The Finance Committee for the Village of Monroeville met on Thursday, 5/4/23, at 6:00 PM, in the Council Chambers, for the purpose of discussing the wage ordinance.

Present were: Mayor Fries-Seip, Chris Raftery, Craig Franklin, Joe Galea, Bob Whitacre, Sam Wiley, Tom Gray, Bonnie Beck, Heather Alicea, Chief Gary Lyons, Lieutenant Troy Kimball and Officer Nick Meyer.

Chris opened the meeting and said she would like to discuss the wage range proposal that she put together, as well as the $5.00 per hour wage increase that was proposed at the prior finance meeting. Chris said how important it is to retain employees and keep them happy. Currently, we need police officers, as well as Water and Street Department employees. That being said, Chris asked everyone to look at the ranges and current pay now versus the $5.00 per hour increase proposal. Craig asked if this can be addressed during a motion at the next Council meeting. Chris said it could be, if everyone comes to an agreement during this meeting. Her first proposal is agreeing on the ranges and her second proposal is the $5.00 per hour increase. Sam said he knows it was previously discussed in regards to where this money was going to come from, as well as addressing possible income tax reciprocity. Chris told Sam he is getting a little ahead of where they are, and asked him to step back for a moment. Chris said they are looking for a means of paying the increase and there is no current rainy-day fund, but there are GATSO traffic camera citation funds. There is over $1,000,000 in that account, that is the net after the fees. Chris’s proposal is to take funds from that account to fund a pay increase, if it’s deemed necessary to do so. Bonnie explained there isn’t a separate account or fund for GATSO. The GATSO funds go into the General Account. Joe asked Bonnie to confirm that the GATSO funds are for safety-related items. Bonnie confirmed that is what the Ordinance says. Joe asked if that limits the allocation of the funds to law enforcement and/or other departments. Bonnie said law enforcement and a portion of the Street Department, and that the utility funds are user fee based. Joe advised everyone needs to keep in mind which pots of money are used for what and to also consider what Sam mentioned in regards to tax reciprocity. Chris said she looks at it from a safety aspect, in regards to having enough personnel to be able to maintain all of the departments. If there aren’t enough funds, that can turn into a safety issue. The Mayor said we could be one accident, one illness, or one rainy day from harm in all the departments. If we have to contract someone in to do the work, it’s going to cost more. The Mayor wants to see our workforce bolstered in order to avoid these issues. If the police department loses any more workers, overtime will have to be utilized, which is going to cause burnout. Craig said that while not taking away anything from the other departments, speaking on the law enforcement side, it’s a fight just getting job applicants. Health insurance and pension have to be factored in, as well as burn out. There are only six candidates in the current EHOVE police academy class. Chief said he also reached out to Sandusky Academy. They have eleven candidates and five flunked their final physical. Chief asked their instructor if anyone would be interested in applying with the Village, and provided him the wage range. The instructor advised Chief that four of the candidates have been spoken for. Chief said he was able to get Jonah’s interest by contacting the Norwalk PD. Joe asked Chief if our current part-timers would apply for full-time employment if the $5 per hour increase is approved. Chief said he has one part-timer that has expressed interest and if they apply and are hired, he will then need to hire another part-timer. Craig said the same thing is happening in the Water and Electric Departments. We are training people and then they leave to go somewhere else for more money. Chief said Kyle Sheehan makes $24.50 per hour in his current employment with University Hospital. When Chief told Kyle that he may be able to make full-time pay of $23.80 to $25 per hour here in the Village, Kyle was interested in applying. Chief said Kyle always wanted to work here full-time, but has to make enough money to afford it, and he makes $24.50 per hour at University Hospital. Sam asked if the argument can be made that clean water is a safety issue. The Mayor said the way she understands, if the money is in the General Fund, they can use it as they need to use it and she asked Bonnie if she is correct in that assumption. Bonnie explained Council can’t use it on the utility funds. General fund money can only be used for general fund expenditures. Water, sewer, electric and a portion of the streets and highways isn’t part of the general fund. Joe said he understands what Craig is saying, that law enforcement needs to be prioritized but Council also needs to recognize that if they can pay for both they will. Craig said that is correct, as we lost two full-time police officers, and we lost someone