

**CITY OF INDEPENDENCE
COUNCIL WORKSHOP MINUTES
DECEMBER 7, 2021 AT 3:00 P.M.
COUNCIL CAUCUS ROOM & VIA ZOOM**

Vice Mayor Dave Grendel called the Council Workshop to order at 3:10 p.m. Present were Council Members Kathleen Kapusta, Tom Narduzzi, Kenn Synek, Jim Trakas, Dale Veverka and Chris Walchanowicz and Councilperson-Elect John DiGeronimo. Councilperson-Elect Togliatti arrived on Zoom at 4:15 p.m. Also in attendance were Mayor Gregory P. Kurtz, Finance Director Vern Blaze, Police Chief Robert Butler, Fire Chief Steve Rega, Service Director Ron McKinley, Recreation Director Tom Walchanowicz, Community Services Director Emily Thomas, Technical Service Director Dave Snyderburn, Procurement Coordinator Dennis Zdolshek and Finance Assistant Maggie Osysko.

Vice Mayor Grendel said I want to welcome everyone to the Council Workshop of December 7th which is focusing on the 2022 appropriation ordinance that's going to be introduced at next Tuesday's meeting.

Finance Director Blaze said we will see how it goes today and Thursday, and we will adapt accordingly.

Vice Mayor Grendel said welcome everyone and welcome Directors and Councilperson-Elect John DiGeronimo. Our schedule that the Finance Director has provided, we are hoping to follow this order, Police, Fire, Recreation, Community Services, Service, Tech, General Government and Boards and Commissions. Now if we don't get all those done today by 5:00 p.m. or so because of Planning Commission, then that will carry over and we will continue on Thursday at 3:00 p.m. Hopefully on Thursday we will be able to finish up. Looking at some of these that are on there for Thursday, they shouldn't take as long as some of them today.

Mayor Kurtz said the Vice Mayor's challenge is keeping us on task.

Vice Mayor Grendel said myself and the owl will try to keep everything on task here. Without further ado, I will turn the meeting over to the Finance Director.

Finance Director Blaze said I will make a few introductory comments and have the Directors make their presentations one-by-one.

Councilperson Kathleen Kapusta asked just one thing first please. I was just wondering if we might take a moment of silence in remembrance of our friend and former Police Chief Fred Wright whose life ended today.

Vice Mayor Grendel said good point Kathleen. There was then a moment of silence.

Fred was a good public servant, a good Chief, and he was a fellow School Board member when I was on the School Board. I knew Fred very well, him and Mary Ann, a very fine couple. Thank you Kathleen.

Mayor Kurtz said my comments I'll divert to deal with the compressed time schedule. I will just interject our philosophy, our strategy and some of our goals throughout this entire process rather than just try to give a global strategy to begin with. I will pass it on to the Finance Director, and we will keep this thing on task.

Vice Mayor Grendel said thank you Mayor.

Finance Director Blaze said I will condense mine too. Council, Council-Elect, Directors and anybody online listening, welcome to the first in our 2022 budget presentation sessions. It's a fairly comprehensive document before us; and we just abbreviated, tried to look at the past a little bit, and that's why we have some actual columns from a couple of years past. We have three columns for the current year 2021, and then we have a proposed column for 2022. So, we tried to put numbers into context, and that way knowing where we have been with each of these accounts the past couple of years, where we are now in 2021 and then turning the lens forward into 2022. That is the goal of giving you the document the way it reads so that you see what has kind of occurred, where we are now, where the Administration is proposing we go in 2022.

We do have to pass a temporary budget before the end of the year, but by going through this comprehensive process this week, and as long as it takes. My goal is to have the temporary budget be fairly close to what we will call the permanent budget that we will adopt in January. The only reason we are not adopting it as a permanent is to give Council Members Elect Togliatti and DiGeronimo the chance to vote on the 2022 budget in January when they are actually serving. I don't think it would be fair for Council to adopt the 2022 budget here in December and force a budget onto to Council Members that did not have a chance to vote on it. If everything, if every star lined up, we would be voting on essentially the same budget in January that we are voting on in December. There might be some tweaks in between that we will get to that when we get to it, but that's the general outline. We will have each Director come up. They will just make some brief introductory remarks, and then we are just going to throw it open to Council, Council-Elect to ask questions. Between the Directors themselves, the Mayor, Procurement Coordinator Zdolshek, Finance Assistant Maggie Osysko and myself, hopefully we could answer anybody's questions and get through each department one-by-one. The ultimate goal is to get all the Members of Council comfortable with what they are going to be asked to vote on, and that's what we will do over the next two days at least. So, I believe Chief Butler is up first.

Councilperson Synek asked Finance Director Blaze to collapse the menu on the right side of the screen share so it would make the numbers a little bit bigger.

Finance Director Blaze made the rendering that was being shared larger.

Councilperson Synek said thank you so much.

Finance Director Blaze said Chief Butler it's all yours.

Police Chief Butler said thank you all. I am excited for my first budget meeting with all of you. I wanted to point out a few things right off the bat before I got too many questions. I know I spoke at the Safety Committee meeting with all of you about the plans for safety moving forward and the outlook of the department. I was asked when I created this budget for basically January 1st where we would be at maximum staffing levels and things like that. That is not going to be the case. So, when you look at my numbers for wages, and I believe it is medical insurance; that's where the bulk of my increase is. That's about \$500,000 differential from the year before. Let me remind you all that we are still trying to actively promote. We are not going to get to our operating levels until about August or September, which will be about a \$150,000 to \$160,000 price differential between what I am proposing to what actually is going to be in place. We still haven't even had a test announced yet; so this is a slower outlook.

Also considering that we have a 3% contractual increase. We have not started the contractual process yet with the unions; so this number is inflated to get a bearing of where we are at here. That is the bulk of the increase of this budget, but it is higher than it would actually be.

Finance Director Blaze said so essentially you are saying that for wages Police, the \$3,400,000 that factors in if all the hires you project making in 2022 started on January 1, but that's not going to happen so that number probably has some cushion in it.

Police Chief Butler said it's a cushion by over about \$160,000.

Finance Director Blaze said thank you.

Police Chief Butler said and that's not counting the medical insurance which is \$100,000 also which is also bolstered by that as well. I don't have a breakdown on what that actually would be, but let's just guestimate around \$200,000 that is increased as a buffer, or a safety net as you stated.

Finance Director Blaze said there are two pages there. The first page with a lot of Operating General Fund items. I throw the Police pension in there because all the other departments' pension are 110 General Fund expense; so for purposes of a budgetary presentation, we throw the pension in there because it's a legitimate Police expense.

Then some of the expenses listed on Page 2 in the Police Department are totally within the Police Chief's control. Some of those are more related to some of the task force and so forth; but because they were all law enforcement related, we threw them in. Page 1 is really the page that is the meat of the Police Department's budget in any given year. So, Chief if you are done, we will just throw it out for questions from Council on any of the line items, any of the totals, anything for the Chief, anything for the Mayor. Have at it.

Councilperson Narduzzi said so I have a couple of questions Chief. I know we had talked about the uniform maintenance and allowance. You wanted to go to buying Patrolmen's clothes or

forcing them to buy the same shirts, pants, etc. I just wanted to make sure that there's enough money in that budget if we are going to go that route.

Police Chief Butler replied yes. I am doing a bid in January to get the best pricing. We have not done that in the past. So, for example right now, I am going to be saving over \$10.00 per pair of pants per officer. It's going to cost me less than \$2,000 to buy every single officer in our department two pairs of pants to start. So, I am comfortable with this. When we used to hire, we started with a very high number for every single person that walked through the door. We would get \$5,000 for a new officer to walk through the door and buy uniforms from top to bottom. Based on what we are doing now, I just had two officers walk through the door, and I kept that in a budget of \$4,000, completely uniformed for two. So, that's where that extra money is going to come into play where I can continue that promise of coordinating our outfits and uniforms. I am saving money in the long run by doing that proper pricing.

Councilperson Narduzzi said okay, then down to training and travel expenses. I see it went up \$8,000.

Police Chief Butler said that's training. So, you can see that in 2018 before Covid, we were at \$15,000, and 2017 we were at \$19,000. Training is going to start kicking back in again. Not only is the State requiring certain classes for next year; we want to focus on training for our department. We were without training for 2021 due to Covid. As you all probably have heard, OPATA which is the State shut down the training academy in Richfield altogether. So, now that they are reopening, we have to catch up on a lot of training. Our supervisors that have been promoted over time need certain amounts of skill sets that I think we all want them. For example to just throw it out there, pursuits, most of our supervisors have not gone through pursuit supervisor training. That's a high liability for the City. I want to try to get that done. I am asking for an increase so that we can get our officers the proper training to remain as professional as they are.

Councilperson Narduzzi said okay, I only have a couple more. Wages for the jailer, I know we had talked and discussed about having a jailer on full-time on the weekends because that takes a Patrolman off the street when we have to book somebody. I know we had that conversation, and I just want to make sure that we are on that same page, going in that same direction.

