a sense. Each department has said look come up with realistic priorities, if you can't afford those priorities in the year that you need them, we have to pay them out over 3, 4, 5 years. So, I think what you are seeing is that each department is doing a particularly great job of costing these things out and saying we do need this long term capital improvement and then there's short term capital improvements. We are getting both of those types of things. I think it's actually a pretty healthy process administratively, and Council seeing the end result of that; but we don't see the beginning which I think is good because now it is really, truly a prioritization of each one of these. I just refer to what Dave talked about with Patriot's Way. I wouldn't have ever wanted to fund that last year, but it broke; and so it was something that really had to be done and done quickly. We were able to leverage County money for it. We had a Utilities meeting. We put that thing together in 30 days, and that thing was fixed, or less than 30 days it was fixed. I think that committee process really helps us to come through with these types of things.

This is not a spending document, but it is a tool in a sense. The spending document comes when it's ready, and the Administration comes forward and says we are ready to do this project and you have a couple of months to determine whether or not it's a priority or not. I think these are really healthy because they wouldn't allow things that have no ability to be done; and it sets the priority for the Administration to say what kind of a long term capital plan are we going to put together for our organization, for each department and then for the entire City.

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I think it's been a pretty healthy process. Clearly, nothing's perfect, but it's not a Capital Improvement budget where you say we are going to put all these things in it, a set number, and it's the only thing we are going to do. Sometimes organizations do that. I am part of a church parish council that does that type of thing, but this is a little bit different type of a situation. A lot of it is dependent on circumstances beyond the control of what happens in February, and in December it might be a different situation. I just think we have a pretty good process. It's put together I thought particularly well. There's things I don't like, but at the right time I will bring those up.

Mayor Kurtz said Councilperson Kapusta said it more clearly recently when she said in the spirit of cooperation, you have access to the Department Heads so that they can explain to you, have you better understand their position when it comes to the purchase of a piece of equipment or an explanation as to why we have to go this route or do this road project or make this repair; I do that because I want you to be comfortable when you vote on something. That's another leg on the stool of how by cooperation we are able to be more effective and nimble. Again, this document, nothing is perfect in the public sector business because you need to be nimble and fluid because I can tell you on any given day we might be coming to you with some harsh realities, both positive or negative.

If you want to take away flexibility, it's your prerogative; but you have all the flexibility because it's your decision ultimately to give us the ability, give the Department Heads the ability to do their jobs through your approval of the appropriation and these capital items.

As much as I appreciate the comments, and look everybody is entitled to their opinion; and at the end of the day, at some point we just have to sum it all up and move forward. I will stand by the Finance Department, the effort they have gone through this past year; and the document you have in front of you, the information you have in front of you should be plenty, if not you ask questions and we keep moving forward because you can't sit still. I can tell you. So, we can't sit still is all I am going to say.

Councilperson Walchanowicz said I think the Mayor hit the nail on the head when he said information. I have been a Councilperson for 14 months, I have zero financial background, except running a business and trying to be successful. I have heard from 5 out of the 7 Council Members that the last 14 months have been more informational, and we get more documents and more updates and more everything out of the Finance office than they ever have. I have never worked with John. I don't know how his past was, but I think for the amount of hours that Maggie puts in and Vern puts in as a part-time job; I think they are very informational. Everything is right there in front of us.

Kenn, I can't judge because I don't know where you are coming from, and I don't know what kind of example you have seen. This is all I have seen, and for me it tells me everything that I need.

Chairman Vice Mayor Grendel said okay, thank you Chris. I don't know if anybody else had any more comments. We will vote on it this evening. Again, we can argue about whether this is the most perfect document or not, but I think from a planning standpoint, from the standpoint

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that I have from years of experience; I think that Councilpersons have a better chance to be more educated regarding this than we ever have been before. I had a lot of faith in John and what he told us. If he told us that the money was there, I believed him; but now I have a greater understanding of what is outstanding, what we need to do. Is it perfect? No, but we are learning all the time. I think Vern is teaching us all the time, sharing information with us. The Mayor is coming up with proposals that again, it is all up to our individual decisions whether we say yes or no or we want more information; but I think that the bottom line is that in the short amount of time because we all have other jobs or at least a good many of us do, so we need to have information given to us so we can make an important decision. I think again that has been accomplished, not perfectly because we can still always improve.

Kenn with you being the CPA, down the road if you have more years of experience, again you could add to the process; but right now I am satisfied with what we have compared to previous years. I am ready to vote on this evening. Go ahead Kenn.

Councilperson Synek said so 2 things. First of all, a wise man once told me that the one who disagrees might just be the only one who is right. So, with that inspiration I am going to continue to speak on this because it is an area of expertise for me. Again, 34 years as a CPA.