in the Water Department. Tom said Craig is correct, and that it’s a hiring issue as well as trying to retain staff. Craig said people come here to get experience and then leave for more money. Chief said typically, that is how they were able to survive, by using the part-timers to fill a void. They use to get six to eight applicants a year and that isn’t happening anymore. Chris said we have to look beyond the Police Department, and look at the Village as a whole. Craig agreed. Bob said one thing at a time. Bob said if the general fund can be used for the Police Department, as least that problem would be alleviated. It can’t be used for the utilities and the other departments. Bonnie said Council can change the Ordinance. Right now, the Ordinance says the General Fund is for safety purposes within the General Fund. Council can change the Ordinance and allocate that money wherever they want. She had suggested that back in January 2023. Joe said they still need to be cautious as GATSO money still has a safety purpose. Bonnie said she would be hesitant to use it for any of the Enterprise Funds as the ORC is pretty strict about that. Bonnie had made the suggestion previously, out loud and in writing, to use some of the funds for sidewalks, as the current sidewalks are a huge safety issue. Joe confirmed that he remembers that. Sam said we need to look at how we’re funding ourselves. Joe mentioned Willard doing reciprocity. Chris said that is not an overnight process, and it doesn’t fix the issue we are having now. Bonnie looked into reciprocity four to five years ago, but she can go back and look at the number to see the difference it would make. She knows it’s not a huge number. The Mayor verified that reciprocity needs to be reviewed, as some people who live in the Village aren’t contributing anything to the streets and roads. Joe asked Bonnie if a $5 per hour wage increase can fit in the budget this year. Bonnie asked if this is in addition to the 8.7% increase we already received. Chris and Joe confirmed. Bonnie said we have five funds that are already in the reserves this year: the electric fund is $637,000, sewer is $176,000, water is $97,000, and the general fund is $92,000. Granted, Bonnie is comfortable with where we are at with the reserves but this is the third year in a row that we are chipping away at the reserves. The cost of materials is skyrocketing, Tom previously shared that with Council as well. Bonnie is concerned with where we are going with the way finances are outside right now. Supply and demand is high. This is the 3rd year in a row we have had a purchase order for trucks for the Street and Water Departments. Bonnie said she doesn’t know where we are going financially on the expenditure side as prices are ballooning. That is why she is hesitant and wants everyone to step back and look at the whole picture. She isn’t opposed to the $5.00 per hour increase and isn’t telling Council not to do it, but maybe we should look at a couple dollars instead and see where we are. Chris asked Bonnie to explain the reserves. Bonnie said we have X amount of dollars that are brought in through revenue and she bases our revenue on history. This year was a little different in the General Fund, because we have $1,000,000 in the revenue just for GATSO, as well as property taxes and all the other stuff. You have the revenue, and then she bases the budget off that revenue. She isn’t supposed to budget beyond what she thinks we can bring in. At the end of last year, we had X amount of dollars left that we didn’t spend and that could build or be depleted, it just depends. That is the reserves and it changes every year. It depends on how the financials go for the entire year. If we bring in the anticipated revenue, that is great. If not, it’s not so great. We don’t know if we are going to expend what is budgeted. Council is provided the expenditures every month and there have been expenditures that weren’t budgeted. Everything is called anticipated for a reason, with revenue and expenditures. History is based on the prior three years. Bonnie isn’t advising Council not to do this, and she is hesitant about a $5 per hour increase, but Council has the final say. Bonnie cares about the budget and is protective about it, and she can’t apologize for that. Joe agreed, and said there is no question that the budget has to be watched. Bob asked if a lower increase can be done, maybe $2-$3 per hour. Bonnie said she and another employee are two of the top paid in the Village. If Council does the $5 pay increase, that is almost a $9 per hour increase over the past two years for herself and the other employee, taking into consideration the $3 increase and the 8.7% COLA increase that was previously given. Bob asked if Council can break it down position by position and not do $5 for everyone. Chris said she feels no, as that is being selective and it’s not equal across the board that way. Bob said life isn’t equal. Sam asked if the Administrators can be kept out of an increase. Heather asked him what he means. Sam asked if Bonnie, Tom and Chief can be kept