Police Chief Butler said I have not budgeted for that yet. Right now when I had my meeting with the Mayor this week, the conversation is going to be about trying to fill in with part-timers until we can kind of see a collective vision of the jail facility, of the building facility completely and see what the pathway forward is. I am just trying to do a stop gap before I commit too much into adding personnel to our department. I have a meeting with the guy who is currently a part-timer. He works Tuesdays and Wednesdays and has done so for quite some time. We are going to have a conversation about him working weekends. I want to see what I can plug with a part-time kind of element. I may upon conversation come back to that.

Councilperson Narduzzi said okay, and then my last one is the wages for the Animal Control person. Are we still sharing that with Seven Hills?

Police Chief Butler said Maggie and Vern have advised me that we give them the hours, and everything that we do to Seven Hills; and they pay us back for that.

Councilperson Narduzzi asked so we get reimbursed back to that \$50,000?

Police Chief Butler said yes.

Councilperson Narduzzi said okay, that's all I had.

Vice Mayor Grendel asked any other questions for the Chief?

Councilperson Walchanowicz asked what about the new bulletproof vests you wanted?

Finance Director Blaze said that's going to be a capital item, so we are trying to get through the Operating Budget this month. We are going to throw some placeholder figures in for capital and dive deeper into that in January and February; and the goal is to pass the Capital Budget by the end of the first quarter of 2022.

Police Chief Butler said my recollection, and correct me if I'm wrong, it was on the City Council Agenda. I thought that was a one-time expense that they were voting on for the next meeting. So, I thought that was already on the City Council agenda. I can find out for sure, but I believe that is at the next meeting.

Finance Director Blaze said it will still be a capital purchase.

Police Chief Butler said it's an increase to that, yes. It should be rectified at the next Council meeting.

Councilperson-Elect DiGeronimo said I have a few questions for Vern. So, with capital purchases, what is the threshold? I guess more important in this budget; equipment purchases. Is there a dollar amount that we adhere to?

Finance Director Blaze said historically we have been using \$5,000 and a five year life.

Councilperson-Elect DiGeronimo asked in this budget define OPERS? What is that description?

Finance Director Blaze said Ohio Public Employee Retirement System, and the wages Police and the overtime Police, their pension gets dropped down into the line down here for Police Pension. OPERS is more of the jailers and office staff. I might as well say it now because it will be relevant in all of the departments. If you try to do the math, I put 14% there, but sometimes it doesn't work out to be exactly 14% of the wages because even though this is on a cash basis, the payroll might be where the payroll is the last day of the month, and it gets booked in one month; but we don't pay OPERS until the following month. So, the cash might be a little bit different when the check is written to OPERS versus when it shows up on the payroll. So, it should be

within a percent or two close to 14%; but there's sometimes some timing differences with the accrual of the pension booking.

Vice Mayor Grendel said and I can point out that the OPERS went down in 2019, that's because now the dispatchers, that's all paid from the contractual services so we don't have to worry about contributing.

Finance Director Blaze said you can see where here in 2016, 2017, 2018 you had the high OPERS because you had the dispatchers on staff, and then it got moved down contractual services here in 2019, and that's when the OPERS dropped in that category.

Vice Mayor Grendel said we are paying the pension as well as their wages, and is their medical put into that?

Finance Director Blaze said oh contractual services, we are just writing a check of \$66,000, and they take care of everything.

Mayor Kurtz said so there's no OPERS markup.

Finance Director Blaze said that's why the OPERS fell so much after they became contract employees, or employees of Chagrin Valley Dispatch and not the City of Independence employees.

Vice Mayor Grendel said they are still on OPERS, but now it's dispatch.

Police Chief Butler said that's also Flock, the contractual services is CVD and Flock for our cameras. That's where the payment is.

Vice Mayor Grendel asked what's our contract for with Flock, how much do we pay?

Finance Director Blaze said it's \$2,000 a month per camera per year.

Police Chief Butler said it's around \$60,000 for the year, something like that.

Vice Mayor Grendel said it's all incorporated in that \$905,000 we have budgeted.

Police Chief Butler said the Flock cameras are well worth it.

Mayor Kurtz asked what else did you have John?

Councilperson-Elect DiGeronimo said I'm good.

Mayor Kurtz said you are going to see OPERS in everybody else.

Councilperson-Elect DiGeronimo said this was calculated differently, it was like 1%.

Finance Director Blaze said right because it's not part of the wages of Police and overtime.

Councilperson Trakas said I had two questions concerning the Police budget. The one line item that we talked about Safety Information and Crime Prevention which is usually kind of a token figure. I was wondering if the Chief might want to think about ways to kind of bolster that. I think the general public has been concerned about some of the neighborhood vandalism and some of the break-ins that happened last year and that type of thing. I just thought that maybe we might want to boost that budget up. We talked about doing some community policing events, maybe having some of the Police Officers in the neighborhoods going door-to-door. Maybe printing some literature that we may be able to utilize to help people take care of themselves; and I just thought maybe this would be an opportunity to bolster that line item to more than \$500, then there might be a bigger need. With the new Chief with new ideas, we might want to take a look at adding a few more thousand dollars to that line item.

The second question I had was if we did want to procure cameras, body cameras as the Chief had talked about potentially at the Safety Committee meeting, we would probably need to put a line item for that because I think there is a monthly, a cost to storage and that type of thing. Just making an observation if we include that, we might want to put a budget together for that if we wanted to buy those in fiscal year 2022.

Mayor Kurtz said that would be a capital item.

Councilperson Trakas asked that would not be operational? It would be more operational because once you buy the cameras under the capital budget, then there's operational to pay for the video correct?

Police Chief Butler said there will be charges that we will end up having to incur; however, the reason why it's not on the budget is two reasons. First, typically when you get body cameras, there is an upfront cost that basically covers you for the entire year. I am looking into a grant for that for next year. I haven't met with the companies yet. I am doing that next week; so I have two companies coming in next week to meet with them for their body cameras and their dash cameras. This is providing me the time, if I do need money; this would be one that I would have to come back to the Safety Committee and talk to you further about. I am not just comfortable giving an arbitrary number without more facts to provide you.

Councilperson Trakas said okay, that's good; and in terms of public information, if you have any other ideas, I think this would be a good time to throw them in there.

Mayor Kurtz said Councilperson Trakas, I think we are going to break out Communication, and you will see that on Thursday if not later today; so we will be adding that as a component of the overall communication strategy. Chief, you can share in a moment the thought concept of the new technology we are going to incorporate for Council.

Police Chief Butler said you are talking about the program. So, we are looking at an app where we can send you all of the information. When an incident happens, I contact Alla with a basic breakdown of what the media would know. We are trying to get an app in place where we can send that all to Council at the same time so that you would know what the basics are as close to real time as possible. This would stop me from having to worry about text messaging every single person, calling every single person and delaying response that could be from an active scene and getting you vital information. It's a program, it's basically an app for your phone. It messages you when it comes, and it remains for a brief period of time.

Mayor Kurtz said you get it for a couple of days and that's all. If you copy it, we are alerted that you tried to make a copy of it; so it's private to you.

Police Chief Butler said Federal agencies have it, other municipalities have this type of program. It's not changing anything, so a hard copy of a report, all the public records are still there. This is just a quick little blast, almost like a message to say hey letting you know what happened with very little communication back and forth.

Mayor Kurtz said the goal is to keep you ahead of social media.

Finance Director Blaze said with a reality rather than just a hyper situation.

Mayor Kurtz said we will address that further down in Communication. It's one of the tools we want you to look at to make sure that we are staying on real time as close as possible.

Councilperson Trakas said great, thank you.

Vice Mayor Grendel said like the Amber Alerts we get from time to time on our phones and everything.

Police Chief Butler said it would be similar to that where you would get that blast.

Mayor Kurtz asked anything else?

Vice Mayor Grendel asked any other questions? I can't see pictures here and everything; so if you do have a question for the Chief or any of our guests here and everything, just bring it to our attention right away and you will be allowed to speak.

The total for Police then is \$1,1156,100.

Finance Director Blaze said that's correct, but that includes a couple hundred thousand in those other funds, and the meat of it is the bottom of Page 1 there the \$6,943,000 number. I think Chief in summary has indicated that since in most departments, in all departments, your biggest cost is your employees, and if he's not going to be at full staff January 1, that the chances of him hitting \$6,900,000 in spending in 2022 is fairly small. Thank you Chief. The first budget presentation and you walk away alive, nice job.

Finance Director Blaze said we have another Chief up.

Vice Mayor Grendel said we have Steve Rega here with the Fire Department.

Finance Director Blaze said Steve Rega is a veteran at presenting to Council, and just so you know Chief Rega sets the bar as far as budget preparation, and we actually use his examples with other departments. What you are seeing here is just a summary, but the Chief has a detailed file for each one of these account numbers. So, I rounded some of those numbers, all the numbers in the last column; but Chief calculates it down to the penny as far as what he feels he needs. So, I round it up to the nearest whole number just for budgetary purposes. We always thank Chief Rega for such a comprehensive job and for setting the example for all of us so thank you Chief.

