

**NORTH RIDGEVILLE CITY COUNCIL
FINANCE COMMITTEE
MINUTES OF MEETING HELD
JULY 2, 2018**

To Order:

Chairman Martin DeVries called the meeting to order at 6:30 p.m. in Council Chambers at North Ridgeville City Hall, 7307 Avon Belden Road.

Attendance:

In attendance were Committee members Dennis Boose, Bruce Abens and Chairman Martin DeVries.

Also in attendance were Assistant Clerk of Council Tara Peet, Law Director Brian Moriarty, Mayor David Gillock, Auditor Jeff Wilcheck, Safety-Service Director Jeff Armbruster, Councilman Bob Chapek, Clerk of Council Nancy Linden and President Kevin Corcoran.

Minutes:

Chairman DeVries asked for any additions or corrections to the May 31, 2018 meeting minutes. No discussion was offered. The minutes stand approved as submitted.

T 52-2018 and T 62-2018:

Chairman DeVries asked Auditor Wilcheck for an explanation of the updates he provided to the Committee.

Auditor Wilcheck stated he tried to clean up section three specifying what would be retroactive. He stated the only thing that will be retroactive to January 1, 2018 will be the pension pick up. In section four, there are only five people that don't currently have leave banks. He explained the reason is because a prior deputy auditor defined how someone was determined salary versus hourly. Auditor Wilcheck stated the changes he made to the Ordinance is to correct those things and move forward. Auditor Wilcheck stated he and Brian came up with a formula to establish sick leave hours for those that don't have a bank. Employees earn 196 hours of sick a year per statute. He added that he and Brian arbitrarily picked sixty percent and ran different calculations and added this seemed to be the most fair.

Chairman DeVries asked if anyone on the Committee had questions about section three. No discussion was offered.

Chairman DeVries asked if anyone had questions on section four.

Law Director Moriarty stated in his research he couldn't find anything out there for a formula; this was the best thing he could come up with.

Councilman Boose asked what the cost will be instituting the formula to the City.

Auditor Wilcheck stated each position is different and some of the employees are fairly new so there will not be much time they have earned. Auditor Wilcheck used himself as an example and stated he will pick up a sick leave bank. He couldn't tell the Committee a number because it costs the City only if he actually uses sick time and only if he is with the City ten years and cashes sick time out. Auditor Wilcheck noted there are two positions, one of the positions the person has been with the City twenty years.

Councilman Boose stated he would like to know the cost before he recommends approval of something.

Mayor Gillock stated these five employees should have had leave banks anyway, so no matter the cost, they must be established. All the Ordinance did was bring that to light. Mayor Gillock noted that the compensation won't cost the City any more money than what it is paying now. The last three years of overtime was averaged along with the wage and that is how they came to the new salary.

Chairman DeVries asked what the estimates were.

Auditor Wilcheck stated he can pull numbers for the longer term employees and email those estimates to the Committee. He stated the other four newer employees will be of no cost to the City.

Auditor Wilcheck stated vacation banks are not established for those five employees. These banks will be established from last anniversary date less usage. If the City cannot fully account for usage, he will come up with a reasonable estimate. The Mayor will be the sign off on the reasonable estimate. The five positions have also been denied the personal leave and those banks will be established as well.

Mayor Gillock stated the vacation bank won't be very much because the vacation bank schedule is dictated by the AFSCME contract and stipulates what can be carried over.

Councilman Boose stated there are employees that have taken vacation and no one knows how much they have actually taken or if they have gone over the prescribed allotment.

Auditor Wilcheck stated he could not attest to that. He added that two of the positions are people that started this year and they will be an easy fix. They won't have any carryover vacation. Two other employees may have one week to carryover.

Councilman Boose asked Auditor Wilcheck if he was correct in assuming that no one will have more in their bank than they should.

Auditor Wilcheck stated that was correct.

Councilman Boose asked the Auditor who would track all of these banks.

Auditor Wilcheck stated he has to meet with Zashin and Rich to get guidance on some items in the Ordinance to include tracking.

Mayor Gillock stated the Auditor will track all leave banks in the interim. He further added that this was why a Human Resources person was badly needed. The HR person would handle the tracking of leave banks.

Chairman DeVries asked when the next meeting was with Michelle from Zashin and Rich.