separate, without an increase. Tom said the intent is to live within our means, and to establish a wage and salary plan with the appropriate ranges and this has been talked about for a number of months. They’ve talked about future proofing the positions of the Administrators and staff and establishing the ability to hire into jobs in the Village. We’re approaching a crisis point and we need to have a package that bundles the resources and the funding from the GATSO and provides stability and assurance to our workforce. The ranges appear to be within the right field. Hopefully we can get there with the $5 per hour increase. We can make this fit, even though it’s not an easy decision. Bonnie said she hopes to create different levels within the positions in order to retain employees. Employees who have left haven’t always left because of money, some left because they feel there is no room to advance. Creating levels with proper pay ranges creates stay-ability. Heather confirmed that is what she is concerned about as well. She said if she works towards and obtains her CMC, she wants to be able to advance and keep advancing, and receive the proper pay raises while advancing. Heather recommended that Council also keep in mind that although GATSO cameras are bringing in funds at the moment, it is never 100% guaranteed that the cameras can be kept on to ensure the funds keep coming in. Chris asked Heather what she proposes for everyone. Heather said she thinks Council needs to take everything that Bonnie already explained into consideration, from the wages, to the expenditures, to the increase in costs for materials, etc. Heather said she has a family to support as well and would love to see a $5 increase, but everything within the budget has to be taken into consideration. Chris asked Heather what does that do for the Police Department who is on bare bones right now and how does Council attract someone when the wages aren’t there. Bonnie reminded Chris it’s not just the Police Department. Heather advised there is no guarantee that we will attract applicants, even with a $5 per hour increase. We’ve already done recent wage increases and we still have turn over. We’ve reached out to other municipalities to see what they are doing and they are facing the same hiring crisis. Tom told Heather her idea to remain stagnant is not the right approach. Heather advised that’s not what she said, and Bonnie agreed that is not what Heather said. Heather explained that what said is that a $5 per hour increase does not guarantee job applicants. Chris asked what Heather’s solution is to making the workforce whole while not putting one department over another department. Heather advised perhaps Council should look at less of an increase, as Bob suggested earlier, maybe in the $2-$3 range. It still allows job applicants to be attracted, but also keeps the budget whole, while allowing Council to address the wage ranges and the levels. A $5 increase is big, and Heather understands why Bonnie explained the same thing earlier and why she is protective of the budget. Chief said he did some projection based on the current budget and making assumptions of being able to hire someone full time by June 26th is a huge stretch. With the wages, pension and Workers Comp, he projects he will need about $20,000 this year at most. Chief advised, just like with what Heather said, he can’t guarantee that a $5 per hour wage increase will guarantee job applicants. Chief said that kind of increase would put us in the ballpark of where we need to be, and anything less is not going to attract anybody. Chief said at least we’ve tried if we do the $5 per hour increase. Joe asked if we do this over two years, does it allow us to attract people while spreading out the pain of the increase. Chief said there is no guarantee to anything, it’s a competitive market right now. Chris said let’s go back and see what GATSO funds can and cannot do. As the Ordinance is written, GATSO cannot fund anything enterprise driven. Bonnie verified it’s anything outside of the General Fund. Chris asked what would it take to change the Ordinance to allow Council to do that. Bonnie explained Council would need to decide how they want the allocations to be. The Mayor asked about the ORC policy. Bonnie said she would have to check the ORC guidelines to see how Enterprise Funds are governed and what they can and cannot do. Joe said that per the recent utility meeting, rate increases were discussed and he is concerned with how to sell rate increases with segregated money. He said he is concerned that a resident will complain about a rate increase and may tell us to put up another traffic camera to pay for things, and that isn’t how the Village should be doing business, it puts us down the wrong path. He doesn’t think the Water or Electric Department employees should be hired using funds from the traffic cameras. Craig verified, and said those funds may not always be there and Bob agreed. Bob said the cameras can be turned on and off and Craig verified and said people don’t always pay the citations either. Joe said if