Fire Chief Rega said so basically I am going to hit some high points here for some things, talking points. Under wages, you will notice there's a little increase there. Just to explain, we had as far as what we have used this year as opposed to what I am asking for. We did have some retirements last year, and again we budgeted for the full year with all employees for 2021. When we have a senior guy leave, and we bring in a new guy, there is usually a delay in getting him in. There's a time period when we are down a short period of time, so we saved some funds in there. So ultimately that budget looks higher or it's less used than it would have been. In this case we had three senior members leave. We had three new members that came in at \$30,000 less than the member leaving; so that's why you are seeing a little bit of, if you are wondering why there is a difference between the budget amount and where we are at as far as expense.

Moving forward into 2022, I am requesting some funds to put on another 40 hour position for Lieutenant. This is a discussion I am still having with the Mayor on this, the concept for succession planning reasons and why I want to have that individual in that capacity. It would also take Council action and some legislation changes to put that position in. I wanted to make sure the funds were there, but again it takes action of Council and the Mayor before we can move forward on that. It is something, and it is a goal I would like to obtain in 2022.

So, moving down the line here.

Mayor Kurtz said just as verification, we have our Law Department researching it as we speak, and we should have some conclusion drawn later this week; and if legislation is necessary, we will try to have something on the agenda for later this week so you can address it next week for Police and Fire.

Fire Chief Rega said as far as the part-time budget goes, there again the last two years hired a lot of our part-timers to a full-time position which is great because it gives us a chance to vet those employees before we put them on full-time. You will see that our part-time numbers are actually down right now so that expense there was a little bit low; but we calculate that on a shift basis, so when I calculate that number I plan on having a part-timer at the station so many hours a day throughout the whole year. Again, our numbers are down a little bit right now for part-time, and we will be looking into picking up a few more this year.

As we move down, another one you will take note is under Safety Information and Fire Prevention, our grants that we got back, I think it was 2018 allowed us to go out to seniors' homes to put smoke and CO detectors. We are going to run out of smoke detectors by the end of the year. We already ran out of CO detectors, and we are at a point where we are just in a sustainment mode; so as we get new seniors, and also this is part of our Lifeline Program too. Anybody who gets a Lifeline, we go in and install CO's and smoke detectors. Because we ran out of those grant detectors, we are now going to have to supplement by purchasing those on this particular budget. So, that's why you are seeing a little bit more in that line.

Under Dues and Subscriptions, we are going to have a one-time cost next year for our radios and mobiles. There is a security feature called Link Lear that they are recommending. The radio systems Cleveland and MARCS which is the State system, they are recommending us to put on, it's a higher level of security. Basically, it's a double layer of security. It's almost like when you are doing banking, and you login and they ask you to send a text to your phone and then you put that number in. It's kind of the same thing for a radio, but that's going to be about a \$5,000 cost for the radios that we have. It is a one-time cost, and that's something we want to implement next year because it's due by 2023, and it might take some time to get this in our radios. Our current dispatch center will be able to do the work.

Moving on down under Building Maintenance. There's a dorm project that I put some extra funds in here for. I am going to use a combination of the Operating Budget and some capital that was left over from a kitchen project a couple of years ago. Our dorms are 25 years old. There are things in there that we need to change out, carpeting, wallpaper and some stuff that kind of holds dirt that we need to change out. It just needs to be refreshed. It's a way to keep the building current and in good shape. That was a change there.

Moving down past that, there are two line items that are really no change other than they are going to be combined. So, in talking with Finance, we have a Vehicle Supplies and Maintenance, and we have a Vehicle Maintenance Repair. They are kind of used somewhat for the same purpose, and the money is used every year; but we are going to combine those into one line. So in the future, you might see that combined.

So, that's it in a nutshell.

Finance Director Blaze said thank you.

Vice Mayor Grendel said I had a question. I noticed the medical insurance last year we budgeted \$722,500, and I guess we are on pace to spend \$774,270. This year we are proposing \$651,000, and it's a lower.

Fire Chief Rega said that's a question better answered by Finance, but that was the rate. We were in the new insurance rates mid-year, and I think they kind of bolstered that a little bit higher. We had some retirees that I think we replaced most of them with people, one of them doesn't have a family, so he would be a little bit less. There are some differences there too. That

was an 18 month contract we had with our healthcare that ended in July; and so I think there was a question where that would end up.

Finance Director Blaze said that's a good point. I guess we will say that broad based for every department that the medical contract ends June 30, 2022; so we really don't know what the renewal rate is going to be. Thanks for bringing that up Chief. That medical insurance line that we see on every department, it's an educated guess at this point because contract renewal talks won't start until the spring; and then we will have to do open enrollment and all that process we do. We won't know what the new rate is probably until May or close to May.

Fire Chief Rega replied correctly, and under wages, I was anticipating a 3% wage increase for negotiations that are going on now.

Mayor Kurtz said that's a place keeper. You just put that in there to make sure we have something in there.

Fire Chief Rega said exactly.

Vice Mayor Grendel asked any questions from our virtual audience because we can't see your faces. If you have a question, please state it.

Councilperson Synek said just a quick one. What's the contribution rate for the OP&F pension?

Finance Director Blaze said Fire is 24.0%. Police is 19.5%, and if you caught that blurb I put in the update a week or two ago, there is the proposal, at this point it hasn't been adopted, but it's a proposal in Columbus to take both the Police Pension and the Fire Pension up to 26.5%; but that wouldn't impact us until likely 2023. They are just introducing it now, and hopefully, it gets passed in 2022.

Vice Mayor Grendel asked any other questions for Chief Rega?

Thank you, Chief.

Now we move on in the agenda and go to Recreation, and Tom Walchanowicz is taking the hot seat.

Recreation Director Walchanowicz said thank you. Thank you, Mayor, Finance Director, and Council for the opportunity.

Basically, I just want to hit a couple of bullet points here. What I am asking for here for the most part is wage increases throughout my budget. Recreation and Community Services are probably the two hardest-hit departments here as far as we have the most entry-level jobs. If you look around, most entry-level jobs have gone up between 20% and 40%. McDonalds, you can go now and start at \$15.00 or \$18.00 an hour. Back in pre-Covid, we were starting at minimum wage all of our employees. If we had part-time older people that were seasonal, some of our

retirees, we were starting them at \$10.00 to \$12.00 an hour. Now all those wages have gone up. So, Recreation and Community Services really got hit as far as that goes. That is where a lot of the increases go.

Covid as far as getting maintenance and custodians; it's almost impossible to find custodians, and especially if we are going to pay them \$10.00, \$12.00, \$13.00 an hour. We have to offer them more.

Mayor Kurtz asked Tom where are you going to have to be to get lifeguards, custodians, all the people we depend on to provide the services to our residents?

Recreation Director Walchanowicz said last year we went up from minimum wage to \$10.00. That was the minimum we would start, and that's still low. So, we are looking at for the younger kids, lifeguards \$11.00, maybe \$12.00. We are hoping to stay more around \$11.00. Again, I might be being conservative, and I am a conservative person; but we are going to make sure we staff whatever we can.

Mayor Kurtz said what we are saying to Council is we are going to need to have some flexibility. We talked to the Finance Department to make sure that Community Services and Rec we need flexibility. We don't want to lose somebody for \$1.00 an hour, lose somebody that's qualified for \$2.00 an hour where they can go to another suburb and get paid \$3.00 an hour more to be a lifeguard. It's the challenge we face in both of these departments. So, we have enough experience that we will get the best value, but we need some flexibility. That's the long and short of it.

Councilperson Walchanowicz said I don't think you want to be in the same boat we were in last year when we could only allow so many kids into the pool and stuff because we didn't have enough people there.

Recreation Director Walchanowicz said we have some plans. We are going to try and get more people certified. We are trying, there's a shallow water lifeguard, so we can get people who might not be the best swimmers that can guard at the indoor pool, and the activity pool outside. We have a couple of different things we are going to try next year and try and make that so we don't have those issues.

Keep in mind too as you look at the budget from this year, we are down which is we are being conservative, but we are not to pre-pandemic levels. Our hours are still reduced a little bit. The outdoor pool didn't run to full capacity. So, that's another reason why for the increase in the wages.

The last thing is, well two more things. We had the survey we put out last May, and we do have a big need for more programming. So, we are going to focus again on more programming. We are planning on getting back to pre-pandemic levels in 2022 and also increasing some programming offerings that we are planning on having.

The last increase we did do, but not very much, some of our supplies. I just showed the Finance Director yesterday, I got a letter from one of our vendors that we use for the concession stand; and they are anticipating a 6% to 15% increase in materials from cups to plates to food items. So, again we have to try to plan for all of that. That is what we are looking at.

Councilperson Kapusta said I have a question. Tom, as you are looking ahead and seeing these increases both in payroll and in wages and in supplies and services. Would we possibly then through next year be looking at whether we need to adjust any of our fee structuring, anything like that to help somewhat with that?

Recreation Director Walchanowicz said the thing obviously with the concession stands, we will increase to make sure we are not going into negative figures there. As far as our programming fees, we would have to talk about that at a Community Services meeting; but at this point, I am not looking at increasing fees for our residents for our programs.