Auditor Wilcheck stated April has been the point of contact with Michelle but Michelle does know that this document will be coming to her for review.

Chairman DeVries asked if anyone had questions on sections five, six or seven.

Auditor Wilcheck stated he hasn't calculated the cost for merit or comp time. He felt that the employee earned those hours as an hourly employee and they are entitled to those hours. He stated he would go back and calculate those numbers, but either way the City was required to pay it out.

Councilman Boose asked how time off was managed but vacation wasn't tracked or managed.

Auditor Wilcheck stated all hourly employees have leave banks that exist and are tracked.

Mayor Gillock stated most employees send me an email when they are going to be on vacation and so he has a fair idea what a reasonable bank will be for vacation.

Mayor Gillock stated Michelle Jacobs will look over this but it was Clemans Nelson who wrote this Ordinance and they will have first oversight on the document.

Auditor Wilcheck stated the starting point for this document was the AFSCME contract. He stated many of the things from the contract did not work for salary employees.

Councilman Boose reiterated that he wanted to see the cost associated with everything before this is passed. He asked about section seven in regard to the language that stated a merit increase will not increase the base salary and how that will work. Councilman Boose further asked if that was how it was currently being done.

Auditor Wilcheck stated non-bargaining units get a two percent step increase for merit. A merit increase for salary individuals will have to be worked out. He stated the intent is to slow down the progression through the salary.

Councilman Boose noted in the private sector that was called a bonus.

Mayor Gillock stated the non-bargaining unit employees get the average raise of the three union contracts which currently is 2.35%. The salaries will increase within their range. Merit increases will be treated like a bonus, outside of the salary. He explained that the unions get scheduled increases and then they cap out.

Councilman Boose stated the City will be save dollars if merit increases are instituted through a bonus rather than added on to the salary.

Mayor Gillock stated that was correct.

Auditor Wilcheck stated there are five positions outside of the salary survey range. Those five employees will not be eligible for the average of the union contracts also known as the cost of living increase. He noted that the ranges were calculated by looking at the salary survey ranges, the average of the last three years of overtime and the value of the compensatory time earned. All other employees would receive the average of the three contracts, or cost of living increase, annually.

Mayor Gillock stated the five positions are actually paid better than the salary survey ranges provided to the City and they will remain frozen until their ranges hit their wage.

Councilman Boose asked if anyone considered that some departments are understaffed which would cause an increase in overtime numbers when calculating the average of the past three years in overtime.

Mayor Gillock stated he didn't think that was the case for any of the five positions that are currently over the wage scale. He did state the Building Department has been down one employee, but everyone else is fully staffed.

Chairman DeVries stated there is a public hearing at 7:00 p.m. and the Committee is running out of time. He further added this was an ongoing discussion and fact finding process. He asked if anyone else had any other comments or questions.

President Corcoran stated he had a general comment. He noted in the last Finance Committee meeting, there was an overall discussion about capping some of the fringe benefits and reducing spending to save money for the City. The new revision of the Ordinance provided to the Committee by Auditor Wilcheck has additional benefits added in that are not currently given to union and non-union employees. President Corcoran stated the original intent was to eliminate overtime and save money. He further added he was puzzled and annoyed and felt the Ordinance was going in the wrong direction.

Mayor Gillock stated Mr. Corcoran wasn't at the beginning part of today's Committee meeting when this was discussed. Mayor Gillock stated it has been discovered that some benefits need paid that currently aren't being paid. Those benefits need paid to make things right.

President Corcoran stated he understood that, but that was not what he was referring to. He stated that in the current revision provided, longevity was changed to give employees longevity at year two instead...

Mayor Gillock interrupted President Corcoran and stated the employees are currently afforded these things and they cannot be taken away.

President Corcoran stated there was discussion about phasing out longevity, but instead in the revision, the City is providing it in year two.

Chairman DeVries stated this was just an information gathering session. He further added he agreed with President Corcoran that the City had to get a handle on how money is being spent. He added the Committee had a very long way to go on this Ordinance. Chairman DeVries stated he was not dismissing anyone's comments, but the Committee was out of time.

Chairman DeVries adjourned the meeting at 7:04 p.m.

These minutes were approved on _____.

Tara L. Peet, MMC
Assistant Clerk of Council