increases are done for the Police Department based on GATSO funds and the cameras go away, a fallback would be to go to the voters and look at adding a levy. Craig said the GATSO funds can fluctuate and it’s not a consistent revenue source. Bob agreed, and said it’s a short-term fix for a long-term problem. Bonnie said if the cameras continue to stay on, we will almost be a full year into having the camera revenue. We’ve had the cameras since 2016 and we’ve not yet reached a full year of collections. Sam said at any time, those cameras could be turned off. Bonnie said Craig is correct, in November/December last year, we were bringing in $80,000-$90,000, now we’re bringing in $34,000-$35,000. The GATSO income has gone down significantly in the past few months. Chief said there is nothing in the legislature or in the court dockets right now that is challenging photo enforcement. He thinks it’s safe to say, fingers crossed, that we’re good for this year. To date, GATSO has collected $398,000 for this year. We get 63% of that revenue, which is $257,886. The Mayor advised there are six employees who make up the Water/Wastewater and Electric Departments, and they would not get the increase from this funding source. The Mayor asked if an Administrative staff pay increase could be paid from the General Fund. Bonnie said the Administrative staff is paid out of all the funds since they represent all of the departments. The wages are allocated as to where the Administrative staff puts their time. The bulk of it is from the General Fund, and some out of the utility funds. Bob asked what the annual payroll is. Bonnie advised she would have to check and the Police Department is the biggest since they have the most employees. Chief advised for this year’s approved budget, with full-time and part-time salary, pension, Medicare, and Workers Comp, they are budgeting $368,368 for personnel. Craig asked if healthcare costs have gone up for employees. Bonnie said that will be presented at the next Council meeting, as cost only went up 3.61% this year. Chris said going back to the reciprocity issue, we need a fix now and then hopefully reciprocity can come in later. Chris asked if reciprocity money would go into the General Fund. Bonnie confirmed, as that is income tax money. Chris asked if they are able to pull that out for salaries. Bonnie said nothing pulled from the General Fund is specific, it’s like a big bucket of money. It’s then allocated to each one of the areas in the General Fund. If Council wants the reciprocity to go into an account and be paid from that and stipulate on how it’s spent, they can make that decision. Chris wants to know about the access of it, to be able to take those dollars and apply them accordingly. Chris asked if it’s doable to take care of the pay increase out of the General Fund, if there is enough money, and take the Police Departments increase out of GATSO funds. Bonnie asked Council if they want her to have a separate fund for GATSO. Right now, it goes all into the General Fund, which is mixed all together with everything else. Chris asked if it’s easier to keep track of if it’s separate. Bonnie confirmed. The Mayor said she is confused and asked Bonnie to confirm that if once the funds go into the General Fund, are those funds able to be used for general things. Bonnie said it’s only for General Fund purposes. Bonnie said she would have to do that for every single revenue source that they have. The Mayor said she doesn’t want us to do that and Bonnie confirmed that is what she is asking. Bonnie said she has a separate line item for it but she can create a separate fund for it within the General Fund, just like they did for Capital Projects. Capital Projects go in the General Fund, but it’s a fund all to itself. The Mayor asked if once then funds are in the General Fund, can it be used for general spending purposes. Bonnie confirmed. The Mayor said nothing would need to be said about salaries bring increased using only GATSO funds, but came from the General Fund. Chris confirmed, and advised it can be said that funds didn’t come out of the Enterprise Funds either. Bonnie said any expenditures for the General Fund come out of the revenues from the General Fund. She has a line item for each item, like income tax, GATSO, property taxes, etc. It’s all in a fund that you can pull from to pay for anything that has an expenditure in the General Fund. She has line items for all of that too, but it’s all coming from the General Fund. Chris asked if Council is permitted to do a $5 increase per employee, per hour, using the General Fund. Bonnie confirmed, but asked what about the employees paid from the Enterprise Funds and the Street Department. The Mayor asked if part of a Street Department pay increase can come from this, and Bonnie confirmed just a part of it, around 27%. You can’t pay Enterprise Fund employees out of the General Fund. That being said, if Council agrees on increasing the water and sewer rates at the next Council meeting, now more money will need to be added to the expenditure side. Bonnie has said her piece and