Mayor Kurtz said that is a Council decision which we will discuss at Community Services where Council is involved.

Vice Mayor Grendel said I know we have had some spirited discussions back when we raised some of the rates and everything, years ago.

Councilperson Walchanowicz asked can we give him a cap on what he can offer somebody hourly say moving forward?

Finance Director Blaze said it might be legislatively stipulated already. I know in our full-time ones there are ranges, seasonal as well.

Finance Assistant Maggie Osysko said it doesn't matter if it's seasonal or full-time or hourly, depending on the job.

Mayor Kurtz said Finance let's review it, and if we need legislation we can talk to Council about that.

Vice Mayor Grendel said things have changed in the last couple of years and everything, and we need to be competitive.

Mayor Kurtz said we will just do that then. We will have the departments meet with Finance about legislation.

Vice Mayor Grendel asked any other questions for Tom?

Councilperson Narduzzi said I have one Dave. On Page 4, the water and sewer. With the new installation of that new splashpad, is that going to be enough for water?

Recreation Director Walchanowicz said I talked to the Finance Director in regard to this. We did increase this water. We also have various water bills. I think they come out of General Government.

Finance Assistant Osysko said all the water comes out of here. I would rather move this to General Government.

Finance Director Blaze said Rec kind of gets unfairly penalized because the water and sewer for the entire City is right there, and obviously City Hall and the Service Department, there are a lot of other buildings that technically are in the Park. There are some aberrations that we are looking to clean up over time and get a few of these accounts moved into maybe a more appropriate category. As Maggie just indicated, this is one that we will consider moving into General Government and moving it out of Parks and Recreation because every municipal building that the City owns, up on Public Square, all of them have water and sewer charges.

Vice Mayor Grendel asked do these reflect all of them in the City right here? Any other questions for Tom?

We are all done Tom. Your proposed 2022 Budget is going to be slightly less than what the 2021 budget has, but I think the appropriation for Recreation Trust, the \$4,000 that was in the budget last year, what does that represent?

Recreation Director Walchanowicz said I think Maggie can probably better explain that.

Finance Assistant Osysko said well the Recreation was set up (inaudible). So, any of the fees that we received in receipts, the cost and total would come out of the 840. It's kind of a confusing fund because a lot of stuff (inaudible); so we aren't sure sometimes of what is being charged or not. Emily in Community Services has decided that she wants all of her programming into her General Budget so she can monitor and handle it better. That's why you see (inaudible) because she kind of pulled all those out and put them in the General Fund instead of the 840 Fund. That's the difference in that.

Finance Director Blaze asked can everybody on the line hear that good enough?

Councilperson Narduzzi and Councilperson Kapusta replied yes.

Vice Mayor Grendel asked anything else Tom? Any other questions before we let Tom go? Thank you very much Tom.

Several people began speaking at once.

Vice Mayor Grendel said we will move on to Emily here.

Finance Director Blaze said no pressure. This is a collaborative discussion.

Community Services Director Emily Thomas said hello to everyone.

Vice Mayor Grendel said welcome, and the floor is yours.

Community Services Director Thomas said so there are three areas where you will see a pretty significant increase. One, is being our full-time wages. For most of this year obviously I wasn't in my current role, and Amber Veverka wasn't promoted to her role and Jen Vitron wasn't on board as well. We are also looking to bring on a full-time front desk person to really kind of own some of the responsibilities of reservations and transport which Amber and I are sharing right now between us to make sure we are operating in full capacity. So, that's accounted for there.

The biggest increase overall is the part-time wages. So, obviously you see it's a \$150,000 increase from where we were before. As Tom said, we are struggling to get people in the door for what we are paying which is right now \$12.00 an hour. So, we are looking to increase our starting hourly rate to \$14.00, which means that there is a sliding scale as other people have been with our department longer will be impacted.

This also accounts for the 70 seasonal camp counselors that we have to hire as well. We are budgeting an average rate of \$12.00 knowing that we have some counselors who already make more and some who currently make less. We are thinking about that number, especially as we add another day back to summer camp, feel good about where that number will meet us with that \$500,000.

As Maggie was sharing, I didn't feel it was appropriate for us to continue using the 840 account just to kind of throw all of our expenses there; so that's why you will see from pre-school programming on down, except for Building and Maintenance, all of these funds were originally being pulled from the 840 account. So it was kind of, and forgive me for using this term, a slush fund where we were saying we would charge the expenses there as opposing to breaking it out by the different type of programs that we want to offer, including using family programming, wanting to do more with the families that are moving into the City. Adding young adult programming which really is that kind of 21 to 59 age range. We have young and active adults; so really calling attention to these different areas that we want to focus on, and then being able to hold ourselves accountable to where we are spending the funds as opposed to going in the 840. I'm not really sure what we spend on young adult, I am not sure what we spend on pre-school programming; it just calls more attention to this.

Vice Mayor Grendel said I think it's an excellent idea to be able to track these and see because before the fees had to coincide with the expenses from the program. What you had previously, it was hard to be able to reconcile that. This is an excellent idea.

Councilperson-Elect DiGeronimo besides the presentation and breaking these out, do you feel like those are expenses that were similar to last year or do you think these are new or improved or added programs?

Community Services Director Thomas said so there is an increase in kind of all of those line items, not significantly; but based on the feedback that we got back from the survey, people are wanting more and not only just wanting more things that we are not experts in. So, like etiquette classes and things of that nature like for our middle school age students. It's expensive to run an etiquette class, and as Tom was saying, we don't necessarily want to increase the cost of our programs. That's one of the things people love about Independence, the value that you get. So, by budgeting for things like a \$40.00 etiquette class in our budget, that we only charge our residents maybe \$30.00 or \$20.00; they get a huge deal on that, but we budgeted for it so we don't necessarily take a loss in the same way that we have typically done with things. We don't have any young adult programming. Our Community Resource Manager, we are doing a huge wellness week in January which is adding some additional expenses there for things that people are asking us for.

For summer camp again, we are adding Fridays back. We only did Monday through Thursday last year. For summer playground, feedback we got from our parents was we love the three day at the park time, but we need longer hours. So, accounting for those things, and we can accommodate more kids, and supplies and everything that goes into those programs. So, there definitely is an increase in cost, though not significantly, seeing as what we are adding to our list of ongoing programs, and our park programs.

Vice Mayor Grendel said I see everything that is on Page 8 there has been kind of phased out because of the new.

Finance Director Blaze said as Emily said, it's going in here predominantly, into her 110 Fund.

Vice Mayor Grendel said it just serves as a historical perspective more than anything else.

Finance Director Blaze said to build on what Maggie said earlier, I believe the Rec Trust Fund for both the Recreation Department and Community Services is on a very technical basis, was used for anything that a fee was charged like Learn to Swim, Little League Baseball, all those programs. So, the bottom line is the revenue gets booked, and the expenses get booked. We are proposing maybe some changes to which funds they get booked to, but they still get booked nonetheless; and I think it's pretty fair to say that I don't know of any program in the City that we really charge what it costs us to put a program on. We pretty much take a loss on everything, but I think that gets to the vision statement on the wall here behind me which is to be the premiere community to live, and it's just one of the benefits of being in a community like Independence that at least until now we have had the financial blessings to be able to offer a whole plethora of programs that we do not have to charge 100% of our costs for. I think that's one of the reasons why Independence is the community it is.

Vice Mayor Grendel said if Recreation were to do the same thing Emily is doing, we would probably have another page of all the programs there. So, it would be difficult, but for consistency, you have Community Services breaking it out and showing the individual expenses where Recreation, it would probably be too difficult.

Finance Director Blaze said we would have basketball, we would have baseball, we have soccer, we have all that.

Vice Mayor Grendel said you would fill a couple of pages up with smaller figures and everything. It's a great idea for Community Services. I hope it helps you Emily to be able to track things better and see what you might need down the road. This is your first year doing it, but down the road we might need to tinker a little bit if necessary or maybe adding programs as they come forward.

Community Services Director Thomas said I told the Mayor 2022 coming out of a pandemic and trying to be creative, it's really the year for us to try things. We do have new staff members as well, and so I may come back for the following budget and say hey we can actually decrease our expenses because of x, y and z, but want to have that flexibility to try what the residents are asking us for.

Finance Director Blaze said Emily a question similar to what Recreation Director Walchanowicz said, we still haven't, we still aren't firing on all cylinders yet as far as programming and hours, is your budget kind of very optimistic in that regard that we are going to plan 2022 like we are back to normal, whatever normal used to look like for us with additional programming?

Community Services Director Thomas said correct.

Vice Mayor Grendel asked any questions for Emily? There were no questions.

Now we move on to the Service Department.

Finance Director Blaze said and Service Department has a lot of different categories so we will let Ron speak however he wants to speak, and then we will move the pages as needed to reflect any particular department that he might be focusing on.

Service Director McKinley said I believe I start on Page 9, starting off with Rubbish. Nothing real major there, recycling charges are up a little bit; but everything is in line there.