This report does not provide information Council needs to make a reasonable, appropriate action to vote on. We ought to be demanding of the Administration to tell us how much you are going to spend for capital improvements for calendar year 2021 and what projects are you going to spend that on. We don't have that information right now, and I am not going to use time as an excuse or maybe it was better than it was last year; but it's still not good enough. We as a Council need to hold the Administration to account to do better. That's why we have a Council separate from the Mayor, separate from the Finance Director. This is Council's responsibility to make the Administration bring us a plan. This is not a plan, this is a shopping list or a catalog, it's not a plan, and that's disappointing. Over and above that, that's what we need from the Administration, to do this right. You want to do it fast and the way you have always done it, well you can do that; but it's not good and it's not right.

Chairman Vice Mayor Grendel said I don't believe we have done it fast. As a matter of fact, we have had more committee meetings in the last year or 2. I can remember some years we had, if we had 5 or 6 committee meetings, I was shocked. I think we have done as much investigation as we can within the time restraints. We still have other jobs to do. I still have clients to take care of, family to take care of. You can be demanding all you want, but I think that the information we have, I feel comfortable making the decisions that I have to make; and I am not going to demand. You can't tell the Mayor, the Mayor might all of a sudden come up with an opportunity, and we have the engineering that we might shift gears and push something ahead that was maybe year 3 on the Capital Plan, and we are pushing it to year 1 because of opportunities, economic or whatever. So, we have to have the flexibility. You can't have a precise document like you would with balance sheets or payroll or stuff like that.

Councilperson Synek said there's estimates and precision, but what's laid on this piece of paper is more than double what we can afford to spend.

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Chairman Vice Mayor Grendel said we have never spent it. It's just like a map that gives us an idea of what we can spend, what money we have available, and then we prioritize from that list. I don't know if anybody else has anything to add at this point Mayor because I know we are getting near the 5:30 p.m. timeframe.

Mayor Kurtz said great meeting, this was good. You know what, and again I appreciate everyone's entitled to their opinion; and I appreciate it. I try to digest everything, but this is not the right business to be in if you think we could put everything right in a tight box and compartmentalize everything. It doesn't work that way.

Several people began speaking at once.

Mayor Kurtz said if you don't have some flexibility and some fluidity in this process, trust me, I have been doing this a long time; and if you lose that flexibility. You have to have integrity in the system too. By the way, I have never been part of an Administration where we have had any findings for recovery. So, there is the double check and balance that an accountant should understand and fully be able to comprehend. So, as long as our record is clean, and we are still one of the envies of the County, I am going to keep working hard the way I am working.

So, if there's a better system out there that works, please let me know. Until then, you have all the data. We have had plenty of meetings, and really this is the appropriate time for you to make decisions. The Administration has worked hard to give you documents and information and answer as many questions as we can. So, now make some decisions.

Chairman Vice Mayor Grendel said very good. Well on that note, I think.

Finance Director Blaze said I see my clock says 5:28 p.m. I don't want to drag this meeting out any further; but I think I have listened to your comments, your 6 colleagues' comments, the Mayor's comments. I think it's appropriate for me to, you asked me for some initial comments up front. I have listened, and I would like to make some closing comments here. I am just trying to jot some notes down of what I heard here the last 40 minutes or so.

Council has, I heard it mentioned like 2 chances at everything; but really Council has 3 cracks at the apple as this check and balance that we have talked about here this afternoon. One of the primary jobs of the legislative body is the annual budget, the annual appropriations ordinance; and I have tried to add the language in my recent communications with Council to define these terms so that non-accountants and non-finance people can understand what we are talking about when we say appropriate and encumber and so forth. It is one of Council's most important functions each year is to appropriate funds, and it has been said in public policy scholars for decades that the budget is the most important document that a legislative body adopts each year because it outlines the priorities and the policies of that particular public sector organization.

So, at a high level Council appropriates via the annual appropriation ordinance. I would say that it creates the overall framework of large dollar amounts, but not specifics. Councilperson Synek said that we are just voting without knowing specifics. Well, I take exception to that because whereas the annual appropriation ordinance does have a whole dollar amount for let's say capital

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and infrastructure; and for 2021 it's over \$16,000,000. Well the one that's going to be appropriated on is in this document right here, and that's your second crack at the apple. For 2021 it lists over 3 pages what that \$16,000,000 is going to be potentially appropriated for. I too would love this to be a cash document. This is the one document that I put out to try to simplify municipal government finance for anybody who reads what I put out. I try to put it out in a cash basis because people could understand cash. Very, very few people could understand the accrual, modified accrual, that's for the Kenn Synek's of the world. That's not for the general public. That's not for the most on Council. So, I present it in a manner that people could understand, and that's cash.