Council is the one that makes the decision. The Mayor said she missed the last utility meeting, and asked Tom if wage increases were considered when John Courtney came up with the rate figures. Tom confirmed John took the historic revenue and built in a projected cost of inflation to the accounts. Bonnie said John generally bases it on 3% increase across the board. Chief advised if he understands correctly, the Fiscal Officer and Administrative staff are paid out of a certain percentage of the Enterprise Funds. Chief asked if it’s possible to switch that over and have it all come out of the General Fund, which would help free up funds to put towards the employees that have to be paid out of the Enterprise Funds. Bonnie said she doesn’t think that’s possible, as that pay is based on how much time the Administrative staff spend in each department, like when the Administrative staff is running utility bills, taking utility payments, doing all the reports, etc., it’s utility work. Chief asked if that’s required by law or is that our policy. Bonnie said our auditors have asked us to do our timesheets that way, so she is assuming it’s required. Chief said it’s just an idea. Discussion regarding the current number of full-time and part-time employees we have, with a $5 per hour increase, and taking into consideration pension, Medicaid, etc., and its impact to the budget. Bob said it’s hard to okay something when they don’t know if they have the money to pay for it. Joe said it’s a good idea to ID the revenue stream before making decisions. Bob doesn’t feel comfortable doing anything unless he knows they have the funds to do it. Sam said it seems we are trying to do two different things at the same time. One is getting the Ordinance to show the various steps, regardless of the pay rate. They have different job descriptions and identifying what the steps are and that’s one thing that still has to be decided and the other thing is also deciding on what the wages are for each of the steps. He feels like we are trying to do both at the same time and Joe and Heather agreed. Joe said one alternative is doing a more modest increase with a sign-on bonus across the board or a retention bonus, which may help attract and retain employees. Chief said he would have to work the numbers to see if it would attract anybody and see how much would have to be paid to retain people. Bonnie asked if an agreement would be done with a bonus. Council confirmed they would have to. Chief suggested a five-year bonus paid each year they are employed and then deciding what bonus to pay the current employees to keep them here, with a five-year agreement as well. The Mayor said that in her discussion with Chief earlier this week, he talked about the struggle with the MPD’s schedule and how vacation time is off the table right now. The MPD are too short-staffed, and policy says vacation time can’t be used if it results in paying overtime to staff. Bonnie asked where that is stated. Chief said he thinks the personnel manual says it and it’s also listed on the leave form. Lieutenant says vacation time can’t be scheduled if it results in overtime. He currently does the schedule and he can barely fit any vacation time in, maybe a day or two here or there. Bonnie said the Water/Wastewater Department has the same issue. Don and Wes are two of the highest paid employees, and they can barely use their vacation time as well, and are on overtime a lot. Council has paid Don his unused vacation about three years in a row. Sam asked Nick Meyer for his thoughts on the discussion. Nick said he’s been approached by other departments but he is loyal. Sam asked what it would take to keep him here. Nick said it’s hard for anybody to take vacation. He’s needed surgery on his wrist since October and he’s put it off because of lack of coverage. He doesn’t want to put his department in the position where shifts aren’t covered. The part-timers don’t want to work for less money when they have their day off from their full-time job or they need that day off to spend time with their family. Nick said doesn’t know what the other Village departments are looking at, but he knows the MPD applicants that have applied don’t qualify. One of the officers that recently left, Jordan Hanuscin, wanted to have the ability to advance and progress and he couldn’t. Officer Silvers is one of the best part-time officers and works all the time, but he is going to Avon Lake for substantially more pay. He knows the Village of Monroeville will never be Avon Lake, as we don’t have the people or the industry. A lot of people in the law enforcement field are leaving their current jobs for more money with another agency, even if it means losing their seniority. Nick says he doesn’t do this for the money, as he was making more money before he was a police officer. He just moved his family closer to town so that his kids can stay in the school district and he is closer to work. Sam and Bob thanked him for that. Nick said right now, it’s very difficult to take vacation and the MPD staff come in and work when they are sick as well.