I started consolidating the SCM&R wages and benefits to Buildings & Lands. This will be my core group of employees in the department. I am also proposing to promote two part-time staff to full-time. Currently, I have two 21 year old kids. One has a Class A CDL, and one is testing this weekend; and they are just phenomenal workers.

Mayor Kurtz said if I might interrupt. The significance of that is again even in Service, it's challenging to get people that want to work; and so when we find somebody and Ron has done a tremendous job of finding people, raw talent. He's putting them into training to get him support of some CDL qualifications. When he finds someone with the right attitude and right work ethic, trying to build support out of Council with funding so we can put them in place full-time.

Service Director McKinley said the one kid is Ian Ludkis and the other one is E.J. Timinski, and they are just phenomenal kids that want to work. It's very hard to find that nowadays.

In the Equipment and Motor Pool, I am proposing to hire one new mechanic, and Vehicles Supplies and Maintenance is increasing mainly due to more vehicles and equipment being out of warranty. My goal is to be able to repair and replace everything in-house going forward and not have to sub anything out. When we sub things out, the shops are two to three weeks behind as well, so we might as well just train our guys and get the software that we need to diagnose the vehicles so we can do everything in-house.

As far as Sewer and Water, I trained two additional employees on the sewer truck and camera truck, and their compensation was just moved over into this category. That's all that has changed there.

No major changes for Administration or Cemetery. The State Highway Funds all stayed the same.

Several positions were backfilled in the last four to five months. I think I had five. One mechanic left, four retirees and one more retiree coming at the end of this month, which makes six.

I am proposed to increase the Uniform Allowance. I would like everybody to have a professional appearance. Even the foreman should have nice shirts. The guys can have their names on their shirts. They are representing the City. They should have a nice appearance, and it's important when they talk to residents to have the residents see the name on their shirt. If we get good compliments from the guys, or even bad reviews, I would like to know who the residents are talking to.

Other than that, we have some normal wage increases and some anticipated costs in the Recycling.

I did realign some of the staff as you can see on the screen.

Finance Director Blaze asked which page are you on?

Service Director McKinley said Page 12.

The categories now show the true group of employees. There are currently 21 in the field and 2 mechanics, and then we have office staff and 2 foremen. Nothing else major for Service.

Vice Mayor Grendel asked any questions there for Ron?

Mayor Kurtz said consistent with our overall strategy from stretching too thin as we realize with some of our special events, Recreation, Community Services, and special strategies relative to like leaf pickup and snow plowing. We are going from a stretched too thin to a backup, a

succession strategy. So, we are going to have people in place and trained, so that transitioning will be more fluid where it be a couple of years, five years, ten years, we will have a backup. So, each Department Head will have a backup so that we can be like the Fire Department. I have used this analogy several times. Between A.C. Wheeler and Chief Rega, if one is on vacation, and one is out of town, the other one is up. It's a seamless transition between either one of them and communicating with them. I think that's the goal for all of the departments to have people in place so that we can respond to our customers, residents on a timely basis; and we are not so dependent on one person, God forbid something happens to them. We are going from a stretched too thin strategy to a backup succession plan strategy in all departments. It just costs more money that's all.

Service Director McKinley said we also started a third shift in the Service Department. So, we have a handful of guys on night shift from 11:30 p.m. to 8:00 a.m.

Councilperson Walchanowicz asked what are they doing?

Service Director McKinley said right now we are staking all the sidewalks for the whackers when it snows, and we are working on 21 and Rockside with all the ornaments. Then next week we are going to start undercoating all the vehicles, rustproofing everything and then undercoating everything and trying to get the life out of stuff a little bit better. We had a solvent tank in the wash bay, and that was what was dulling all the paint on the trucks. So, we switched it over to a soap and a wax combination type of deal. So, now we are waxing and washing and undercoating every vehicle.

Finance Director Blaze asked will that be until late winter or early spring? That's not a 12 month a year third shift is it?

Service Director McKinley said no, just for the winter months. It's 3 months during the winter.

We are sanitizing every day as we go out there.

Councilperson Walchanowicz asked it will be the same crew on third shift all season or are you rotating those guys?

Service Director McKinley said no, just the same 6 guys for 3 months.

Mayor Kurtz said you made a good point, in every department we are sanitizing as frequently as needed. Chief Rega has been very emphatic about that. Each Department Head is responsible for their department, their facilities; and so they have done a really good job of making sure that our workforce is protected.

Service Director McKinley said I handed out masks to everybody. The guys now take breaks on the road. They do not come in, and I split up their lunch hour, half at 11:30 a.m. and half at noon for that reason.

Finance Director Blaze said I just have to ask, do the 6 on night shift, did you have volunteers or did you kind of have to?

Service Director McKinley said no, everyone volunteered.

Finance Director Blaze said wow, excellent. That makes it easier for you.

Service Director McKinley said it's a lot easier for me.

Vice Mayor Grendel said so to summarize the proposed budget is about \$5,700,000 for 2022, and the budget for last year was a little over \$5,000,000. A lot of the difference is then in the wages and insurance.

Service Director McKinley said the 3 new hires, and the vehicle equipment went up. A lot of things are coming out of warranty. For example, the 4 packers over the last 4 years cost us \$256,000 to repair; and that is on top of warranty work. Now that they are out of warranty, the costs are going to increase dramatically.

Councilperson Walchanowicz said I just want to mention the cemetery employee. Have we considered making Topolski the sexton of the cemetery? Without him, he is going to be crucial to our future development of that. He's the only one that's currently working there like hands to the ground. He knows everything that goes on in that cemetery.

Vice Mayor Grendel said the last official sexton we had was Dale.

Mayor Kurtz said and it's consistent with what we are doing. We are trying to have at least a backup for every discipline, whether it be the sewer trucks, packers, cemetery, the specialized areas, we need to have backups because it's an essential service. That's why we are really trying to make sure that we have it; and if a foreman gets into a bind, a foreman can also pitch in. The whole purpose is to make sure that we have the right people, the right training at the right time.

Service Director McKinley said I actually had that same thought and budgeted for that for a full year having a sexton; so that is currently in the budget.

Mayor Kurtz said and if we do a capital improvement, we are going to want someone on site to be responsible for it. If we build a columbarium wall, we do the expansion to the north, we are going to need someone. I want somebody who is going to own the outcome, at least on our team. It can't always be the Engineering Department. It can't always be the Service Director. It can be someone who is very familiar with that. It's working its way through.

Councilperson Walchanowicz said Tim has been crucial to all of our plans over the last two years, at least for me.

Service Director McKinley said he's very knowledgeable.

Councilperson Walchanowicz said thank you.

Vice Mayor Grendel asked any other questions for Ron?

Councilperson Narduzzi said I don't know if it's because of Ron or because of the Mayor, but I have heard a lot of good comments about how the City looks lately; so I think that's partly from Ron doing such a great job in Service. The City looks cleaner, and it looks fresher. Kudos to you Ron.

Service Director McKinley said thank you sir.

Councilperson Walchanowicz said I thought we were going to give that credit to the Mayor.

Several people began speaking at once again.

Mayor Kurtz said in all fairness, Ron has done a great job. He has exceeded our expectations in terms of his ability to communicate. He is big on communicating, whether it be a resident, an employee, a member of Council. Whatever needs to be done, if he doesn't have an answer he will tell you, or he will find one.

Vice Mayor Grendel said Ron's new, and we have Emily who is new and Chief Butler. So, the new hires have all come in like gangbusters and done really good as far as taking control of their department.

Mayor Kurtz said and he works really well with Engineering, Building. I know he and Jim Riley are very interactive because Jim is out there talking with the residents with the concerns. Ron implements a solution. I am so happy and proud of the interaction. It's not who is right, it is what is right, let's get it done. It's important.

Service Director McKinley said and it was seamless too. It's like we all worked together for 10 years. A great team that you put together.

Vice Mayor Grendel said thank you very much Ron.

Now we move on to Tech Services, and Dave Snyderburn is going on the hot seat here.

Technical Service Director Snyderburn said no, it's not a hot seat.

Finance Director Blaze said Dave, we will hit the highlights for Council, and if they have any questions, they will chime in.

Technical Service Director Snyderburn said well, the only thing that's really changed as you can see, the proposed budget for last year for 2021 was \$923,500. The projection has it at \$786,940.

Finance Director Blaze said there's an updated figure Dave. If you look up there it's \$829,000, still under what was budgeted for 2021; and the 2022 budget you are asking for less.

Technical Service Director Snyderburn said \$15,000 less than last year. It's actually \$15,500, and that's with the materials going up. That's with the supplies and materials going up 30%, and then building maintenance and repair went up that much. So, I just feel that we are going to try and hold it. I tried to hold last year's budget way down, and we are going to try and hold our numbers and make it less than the proposed budget for 2021.

I guess the biggest thing in this department is the materials and the maintenance of the buildings. You know Chris how much materials have gone up. You are buying.

Councilperson Walchanowicz said I just have one question if it's alright. So, we talked about it in Rec and Community Services and all that about employment and how it's hard to find people. I see that there's not an increase in the wages. We have 3 good guys that work hard, and they take care of a lot of business, a lot of our stuff; and I would hate to see them lose any of those guys because in my field now, they are paying us ridiculous amounts of money to work.

