

**FINANCE COMMITTEE MINUTES
OCTOBER 20, 2020**

The Finance Committee meeting was held on October 20, 2020 at North Royalton City Hall, 14600 State Road. The meeting was called to order at 6:04 p.m.

PRESENT: **Committee Members:** Chair Paul Marnecheck, Vice Chair Mike Vos, Linda Barath; **Council:** Jeremy Dietrich, Vincent Weimer, Jessica Fenos, Joanne Krejci **Administration:** Mayor Larry Antoskiewicz, Law Director Thomas Kelly, Fire Chief Robert Chegan, Police Chief Ken Bilinovich, Finance Director Eric Dean; **Other:** Bill and Diane Matronicholas; Marty Toukonen

Approval of September 15, 2020 Finance Committee minutes. Moved by Mr. Marnecheck, seconded by Ms. Barath Yeas: **3**. Nays: **0**. **Motion carried.**

UNFINISHED BUSINESS

1. Monthly Finance report including tax collections status

See attached handout.

2. Overtime

See attached handout.

3. Jail Task Force Update

Mr. Toukonen states our next meeting is Monday, October 26 at 4:00 p.m. we are still in the data collection phase. We are hoping to report some good news to you in November.

4. COVID Relief Funds

Mr. Dean states in regard to the CARES Act fund that the City has received, we have received all the money that we are going to get for the year. There are three payments, I just reported the first two payments. Those payments are really restricted for any expenses that the City would have for COVID responses. I have been working with the Chief and Mayor to figure out how that money will be allocated. It is in a separate fund; it is federal money so we are going to have a single audit at the end of the year next year which means it will be a little more detail when they do these audits. They will look at that specifically because of the federal money. We are looking at a lot of the first responders, EMS, equipment, supplies that is where we are really seeing the City's exposure, anything that the City has that is related to COVID and our responses can be used with these funds. I am pretty confident that we are going to be able to use them all.

NEW BUSINESS

1. 2021 Budget

Mr. Marnecheck states we can plan on seeing a draft of the 2021 Budget on November 13. On November 25 the questions will be due to the Finance Director. We will do a Special Finance Committee meeting on December 1. Usually in December we recess all committee meetings, we keep Council meeting. If need, we can do a Special Finance Committee meeting on Saturday, December 5 or 12. We will do Third Reading on December 15.

Health Insurance

Mr. Kelly states the Administration will be coming to you all on November 4 with legislation for the approval of our Health Insurance premium agreement. We are going to be asking that you approve it that night. That means it is essentially a one reading experience. This has been in some respects the difficulty that other Councils have faced year in and year out, it has to do with the nature of the insurance industry. They will not give us a quote for our premium until they have at least got $\frac{3}{4}$ of the year worth of experience to be able to look back on to quote the premium. That being the case, in this instance, we need to have our open enrollment for all of our employees particularly the Collective Bargaining employees between November 5 and, roughly December 7 so that we can essentially get everybody lined up for their health insurance for the following year. You probably all know this, if you don't then I will tell you, if I am repeating myself just bear with me. For many years we suffered double digit increases annually with our health insurance and so did everyone else. About 3 $\frac{1}{2}$ years ago we looked for another way out, we pressured our broker into working with us to form a consortium that we now and we are a member of a six-community consortium that includes Strongsville, Mayfield Heights, South Euclid, Willoughby and Wadsworth. As a result of that we have been very successful and the consortium has been very successful. Mr. Dean can contest to that, as he was their Treasurer for 3 years. We were able over the past 2 years to have zero increases; that is unheard of. This year our utilization rate, however is 99% through mid-September or late September. At a 99% utilization rate, we cannot expect to have another zero year. Preliminary they have given us an estimate of a 9% increase that however, is the beginning point for negotiations, we anticipate that we will be able to bring that down and that the broker will be able to bring that down, we should be able to bring to you, in the first meeting in November a more acceptable level of increase. That is by way of getting you ready for the fact that we are in a time squeeze, we get squeezed by the insurance industry before the end of October and we get squeezed by open enrollment and our collective bargaining agreements thereafter. That is the reason why you are only going to get one meeting to ponder this and discuss it and have it in front of you. We will get it to you as soon as we have it, as soon as they can confirm for us what the fixed increase is likely to be.

Mr. Dietrich states who does the negotiating?

Mr. Kelly states Fidelity, our broker. The carrier has been Medical Mutual, I expect it to still be Medical Mutual.

Mr. Dietrich states do you talk to Fidelity?

Mr. Kelly states Donna Vozar mostly does that, it is part of her responsibility in HR, she is on the phone with them regularly.

Mr. Dietrich states does it help with negotiating, to talk to other insurance companies?

Mr. Kelly states yes, we can look at other brokers in the spring and see what other type of competition we can bring. They wouldn't be able to quote us, we would be looking to see whether or not we want to switch brokers. The insurance industry is the insurance industry, the broker whomever you put your trust into to serve as your broker, they negotiate, they compare the prices, they bring you the different offers. But you already selected that broker to serve you as your representative. In this instance we have had Fidelity for over 20 years.

Mr. Dietrich states we are in a consortium, so I am guessing Fidelity is also the broker and negotiator for the rest of the municipalities? If we stay with the consortium, we have to talk to the other cities.

Mayor states it is either that or you break away from the consortium.

Mr. Dietrich states in this situation, if we utilize 99%, it is kind of good to be part of a team.

Mr. Kelly states this is what killed us in the past, we had a small pool of 150 employees and families and that is not enough to move the dial when it comes to the insurance concern. With the consortium there is over a thousand.

ADJOURNMENT

Moved by Mr. Marnecheck, seconded by Mr. Wos to **adjourn the October 20, 2020 Finance Committee meeting**. Yeas: 3. Nays: 0. **Motion carried.**

Meeting adjourned at 6:32 p.m.