Now unfortunately this document is not a cash document, but it is the next best thing as far as a planning document because it was said well we can't tell how much we are going to spend here in 2021. Well, that's why the language is added at the bottom here recently so that the column under the open P.O.'s, somebody could read it and says okay cash already encumbered, funds could be expended any year going forward. So, it doesn't take too much intelligence to say okay there's \$15,000,000 that the City has already set aside, and it can be spent in 2021 or any year going forward, that's pretty clear in column years. It's puts in capital letters, it does not represent the actual cash that could be spent in those years. It represents the estimate amount that will be appropriated in those future years. Appropriate means allocate, and that's Council's number one job is to allocate funds, allocate resources.

So, I think this document does exactly what Council's responsibility is, and I will just say my last comment here. Councilperson Synek, I am not going to get personal, I am not here to go tit for tat today; but yeah you did send an e-mail on Wednesday, December 16<sup>th</sup> at 10:31 a.m. I guess this is why people say document and get everything in writing because you can't trust verbal, and I heard repeatedly a couple of times here since December 16<sup>th</sup> that you sent this e-mail out, and I never got a response. Just dead silence, and this is the first meeting we are having since December. Well, I went through my work day that day, and while you made this comment that you never got a response, I went and checked my sent box here and typed in Synek and lo and behold there's the e-mail that you sent at 10:31 a.m. on December 16<sup>th</sup>; and there's the e-mail after I went through the duties that I had to that day that I responded back to you, the Vice Mayor, Dale Veverka and Mayor Kurtz at 6:17 p.m. I may have not provided you the answer you were looking for, but I did get back to you. So, as Councilperson Narduzzi said, he takes offense to some of the things you are saying. I take offense because over these past 14 months now I have noticed a propensity for things to be said that are not accurate; and so you are going to push back and stand for what you believe in, but I am going to push back and stand for the facts as I have them here too. I did get back to you. It might not be what you wanted to hear, but I got 5 people, 6 people that are probably going vote in the affirmative for this document. You heard many times I like what the Mayor said look this document has been improved tremendously, not that it's the best document, I am not sitting here patting myself on the back. It's a team effort, but this document is so much better than previous versions; and previous versions (a) never got so much discussion, (b) never got so much input from the legislative body and they were adopted with no discussion; and here we have had more Finance Committee meetings probably in 2020 than we have had in the last number of years combined, ample opportunity for anybody on the legislative body to participate, ample opportunity for the public to be fully informed; and it's resulted in this.

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I am sorry that it's not the document you are looking for. When this position was open, and I wasn't even thinking of running for it; I remarked to a CPA in town, hey you should run for Finance Director, go contact the Mayor and see if he will appoint you. The CPA looked at me and said Vern I can't do that job. I said why not, you are a CPA. This person said look CPA is predominantly private sector with private sector businesses, governmental accounting is a whole different world; and I am sorry if the world of appropriations and encumbrances and so forth, you understand it, but I think you are kind of skewing it to kind of serve whatever purpose you are trying to serve. Your world is your world, 34 years being a CPA; and I am just telling you the governmental accounting world is a different animal than the private sector world. Mayor Kurtz operates in both genres, and he can tell you it's a lot easier for him running his private sector business to say yes I'm going to spend "x" dollars exactly this year on "x". We have the frameworks of the public sector rules and laws to prevent us from spending too much and give us these guidelines and framework; and that's why we have to go to the legislative body to get appropriations to allocate and then we could encumber and then we could order and then we could pay for it. It's such a structured process, and you have that third crack at the apple every time that legislation comes on the agenda. So, Council appropriates, Council approves of the Five-Year Capital Plan, and then Council approves every single piece of capital purchases or infrastructure projects over \$15,000 so you have a third crack at the apple. I don't know how much more transparent and open we can be. Thank you.

Chairman Vice Mayor Grendel said thank you Vern, and Dale we have to wrap this up. I don't want to put the whammy on what I said earlier that we are going to be done pretty quickly.

Councilperson Veverka said we were scheduled last week for a two hour meeting to go over this document, to double check, to take care of any of those areas that we felt needed some discussion. As we started the meeting what I heard you say Dave is we were going to go through and take a look page by page very quickly if there were any questions or items that we had that were of concern. We have spent the last hour plus dealing with questions beyond this document; so in all reality this Finance Committee meeting that Dave, Kenn and I along with the Finance Director and the Mayor who are involved in, we didn't really take a look at the Five-Year Plan document and look at those particular pieces that we had questions for. So, to me it does not make sense at this particular point to push this document forward. It makes more sense to have that meeting that we were scheduled for, the two hour meeting, to seriously look at the document and get the answers that we might need related to this document so that we as a committee can put this document forward to the whole Council.

I guess my motion would be that we table this and we have our Finance meeting; and we specifically address the Five-Year Plan as stated on the agenda and review it and then be prepared to move it forward at that point. So, that would be my motion.

