

FINANCE COMMITTEE MINUTES
JUNE 21, 2022

The Finance Committee meeting was held on June 21, 2022, at North Royalton City Hall, 14600 State Road. The meeting was called to order at 7:00 p.m.

PRESENT: **Committee Members:** Chair Paul Marnecheck, Vice Chair Mike Vos, Linda Barath; **Council:** John Nickell, Dawn Carbone-McDonald, Joanne Krejci, Jeremy Dietrich; **Administration:** Mayor Larry Antoskiewicz, Finance Director Jenny Esarey, Law Director Tom Kelly, Police Chief Keith Tarase, Fire Chief Robert Chegan, Marty Toukonen; **Other:** Joel Spatz, Michael McDonald.

Approval of May 17, 2022 Finance Committee minutes. Moved by Mr. Marnecheck, seconded by Mr. Vos. Vote: Yeas: 3 Nays: 0 **Motion carried.**

UNFINISHED BUSINESS

1. Monthly Finance report including tax collections status

Ms. Esarey advised that for the 2022 Budget, all reports were sent out and May was closed; everything was in balance. For the most part, everything is operating within the budget that was approved by Council. With regard to income tax collections, it was another good month. As we were thinking, the individual taxes were down for June, only because last year we were allowed an extension; that is why it is down. The good news is, the one that Ms. Esarey pays attention to the most is the withholding, which we are up 24%. She feels that is the best number to look at. She believes that is Work from Home that we are seeing the benefits from. Overall, we are at 15% over what we collected last year. If you look at the budgetary numbers, most of them are at 61%, and we should have been at 50%, therefore, for the income tax, we are operating very well.

Mr. Marnecheck brought up the Alternative Tax Budget, an item on the agenda. Ms. Esarey explained that the 2023 Tax Budget is being presented. By law, it has to be approved by City Council by July 15th, and must be filed with Cuyahoga County by July 20th. It demonstrates the need for Cuyahoga County to levy property taxes on behalf of North Royalton. That is the purpose of presenting and having the Tax Budget approved. The Tax Budget does not need to match the 2023 Annual Budget that Council will consider at the end of this year; she felt that is important to know. Most of the schedules she provided, include tax levies. The detail of estimated budget, the Tax Budget was basically the 2022 Budget, as a base; because that is what we are going with currently. Some of the big items that were part of the 2022 Budget were removed, such as the Splash Pad, some things were added, known wage increases that Council already approved; and debt. She went on to say that we do not have voted debt, which is why that schedule is blank. We do have debt; however, nothing is voted. Schedule 5 is for the schools; that is also why that is blank. That is a quick overview. Ms. Krejci asked what ordinance is that for this evening. Ms. Esarey, concurred that it was no. 22-96.

Mr. Marnecheck moved to recommend Ordinance 22-96 to Council for approval. Seconded by Ms. Barath. Vote: Yeas: 3 Nays: 0 **Motion carried.**

2. Overtime

Ms. Esarey reported that as of May 31st, overall, with all funds included, we are at 37.72%; we should be at 41.67%. In terms overall, that is great. There are some funds that are definitely slightly over. The General Fund as a whole is at 53%, therefore, we will definitely have to monitor that. The jail is at 81%; that is probably going to need a budget amendment. Snow removal is at 99%, which it is possible we may have to make a budget amendment to accommodate that. Overall, we are at 37%.

3. Jail Task Force Update

Mayor Antoskiewicz reported that we have received some preliminary from the company that was supposed to give us an update. We contracted them to do somewhat of an analysis of the jail; as far as cost. They have given us preliminarily, in which we still have to meet with them. There are some things included that we feel we need to go over with them again, in order to be on the same page; we will be meeting with them to do so. His hope was that next month we can share that report with everyone and go from there.

Mr. Toukonen provided a report about a week ago. All of the agencies that have been on board with us have been very happy. We have not had any complaints. When it comes to arrests, his number may be different than the Chief's number, because people have to do court sentences etc. that are city code violations. We are responsible for part of our intake, therefore, it falls into the North Royalton category; as opposed to Broadview Heights, if one had a court sentence, it is our responsibility to find the housing for those people. That is why our numbers may be slightly different due to the circumstances.

Mr. Nickell asked about the number of cells in the jail. Mr. Toukonen indicated there are 20 in the back, 5 in the front; roughly 25. Based upon our history over the years, we know that we need to have some money for us. We need to have some money for people who are paying to come and stay in North Royalton; do their time for whatever agency. It is not the fact that we have someone in the bed every second of the day, because there are times we may have to move people around. We like to operate somewhere around 15 people, which gives us a good operating maneuverability to do what is needed. Mr. Nickell questioned the numbers of beds per cell. Mr. Toukonen explained that it changes. We may have to put someone in a particular cell because they do not get along with someone; some are two, some are one.

Mr. Toukonen stated that there has been some difficulty in a lot of different fields, trying to get enough people to do what we need to do. He spoke about jobs and the challenges right now and feeling the effects. We cannot find people to work. He explained that is the reason for the full time "over time" that we see. Much of his staff have multiple jobs and responsibilities. Plus, federal legislation states that he can only use 29 hours per week for people; which limits him also. Mr. Marnecheck commented so it is to give more certainty and predictability in staffing. Mr. Toukonen concurred.

Mr. Nickell inquired about the hires, in which the Chief said are just for Correctional Officers. Ms. Carbone-McDonald wanted to know how many Correction Officers we have currently. Chief Tarase indicated that we have 8 full time, and 7 part time. Ms. Krejci asked when was the last time he did any kind of increase of staffing in the jail. Mr. Toukonen believed Council approved an increase over a year ago. Mayor Antoskiewicz agreed. That got us another female officer, which was needed; that also included himself, Mr. Toukonen. He continued that unfortunately, people are looking to get a hold of him, and he is in the jail trying to help cover staffing. We have some severe shortages and as a result, we are affecting the budget with over time. That is why we need some help.