Technical Service Director Snyderburn said I agree with you.

Councilperson Walchanowicz said you know I would hate to lose a Myer or a Crane or Eric to a heating company.

Technical Service Director Snyderburn said they are all pretty happy, but I understand what you are saying.

Councilperson Walchanowicz said if someone comes to one of them and says we are going to offer you \$10,000 more than what you are making here, I would hate to see us lose a good employee in Tech with the amount of work that they are doing and how it is running.

Technical Service Director Snyderburn said Chris that is a good point, but because of PERS and because of they have been working so long in PERS, the three of them. I don't think they would want to leave. I think they found a home in Independence, but I understand your concern. I think they work well under me, and I think I work real well with the individuals, the work crew. You are correct in saying that. People lose employees left and right nowadays. They know the buildings. They know this campus. There is not an inch that they don't know.

Councilperson Walchanowicz said union guys are making almost \$50.00 or \$60.00 an hour now with what they are doing. I understand that Tech is a union. I just didn't know if you wanted some wiggle room in case.

Mayor Kurtz said remember as the Finance Director has stated, this is a framework. We can adjust during the year based on need, based on understanding, education and certain circumstances. If the price of materials keep going up, we are going to be back to Council; but that is why this is a framework. It is not etched in stone.

This has really gravitated to a building maintenance department, and we are looking at getting the most productivity out of our people. So, we are examining facilities, maintenance. We are looking at restructuring, getting the most value and most productivity out of our people. So, that's probably something we will come back to you in 2022.

Vice Mayor Grendel asked how many employees are in Tech?

Technical Service Director Snyderburn said there are 6 of us, including Kathy and myself. Over the years we did have more employees, but some of them were part-time.

Vice Mayor Grendel said it seems like the wages have stayed pretty stable and constant in the past history from 2017 moving forward. Any questions for Dave from our virtual audience?

Technical Service Director Snyderburn said thank you for your comments Chris, I appreciate it.

Finance Director Blaze said now we will go to Page 23 and 24. This could be a collaborative presentation by myself, Dennis and Maggie. I don't know if Dennis and Maggie want to come a little closer so you are closer to the owl microphone there for our participants who are on Zoom.

This is a pretty big category where it is a catch-all for a lot of miscellaneous expenses that maybe transcend multiple departments and don't necessarily apply to any single department. You have heard us talk over the last hour and 20 minutes that some of the expenses that are in other departments may be more accurately reflected here and maybe even vice versa. In preparing this document over the last week, I talked to Maggie about this line here, Professional Fees City Engineer; we are going to look into what is being expensed in this account here because if it's professional related, and it's Engineering related, my question is why isn't it in the Engineering Department budget? Why is it in the General Government. So, as the Mayor just said, it's a fluid document, and we are always looking to enhance it. Over time maybe certain expenses were more appropriately expensed in a certain account or a certain sub-category of a fund; but we are always looking to enhance it and make it a more useful document.

So, to start off, wages Maggie, explain to them just who is budgeted in the wages General Government.

Finance Assistant Osysko said right now in the Wages General Government, that includes Monica, Gayle and Alla.

Finance Director Blaze said so that's the receptionist, the Communications person and Gayle who kind of floats and helps in many departments.

When HR was here, was HR in this or were they in the Mayor's?

Finance Assistant Osysko said they were in the Mayor's.

Mayor Kurtz said just to be consistent, Councilperson Trakas posed a question earlier. We are looking at breaking out Communications into its own department because it's becoming much more encompassing. People expect and demand attention, information on a more timely basis; and I mentioned earlier about being too thin. We just can't depend on one person to facilitate all the different needs for communicating to our City. So, we are looking at breaking that out. It's not for today, but we are looking at breaking out Communication because we are looking at hiring right now support people to make sure that we can be effective with our communicating going into the next 4 or 5 years for sure.

Vice Mayor Grendel said I see that it's going up \$70,000 from last year's budget.

Mayor Kurtz asked did we plug in the Graphics Communication person?

Finance Assistant Osysko said yeah we plugged that in there.

Finance Director Blaze said we might have plugged one in here and then one in Professional Services on this second last line.

Mayor Kurtz said a webmaster; someone who can monitor our website and keep it up to date. It's constantly changing. Unless you have someone who is staying on it every day, you lose the effectiveness, and with social media and real time information demanded by our constituents. We just feel it's time that people are going to focus on those different aspects that are really in the future. So, we are planning for that in this budget.

Finance Director Blaze said I could address Workers Compensation here, the fourth line down. You see that historically there has been, it's been a very significant cost item; and we continue to budget to being a consistently high budget item. You will see so far year to date, it's been immaterial actually; and those of you in the private sector know that OBWC through this year has announced a number of dividends. That is every time, and Maggie correct me if I say anything incorrectly; but let's say we get an invoice for a Workers Compensation bill, it gets negated by, oh wait a minute you don't have to pay it because you are getting this huge dividend. So, now you owe us nothing, or actually you have a credit. Out of pocket we have spent very little in 2021.

Finance Assistant Osysko said we will have by the end of the year have about a \$250,000 bill because we have to pay ahead for 2022.

Finance Director Blaze said okay there it is, our budget number for 2021 will get used up here in December. So, we did pretty good for 11 months, but time catches up with you eventually; and eventually the piper has to be paid. The piper will be paid for Workers Comp.

On some of our fuel, utilities, we sat with Dennis; and you know in your personal lives that the fuel for your vehicles has gone up significantly here in 2021. The heating and natural gas has gone up significantly. I just got a notice. My gas is with Shipley Energy, and they let me know what I already knew, but they quantified it for me that since just May, not even 6 months ago, the

standard choice option rate has gone up 107%. It has almost doubled the gas, the heat costs for the house since May alone, and so we are trying to acknowledge that natural gas prices are up. We are fortunate that electric isn't up as much, but we are figuring since every other utility is going one way; we put our budget on the conservative side there. I am trying to see any others that stick out as far as significant increases. There are none particularly. So, if anybody has any questions about any individual line or anything about General Government itself, have at it.

Councilperson Trakas said I wasn't able to tell throughout the document because of the way it was structured, but what are your assumptions, economic assumptions, about this budget in terms of its overall growth, revenue growth? What are the basic assumptions of the budget?

Finance Director Blaze said excellent question Councilperson Trakas, and historically an appropriation amendment only appropriates which is basically telling the public how money is going to be spent; but you can only spend money either you have or you anticipate having. So, what's really not shown in the appropriation ordinance is the revenue side of the equation, and what Dennis, Maggie and I are going to do with the Mayor when the 4 of us sit down and get down to the nitty gritty here, before the end of the year, we are going to budget revenue as conservatively as possible that makes the budget work. Right now we are on track. Our primary income source we all know is income tax, and in 2018 and 2019 it was \$33,600,000. In 2020 that last month of December we had a good month, and we actually went up a little bit, \$33,900,000. Based on what we received in the first 11 months of 2021, and for the advance of this month that we just got, we could be in the mid \$34,000,000 range. So, another increase, but we all know that the income tax law is under assault. Work from home, remote work, we talked about all of those dynamics. So, we will try to plug in a number less than 2021's actually municipal income tax, and if we can get the budget to work that way; we will use that number so that it's a very conservative budget. We could only then be surprised, hopefully upside; and we are not going to be in the position of having to come to Council in the middle of the year saying we anticipated and budgeted for \$33,000,000 of income tax, less than we received in the last couple of years, but guess what, that wasn't enough. It looks like we are going to be even less than that, so we have to amend our budget down. We always hope to avoid that situation. We would rather say things are better than we anticipated, and we have a little bit of flexibility in our budget versus hey we budgeted too optimistically, and now we have to tighten things up.

This is probably going to be the most challenging year for us because of the income tax law changes and the workplace dynamic. So, we are just going to let Council know that upfront, and request your understanding of that dynamic so that if we have to modify things in 2022, you are ready for that and aware of that. Good question Councilperson Trakas. In summary we will estimate revenue flat to even down a little bit, and if we can make the numbers work that way, we will use that as our starting numbers and then adjust as we see the numbers coming in over 2022.

Councilperson Trakas said thank you.

Mayor Kurtz said Vern that is spot on. Having sat on the Income Tax Committee in the Mayors' Association, we had meetings repeatedly with our State leadership. There are so many different

ways to look at that when you peel back the onion. Each community has a different tax rate. They have the reciprocity. They are closer to a rural community. The estimate of income tax that the State believes will be diminished was significant. Not necessarily for a city like Independence, but overall, the collection of income tax is going to be down because of the different dynamics associated with it. So, as I get specific information I try to share it with the Finance Director and the Finance Department because we will budget in realistic terms in each department. I have said before, and I am going to continue to say that we have to plan for the future, whether it be programming, personnel, leadership, succession planning. We have to plan for the future like any organization, but we have to be nimble enough to know that we may have to pull the reigns. We may have to pull back. I don't promise anybody a rose garden when we hire them, but we try to make sure that we can deliver what we promise we will deliver; and we have been blessed over the years, but we will be realistic in our budgeting. We will have our personnel planning for the future being able to handle all the different changes; but we also have to keep our hands on the reigns in case we have to pull it in quickly.