Chris advised there is a problem and asked what can be done about it, and asked if a decision can be made tonight. Joe asked Bonnie if she can prepare an analysis of a wage increase of $4 versus $5 per hour, showing how it will impact the budget. Bonnie confirmed, but it will take time and she will not be ready by the next Council meeting. Joe said he understands action needs taken, and that he wishes it could be done faster for everyone’s benefit. Chief said even if they were to hire someone today, it would take 2-3 months to get them acclimated, and every time we delay making a decision, it pushes down the ability for the current officers to take vacation or use sick time. Chief understands the severity of the decision and also understands what it’s going to cost the Police Department every time a decision is delayed. Bonnie asked Chief, when this was all presented, she saw where his original proposal included a senior police officer and she asked if he still wanted that position. He said he modified it and decided to do step 1, step 2, step 3, which took the place of the senior officer. Bonnie wanted to confirm as there were steps in the Administrative Office position proposal as well. The Mayor asked if there are any other positions that need filled currently. Tom confirmed there is still a posting in the Water/Wastewater Department, and he will be asking Council to fill a Street Department position as well, and part-time employment at the next Council meeting. Tom would like to be able to hire at a higher grade level across the board. The Mayor said Tom is a master mind when it comes to things with all of the work he’s done with the Electric Department, with solar and with transmission costs. The Mayor asked Tom if there’s anything that can be done to hep fund the enterprise accounts. Tom said that in his next Council packet, they will see with the Electric Fund in particular, the transmission and capacity and the solar/renewable energy credits that have just been brokered by AMP on our behalf amount to a $374,000 savings in cost for 2023. Those are real numbers that we will avoid having to pay. The comparison to that is the solar renewable energy credits will be showing up to the tune of about $138,000 in the next power bill we receive. That equates to a 3 to 3.5 cents per kilowatt hour reduction, which helps our wholesale cost. Unfortunately for water and sewer, less water is being consumed and the water costs more to treat. The sewer plant cost of doing business has gone up and overtime is being utilized. Rick and the new hire can’t fill the tasks of running the plant and being operators of record. If we start training someone and get them to be an operator of record, that will lessen the overtime being paid and put dollars back into payroll, which can help fund a higher-level position. We have to be able to be competitive and hire people. Combined sewer overflow requirements will require decisions soon as well. The cost of doing business is going up. The cost of living is going up. The collective goal is to bring strength to each one of our areas of operations. Tom said he is optimistic we will get there and bring this to fruition. Sam asked what if Council address’ a wage increase for everyone right now, except the employees paid from the Enterprise Funds, and then figure out an increase for those employees later. Tom said no, that would cause immediate discord. The Mayor said the Electric Fund is stable and can support an increase and Tom confirmed. The Mayor said the Enterprise Funds still need some work. Joe said if Council tasks Bonnie with doing the analysis and Council sees what the budget would look like, could decisions be made within the next month at the next Finance meeting. Bonnie said she can do the analysis with $2, $3, $4, and $5 per hour. Chris asked if it can be departmentalized. Bonnie confirmed. Chris told Chief she knows that pushes his calendar out a bit. Bonnie confirmed she will do the best she can to do it in the next two weeks. Bonnie asked if everyone is okay with the level’s she sent out previously, in February. Chris said she created level’s as well. Bonnie said Chris’s didn’t include the ones Bonnie sent out in February.

Chris said that Chief had requested a change in section 2: *A newly appointed Police Department employee shall serve a probationary period of six months and until such time that the probationary period has ended, the probationary employee shall not receive an annual pay increase and annual pay increases are not retroactive at the end of the probationary period.* Chief confirmed he wants that language removed. Chris advised she will make sure that it gets addressed in the form of a motion at the next Council meeting. Bonnie asked if Chris is taking that from the wage Ordinance and Chris confirmed, it’s in section 2.

It was decided another Finance meeting will be held on Tuesday, 5/16/23, at 6pm.

There being no other finance business to come before them, the meeting adjourned at 7:30 PM.

Respectfully submitted,

Heather Alicia