Mr. Marnecheck wanted to know if Mr. Toukonen thought this would help manage their over time; perhaps decrease the over time. Mr. Toukonen responded, definitely. Mr. Dietrich inquired about the 8 full timers as to whether four of them are male, and four are female. Mr. Toukonen agreed. He is looking more for male officers right now. About two thirds of the offenders are male. Therefore, we are interacting more with the male side of the jail than the female side. The shortages are male officers which is convenient; he has a couple of officers right now that are part time and are looking. That would fit and take care of our need being able to manage our population.

Mr. Nickell questioned if their training differs from street Officers. Mr. Toukonen explained that when you are hired in the State of Ohio, they estimate that within a calendar year, you have to go through a Corrections Training Academy. Typically, we send them to Stark County, whereas they are there for a month. There is a testing period afterwards. They also get training for OC Spray and Taser, First aid, and CPR. Typically, if you are getting one who has no experience, he anticipates would anticipate three months before one could be considered the second person on that shift; be able to take on some responsibilities while training. At least one

has a better idea of how to handle the population that way. There is probably a good 4-5 months leeway that you have to give yourself, before he can rely on that worker and we can go forward.

Mr. Dietrich inquired if that is for full time and part time, that they have to do that once a year. Mr. Toukonen clarified, not once a year, but upon hiring. So, if we get a part timer who comes in, with no corrections experience at all, and does not have certification to be in a full-service facility, we still have to get that part timer through that same academy. Therefore, it does not matter if they are full time or part time; they still have to meet the same criteria. That is difficult as well, to have someone that is part time working multiple jobs; to expect someone to be able to step away from their full-time job for one month to come, get the training, and then go back to their full-time job. A lot of employers are not happy with that.

Mr. Marnecheck moved to recommend Ordinance 22-103 to Council for approval. Seconded by Ms. Barath. Vote: Yeas: 3 Nays: 0 **Motion carried.**

4. RITA: Non-Filing Delinquency Program

Ms. Esarey indicated that she contacted RITA for an update. They received the authorization per last meeting. As of right now, the letter is scheduled to be mailed on October 4th, and subpoenas are scheduled on November 8th. A day or two before everything goes out, RITA will contact her and she will let the Mayor and Council know; because every time something goes out, calls will come in. Those are the tentative dates.

Mr. Marnecheck inquired about the number of letters. Ms. Esarey was not certain; she would have those numbers closer to the date. Mr. Marnecheck asked further about the subpoenas for November 8th, which is an election day. Ms. Esarey indicated that because of Covid, they are still doing everything through letter type subpoenas, not in person; however, they still have the ability to take them to court.

5. Opioid Settlement

NO UPDATE.

REMOVE FROM AGENDA UNTIL FURTHER NOTICE.

6. American Recovery Act Funds

Ms. Esarey briefed that we have not received our second tranche. The House Bill did pass, that does allow that state to make the deposit. Last year, she believed it happened in June or July. She perceived it would happen this month or next month. As soon as the money is received, she will inform everyone.

7. Buckeye Institute's lawsuit – Kilgore case

Mr. Kelly explained that in the last ten days, the Supreme Court of Ohio has accepted a petition for certiorari filed by the plaintiff, in a case called Schaad versus Alder, out of the First District Court of Appeals; which is Hamilton County. Like the other Buckeye cases, it challenges the determination made by the legislature on constitutional grounds as to whether for the ten-month period of 2020 that is called into question, the municipal corporations are permitted to retain the tax dollars from those people who worked at home. The Supreme Court is going to finally make a decision on that. The consensus is that, it is likely they will affirm other appellate court decisions, which confirmed the legislatures determination to leave the money where it was; for that ten-month period.

Mr. Marnecheck raised question as to which Supreme Court he is referring to. Mr. Kelly clarified, Ohio. Mr. Marnecheck asked for more clarification as to are they going to say what the legislature did was okay. Mr. Kelly indicated so far, most of the appellate Courts, he felt all of them that have entertained the question have said so.

The consensus is that the Supreme Court will likely do so as well, and put that question to an end. He stated it still does not answer the balance of 2021 and where we go from there.

NEW BUSINESS

1. Proposed Legislation: TIF

Ms. Esarey explained that this is similar to what was done for the Traditions at Royalton Place and the Omni; it is a non-school TIF. This means that the schools will receive the same money as if this TIF was not in place; therefore, they are made whole. The School Board received notification, as well as the Cuyahoga Valley. She did receive the notice back from the School District so they are aware of it; they signed off on it. This is 30 years, and it does help the City in the fact that it will allow for public infrastructure; roads, highways, drainage, curbing, in the general area of the TIF. It will allow us to do all those things and use the tax monies for that. When she was talking to the attorney that worked on this, they suggested that this be on three reads, which is a little different than normal, however it was suggested that we have the time and that would be the way to present.

Mr. Marnecheck asked if Ms. Esarey planned to create a separate line item to track these funds, as she did with Traditions. Ms. Esarey clarified yes, and she will have to come to Council on a separate ordinance and ask for authorization to create a separate fund; in order to track these moneys. That way it is very specific what they are going to be used for. Ms. Krejci asked if this is the building on Route 82, where the Bank of America is going in. Ms. Esarey indicated there is another parcel that we will be looking at if it moves forward; for an additional TIF on that one.

ADJOURNMENT

Moved by Mr. Marnecheck, seconded by Ms. Barath to **adjourn the June 21, 2022 Finance Committee meeting**. Yeas: 3. Nays: 0. **Motion carried.**

Meeting adjourned at 7:22 p.m.