Finance Director Blaze said you bring up a good point about townships Mayor because I am surmising that the estimates that you are hearing at these meetings, our total overall income tax generated in the State is going to decline even if business activity remains the same and employment remains the same, or even increases because in townships you can't charge the income tax. So, Councilperson Trakas you know from your service in Columbus that we don't see it up here because there are a few townships in Cuyahoga County; but the vast majority in Cuyahoga County are cities, a couple villages thrown into it, a very small handful are townships. The vast majority of Ohio are townships, and so you best believe that some mid to high priced employees who make some very good money that live in townships, but formally worked in cities, if they could structure it so that now they do commute work and do all their work from home and their home is in a township, well guess what, they just gave themselves a nice little raise because now they are not commuting into that city and paying that 2% or 2.5% or 3% whatever that income tax rate is in that city. I think that is where some of that is emanating from. It's a very fluid situation. I think we will be good through January because January's collections will be essentially employment based on in December; but if employers in January start reallocating income tax and they start sending that income tax where their remote employees are living and not sending it to us via RITA, then I think in February, March, April, we will start to see a little trend forming. We will start to see if we are going to just be status quo, if things will actually get better, or if things go negative. It's hard to project until we actually see those dynamics unfold. So, we will just project that it's going to go down, and let's just all hope that we are surprised to the up side.

Mayor Kurtz said the RITA Director spoke to us last week, and he said people don't realize this isn't like a one-time hit. He used the words negative annuity in terms of income tax. That could be the way people have to look at it, a negative annuity. So, it's not going to be like other revenue streams where it could be a one-time hit. A negative annuity is exactly what it says, it's a continuous negative for something you have to plan for. Today we are in a good position, and we are trying to, some of our grants that we are exercising, we are sophisticated enough to protect the corpus of our grants. We are trying to find every different vehicle to support our revenue in the City.

Finance Director Blaze said negative annuity sounds like negative interest rates. Instead of putting your money with the bank or S&L and them paying you interest; negative interest rates you pay them to hold your money. It's an interesting world we are living in. So, questions? Anything else on General Government?

Let's just finish up really quick on Boards & Commissions because that's a really quick one, and then we could just do some general questions if anybody has anything. Let's go back to Page 18. That's just Planning Commission, Zoning Board, ABR.

Finance Assistant Osysko said the rates for those are all legislated by ordinance so they don't change on the Boards because they are all legislated by ordinance as to what each member gets.

Vice Mayor Grendel said it will be a little higher because we went many months without a Planning Commission member and everything this last year.

I see that you had OPERS at 14%, but are they still going to continue? Mayor, didn't we hear that OPERS, if your salary is under \$10,000 or \$11,000?

Councilperson Walchanowicz said under \$12,000.

Finance Director Blaze said that's a good question. That could be a cost savings for us right there with that, and I guess if you are saying that. I guess that calls in the question what we do for Council there?

Councilperson Trakas said I think to explain that, the person can get retirement benefits, but they can't buy time through that mechanism. In other words, people who are appointed to Boards and Commissions and elected officials are allowed to buy service time, 3 months for every year that they serve; but you have to make over \$12,000. So, the individual still gets a modest pension from the City or the State entity, but you can't buy service time.

Finance Director Blaze said so all of you Council Members, OPERS is not being cut out just because your salary is under \$12,000; you are still in OPERS. You just negated the possibility of acquiring purchasing service credit?

Councilperson Trakas said that is correct.

Finance Director Blaze said well that's heartwarming for Council.

Vice Mayor Grendel said that makes sense because we would have been notified.

Finance Assistant Osysko said I know the amount per month for OPERS has increased a little bit. So, if you only make \$200 a month you may not get a full credit month on that.

Finance Director Blaze said so they might get partial credit even if they don't make the \$200, or whatever the cutoff is. They still might be able to get a partial credit, so we will still have to

keep some OPERS figure in here because there are quite a few people on all these Boards and it doesn't amount to much. Nobody makes a ton of money, a couple of thousand each maybe, but they are still able to be in OPERS.

You will notice in General Government we have the Civil Serviced line. That doesn't mean the Civil Service Commission, that's just the cost for the exams I believe get budgeted out of that Civil Service line in General Government. This is just for the ladies and gentlemen who serve on all of our Boards and Commissions.

Councilperson Trakas said I have one request if we could. We had talked about making the Tree Commission operational in 2022, so if you could just add in the modest funds that go with that. I think there was a general thought that we would be able to do that in 2022.

Finance Director Blaze said I think all the tree huggers said they would volunteer their time Jim, so we won't have to plug in a budget number.

That's fine if Council and the Mayor choose to resurrect the Tree Commission, and those members will be compensated; we could certainly plug a figure for them. It's not a problem at all.

Vice Mayor Grendel said Jim I did put that in our committee assignments. I did put the Tree Commission in there and put you as the Council representative on that.

Councilperson Trakas replied okay, I accept. I have no choice actually, but that's okay.

Vice Mayor Grendel said the Mining Committee didn't have a budget or anything. We have Hemlock Trail, and that has to develop what that committee will become and everything.

Finance Director Blaze said since all of Council is either present or online, do you want to just quickly, it's 4:43 p.m., and we can easily go to 5:00 p.m. and still make the Planning Commission deadline. We could just talk about that Council budget since everybody is here.

Basically, Council wages have remained the same, and some of the explanation here we put why the part-time wage was requested to go up. There is a request for a part-time person to get into the department and start being trained as a backup to Debi. Then in General Supplies and Materials, for lack of a better category, had asked for some continuation on the update to the software so that what has been done with Council can now be done with all the Boards and Commissions and make the goal of all of them being more paperless. So, that is substantially the Council budget in a nutshell.

Mayor Kurtz asked where is the Clerk of Council?

Finance Director Blaze said she is in the part-time line.

Finance Assistant Osysko said no, she is in the wages.

Finance Director Blaze said Council is in the part-time wages, it's the other way around.

Mayor Kurtz said Debi just achieved another milestone, and so you may want to look at that in terms of, I know we have rewarded her in the past for another successful education milestone now. I think she just passed it last weekend, so you may want to adjust that.

Vice Mayor Grendel said I was thinking of giving her a bonus this year.

Mayor Kurtz said that would be for this year then, that's right. That is something we can do.

Vice Mayor Grendel said I can discuss that with Council.

Finance Director Blaze said if you are going to do that for 2021, you see that right now we are trending a little bit over the 2021 budget, but along with the 2022 temporary budget, we will probably be looking to correct a few things just like this in a final budget amendment. So, there will be two ordinances on the agenda; so if you give us a heads-up and we can throw some figure in there and make sure that anything Council desires to do before year end, we can easily accommodate it.

Vice Mayor Grendel said if Council Members could let me know what dollar amount so we can give the Finance Department a heads-up and everything regarding that. Let me know your thoughts before the Council meeting on Tuesday next week.

Mayor Kurtz said that would be great. I think everybody should weigh in before that.

Vice Mayor Grendel said so Jim and Kathleen and Kenn and Tom, let me know what your thoughts are as well as the gentlemen I have here and everything so we can formulate that bonus.

Finance Assistant Osysko said just one comment for Councilperson-Elect DiGeronimo, in case you are looking at this in detail. You see some of the November amounts, or the projected ones, it looks like they are higher than the 2021 budget, it's because we have encumbrances that have been carried forward. So, our expenses may look a little higher for that, but yet our budget looks like it is a little bit lower. I just wanted to make sure you knew that.

Finance Director Blaze said governmental accounting is (inaudible) to itself with encumbrances, appropriations.

Finance Assistant Osysko said I just wanted to make sure because there are a couple of them that are standing out to me, and I just want to make sure people know that.

Mayor Kurtz asked what else can we tackle?

Finance Director Blaze said we can do Finance right now if you want.

Finance Assistant Osysko said we have Legal.

Finance Director Blaze said the Legal might generate some discussion.

Mayor Kurtz said good, let's have the discussion.

Finance Director Blaze said it's a simple one because there is just one line.

Mayor Kurtz said I thought you were going to talk about Finance first. Let's do Finance first. We don't have anything until 5:30 p.m., so we are good.

Finance Director Blaze said for Finance, it's ranged anywhere from the upper \$400,000's to the low \$500,000's for the last 5 years. This year's budget is \$493,000, and it looks like we will just be a little over that; but Maggie mentioned that there could be some other encumbrances to cover that.

To explain the personnel, Renee Krysiak was part-time, but she was a lot part-time. She was a 30 plus hour part-timer. She retired this year, and we took Anissa Hansen who went from part-time in Service Department to part-time for us; and she is similar to Renee where she is a low 30 hour part-time employee. So, that was like a one-for-one trade as far as the cost.