Chairman Vice Mayor Grendel said let me ask the other Council Members, are you comfortable with the Five-Year Plan. I have gone through this 3 or 4 times on my own and reviewed it. There are some things, I think that it has given us enough to, more than we ever had before to approve it and move forward because it's going to change. It might change, it's a constantly moving document. I would like to have something approved, and then we will work on what the future Five-Year Plan will be.

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Jim, would you want to vote on it this evening?

Councilperson Trakas said well I would like everybody to be comfortable. I understand where Dale is coming from on that. I am for the plan, and I would vote for it; but I think there are some details that we could certainly flush out or maybe flush out from the committee process.

Mayor Kurtz said Chairman I'm not sure you're going to get everybody comfortable anyways, no matter how many meetings you have.

Chairman Vice Mayor Grendel said in years past we have had many more meetings this year on this Five-Year Plan than we have had ever in the past. John would slap us a Five-Year Plan, and we would look it over at one meeting, and we would approve it at the next meeting. So, I am ready to vote on it this evening. Is it perfect? No, but it gives me a comfort level that I could make decisions intelligently enough for the rest of this year and have the intelligence to know if something comes up such as a road project that also needs to be done, I will be glad to listen and see if it's necessary that we can move it up or that. I think I have the information to vote on it this evening.

Chris, how do you feel?

Councilperson Synek said before we get into that, can I bring up a point of order. As a point of order, I would like to second Councilperson Veverka's motion and the Finance Committee to table this to another meeting of the Finance Committee. That is the motion that's on the floor, and I would like to second it.

Several people began speaking at once again.

Chairman Vice Mayor Grendel said there's been a motion and a second.

Mayor Kurtz said you could do a motion to reconsider, you could do a motion to table.

The Clerk said or you could take a vote.

Chairman Vice Mayor Grendel asked it will stay in committee then because it's on the agenda already.

Mayor Kurtz said this will not supersede the agenda.

Finance Director Blaze said it's already on the agenda. This motion has to be made more appropriately at the Caucus. If this ordinance hadn't made it out of committee and placed on First and Second Reading, then it would be still at committee; but it's technically out of committee, and it's on the Council floor. So, I think it's Council as a whole that has to vote on whether to leave it on for a vote this evening.

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Chairman Vice Mayor Grendel said well then it's premature. We should probably end the Finance Committee meeting. That is the first item that will be on the Caucus because it's already on the agenda. It's been on the agenda for 3 months now.

Mayor Kurtz said right.

Councilperson Veverka said maybe someone can provide a procedural point here.

Councilperson Trakas asked is Greg O'Brien here?

The Clerk said everyone was waiting to start the Caucus.

Mayor Kurtz said Council is 7, and if it's on the agenda, then really the committee meeting at this point, you could vote on whatever you want; but it's on the agenda.

Councilperson Trakas asked was it referred to committee by Council?

Several people said no.

Councilperson Trakas said then the motion would need to be at the main meeting.

Chairman Vice Mayor Grendel said we will remove it at this point from this committee meeting and then make it at the start of the Caucus.

Councilperson Synek said I would like to make a motion that the Finance Committee vote on approving the Five-Year Capital Improvement Plan for further consideration by Council.

Mayor Kurtz said that would also be at the Council meeting.

**Moved by Synek, seconded by Veverka, to vote on approving the Five-Year Capital Improvement Plan for further consideration by Council. Council polled: 2 yes/1 no (Synek); motion carried.**

Councilperson Synek said at least we get it out of the Finance Committee.

Chairman Vice Mayor Grendel said so to move forward let's end this meeting so that we could start the Caucus, and then we could have further discussion and a motion there on the floor of Council during the Caucus.

Councilperson Veverka said I want to call the question. Kenn, please repeat your motion.

Councilperson Synek said my motion was for the Finance Committee to vote to approve the Five-Year Capital Improvement Plan for further consideration for the full Council.

Councilperson Veverka said okay, in that case my vote would be no.

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The Clerk said you would have to do a motion to reconsider because you already voted.

**Moved by Synek, seconded by Veverka, to reconsider.**

Councilperson Trakas said I think only the member who voted in the negative would be able to do that right? If a member who voted in the prevailing could make a motion to reconsider. Someone who has voted in the negative cannot make a motion to reconsider.

**Moved by Veverka, seconded by Synek, to reconsider. Council polled: 1 yes/ 2 no; (Veverka, Synek); motion failed.**

Mayor Kurtz said okay, then you have to adjourn the meeting.

**Moved by Synek, seconded by Veverka, to adjourn the Finance Committee meeting of February 9, 2021. Voice Vote: 3 yes/0 no; motion carried.**

The Finance Committee meeting of February 9, 2021 was then adjourned at 5:43 p.m.

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Debra J. Beal, Clerk of Council  
Minutes Unapproved at Time of Release 02/11/21

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