Carrie Barner was full-time, and she left for a private sector position this year. Molly Snow was another very full-time/part-time; she was a 30 to 32 hour week employee. We modified her status to basically Carrie's, the full-time; but then we did not replace Molly. So, we actually have less employees than we did, and we did bring on a 8 to 10 hour part-timer to help with some payroll stuff. We are really not asking for much more than has been spent in the last number of years in that upper \$400,000's to \$500,000 range. It is not super complicated for our department.

Mayor Kurtz said the only thing that could have some impact. Right now we have the Finance Department helping with some of the HR, the technical side of things as Letitia is gone from HR, so it's a vacated position; and each Department Head is going to be more engaged with the hiring process since they are all responsible for their own people. So, between Finance and the Department Heads, until the holidays and all, we want to do the right thing for the long terms in terms of HR. I talked to some Mayors last week, and they don't even have HR Directors. Finance handles it. So, if Finance has to go up to help us, I don't want to stress Finance. If we have to bring somebody else on under Maggie and Vern's tutelage, I am very comfortable. Maggie has trained everyone that has been part of Finance, whether it be Anissa or Molly. They are just high performing people as a result of the interaction.

Vice Mayor Grendel said it seems like, I have been here 18 years, and that is the one department that it seems like the turnover has been tremendous. It's hard to keep an HR person more than a few years. Is that similar in other cities?

Mayor Kurtz said it's all over.

Finance Assistant Osysko said there have been 7.

Finance Director Blaze said Maggie keeps count. She knew right off the bat.

Mayor Kurtz said it's so interesting. I don't have a solution today. I don't have a clear path where we are going, but I know that the people we have brought on, the people today, they know what they want in terms of their departments; and the technical side of it with Maggie and Vern and their teams, they can handle that. A lot of other communities do that, but I am not going to place that burden permanently on them. I just think right now with the holidays, it's not the right time. If something comes our way, we are going to look at it. I'm fully trying to reinvent this whole thing because I truly want to empower the Department Heads to manage some of these situations.

So, I am meeting with some people later this week to talk about the different strategies of how different communities do things. There are different services out there, and I will work closely with Finance to make sure that our people are well taken care of; but we have good systems in place. We have good Finance leadership in place. So, we will lean on some of our vendors like Ohio Comp, and we have Oswald for our health insurance. It's not as though we are sitting there naked. We have good vendors that we can lean on a little bit. So, we will look at a long-term strategy.

Vice Mayor Grendel said I know in the past in contract negotiations, the HR person is the key person to provide information. How is that going to go forward as far as your efforts?

Mayor Kurtz said we are coming down the home stretch with 2 of our contracts, and Finance has been just very fluid in making sure that we have the information available or if we need fact checked, or if we need to go review what the impact of the Finance Department. They run the numbers, and Joe Lencewicz is the primary focus for our negotiations.

Vice Mayor Grendel asked does Joe have any personnel, or is he the main man?

Mayor Kurtz said we rely on him to focus on the logistics.

Vice Mayor Grendel said he doesn't have somebody that sometimes fills in for him.

Mayor Kurtz said every community is germane to their situation, their CBA. I think we are coming down the home stretch on a couple of them, and if that works that way then obviously it's not just resolving and passing legislation for CBA's, it's the implementation of the CBA. I think that is where we depend on our Department Heads to, they lean on Finance, but we depend on our Department Heads to make sure they implement contracts. That's why the few changes we are making is a result of what we have learned over the last couple of years. Our goal is to wrap them up before the end of the year, and if we are fortunate and we do that, then the implementation will be fluid, and the Department Heads will be right on top of it. It's a dynamic process.

Councilperson Walchanowicz said the only question I had, and it's a question coming from employees that have reached out to me. Until we have, whatever our plan is for Human

Resources, if they have an issue with something in their department, whether it's another employee or Director.

Mayor Kurtz said they go to their Department Head first.

Councilperson Walchanowicz asked what if the problem is with the Department Head?

Mayor Kurtz said then my office.

Councilperson Walchanowicz said I just want to be able to pass that information on to them.

Mayor Kurtz said unfortunately how it works, the buck always stops at the Mayor's office. So, our ultimate job is to facilitate decisions, facilitate information and facilitate making sure that our employees are taken care of and performing as well if they need something. It's a family affair, but that is the process we use.

If someone has a challenge with their Department Head, they always can come to my office.

Finance Director Blaze said we have 4 minutes. I don't know if we want to touch on Legal, or if there are any questions on Finance.

Councilperson Veverka said I would like to make a comment Vern. This is related to your comment about potentially these are the good old days depending on how legislation works out at the State level related to working from home, etc. I was very pleased when over this past year Council working with the Finance Department and was able to reduce the indebtedness by \$3,600,000. I guess my only comment along that line would be hopefully, and I have to believe you have been, taking a look at the indebtedness. We may be in a better position than we might be down the road to make some reductions in that. So, I can only assume that you have been taking a look at that, balancing the indebtedness to cash on hand, along with the potential that we have to reduce the indebtedness because if potentially the income begins to tail off, then we are in a less stable position to be able to handle that.

Finance Director Blaze said I think you have a lot of people sitting at the table and online that collectively, I don't want to use the word conservative as far as political, conservative, liberal, I am just saying financially a lot of us are more comfortable with less debt than more debt. I will just say that generically. So, I think we did a very good thing this year paying off those bonds that had the higher interest rate. We would certainly look at the going forward. I guess that would just be predicated on what is our cash position going to be going forward, and that's always driven by income tax. So, I think we will have an idea after a couple of months, the first quarter going into the second quarter in 2022. How income tax goes is how many cities in Ohio, including Independence go, and the more things stay the way they have been, the more opportunity we will have to do exactly what you just said, looking at paying off some more of the debt.

Now there may be some restrictions as far as, we paid off all the oldest debt; and some of the more recent debt may not be eligible for payment without penalty. So, there may be some restrictions to that; but since you brought up debt, at the end of this month, which is the end of this year, the City's total indebtedness will be down to \$23,200,000.

Vice Mayor Grendel asked what was it at its highest?

Finance Director Blaze said it was pushing \$40,000,000, a little over that.

Vice Mayor Grendel said almost half.

Finance Director Blaze said we are going to have \$20,000,000 in bonds. We have no more notes; so all those bonds are locked in. We have another \$3,000,000 plus at 0%, OPWC, Ohio Public Works Commission loans; so we just pay principle on those and no interest on those. Debt wise we are sitting in a good position right now. That's a shining star for the City.

Mayor Kurtz said at the Mayors' meeting, I was sitting with one of my colleagues, and they just did a bond issue. It's a 30 year bond, 2.7% or 2.9% for a new facility. It was over \$20,000,000. So, when I think about overall debt, I am like you, I want to take our debt down; but if we are going to be in need of certain facilities, the highest priority is going to be a new Service garage, then a Police station. I don't care if you renovate or you build new, we are talking tens of millions of dollars, not to discount our infrastructure needs. So, these are capital improvements, and when you can borrow money that cheap for 30 years, it's almost like. Remember when the situation was borrowing at 9% or 10% back in the 1980's? They made \$1,000,000 in interest.

Finance Director Blaze said and now we are talking negative interest rates.

Mayor Kurtz said so my point is that as we talk about debt. I have always been a big proponent of, I took over the one time and we were \$39,000,000 in debt and took it down to \$30,000,000 in 8 years. Now we keep clawing it down, but now the facilities need to be upgraded. I don't think we can manage debt if you know what you are getting; you take on \$20,000,000 in debt, but you know what you are getting, and the productivity is going to increase and protecting your equipment. Or in the Police station or whatever, it is a good investment. So, we are looking at that overall strategy, talking about that in the months to come.

Finance Director Blaze said ladies and gentlemen if you have any questions, keep going; but I know it is after 5:00 p.m., and Debi asked if we could have a hard stop so that she has enough time to get out of this meeting and get the Zoom ready for Planning Commission. We actually got 2 more departments done than we anticipated with the Council Office and the Finance Office being done; so we should have a very productive meeting on Thursday. As the Vice Mayor noted, a lot of those departments are not as complex as some of the ones we reviewed today, and then we don't have any backend meetings.

So, I personally thank everybody. I think it was a very good process, and we will continue it on Thursday; and I think we have made some substantial progress tonight. I am pleased the way it went.

Vice Mayor Grendel said it went very well. The Department Heads were prepared, and it was better to wait because you got us to almost the finish line. If we started 6 weeks ago, we would still be in the middle of the process; so I think it worked out better.

Mayor Kurtz said real time information.

Vice Mayor Grendel said again I appreciate all of your efforts Vern and Maggie. Thank you very much, and Dennis too. It made our job easier.

What we will do is we will take a motion to adjourn, and then we will pick this back up on Thursday at 3:00 p.m.

Moved by Veverka, seconded by Walchanowicz, to adjourn the Council Workshop of December 7, 2021. Voice Vote: 7 yes/0 no; motion carried.

There being no further business, the Council Workshop of December 7, 2021 was adjourned at 5:03 p.m.

Debra J. Beal, Clerk of Council
Minutes Unapproved at Time of Release 12/09/21
