

VILLAGE OF BRATENAHL  
10300 BRIGHTON ROAD  
BRATENAHL, OHIO 44108  
(216) 383-0468

FINANCE COMMITTEE MEETING

MARCH 16, 2022  
5:30 p.m.

MAYOR JOHN LICASTRO  
TOM McDONALD, CHAIR  
TRACY HOEFLING

DAVID J. MATTY, ESQ.  
NANCY L. MOLNAR, RPR, CLR

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1 And Bruce gave a presentation today about doing  
2 something we thought about doing, but never  
3 really decided it was in the Village's best  
4 interest. And that's looking at an alternate  
17:32:00 5 healthcare plan for our employees.  
6 Bruce will summarize this, but we've had  
7 two plans that were grandfathered that were, I  
8 think Bruce's words, the richest plans known to  
9 man, both the base plan and buy out. And even  
17:32:16 10 increasing it about five to seven percent a year  
11 usually 1 to 10, this year they hit us with an  
12 increase that's almost 19 percent. It's 18.9  
13 percent, so we deemed that to be unsustainable  
14 for that. Because of that, we're looking at  
17:32:33 15 another healthcare plan which has been discussed  
16 several times with employees. And Bruce is here  
17 to summarize all of that plus the impact on the  
18 Village. Bruce.  
19 MR. MURPHY: Thank you, Mayor. I wasn't  
17:32:48 20 anticipating a meeting like this. I thought the  
21 Finance Committee was just going to be three or  
22 four people.  
23 MAYOR LICASTRO: It is only three  
24 people.  
17:32:53 25 MR. MURPHY: So what I've done is I've

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1 MR. McDONALD: I will call the Finance  
2 Committee meeting to order and ask for a roll  
3 call.  
4 MS. COOKS: Mr. Benjamin is absent. Ms.  
17:30:58 5 Hoefling?  
6 MS. HOEFLING: Here.  
7 MS. COOKS: Mr. McDonald?  
8 MR. McDONALD: Here. That was quick.  
9 I'll entertain a motion to approve the minutes of  
17:31:15 10 the prior meeting.  
11 MAYOR LICASTRO: I don't think you can.  
12 MS. COOKS: She wasn't here.  
13 MAYOR LICASTRO: She wasn't here, so I  
14 don't think you can do that as a committee of  
17:31:29 15 one. You can do it next time because you need a  
16 majority.  
17 MR. McDONALD: In that case, Mr. Murphy,  
18 the stage is yours.  
19 MAYOR LICASTRO: Before, may I, Tom?  
17:31:39 20 MR. McDONALD: Yes, you may.  
21 MAYOR LICASTRO: Mr. Murphy has been our  
22 healthcare agent for way more than 20 years.  
23 MR. MURPHY: 20 plus years.  
24 MAYOR LICASTRO: 20 plus years. He's  
17:31:50 25 trusted by both the administration and employees.

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1 prepared an outline and a summary.  
2 MAYOR LICASTRO: You can share.  
3 MR. MURPHY: If anybody requires one, I  
4 do have a couple of extras. So it's very, very  
17:33:18 5 similar to the package that we reviewed with the  
6 employees about three weeks ago. We had a Zoom  
7 meeting and we went over the proposed changes  
8 with the employees. So what we're going to do,  
9 if you take a look at the summery here, the  
17:33:36 10 outline, you've got six main bullet points to  
11 we're going to take a look at. We're going to  
12 take a real quick and dirty look at the current  
13 base plan. We're going to take a look at the  
14 proposed plan. And then we're going to kind of  
17:33:49 15 take a look at what I call the big picture. How  
16 does this all fit together? Then we're going to  
17 take a look at the financial impact on the  
18 employees and then the financial impact on the  
19 Village.  
17:34:02 20 So if you take a look at the first  
21 Exhibit, it's going to say at the top, it's going  
22 to say COSE 250/500 plan. This is the current  
23 plan that the employees are currently enrolled  
24 in. If they would like. They can enroll in a  
17:34:25 25 richer plan. But they're responsible for paying

1 the difference. So if you take a look at the  
 2 current plan, we're going to assume just for the  
 3 sake of conversation that everybody has single  
 4 coverage, that everybody is enrolled in single  
 5 coverage. Those employees would have you take a  
 6 look at the top line, they have a \$250  
 7 deductible. After they pay the \$250 deductible,  
 8 it goes into cost share in their co-insurance  
 9 where the employee is responsible for 20 percent  
 10 of the cost, the Medical Mutual picks up the  
 11 other 80 percent until the employee has paid an  
 12 additional \$1,250 out of their pocket. Worst  
 13 case scenario, an employee is responsible for  
 14 \$1,500 on a calendar year basis.

15 Now, what this doesn't really show is a  
 16 deductible in color charts is that there are a  
 17 lot of items that aren't subject to the  
 18 deductible. The employees have a \$15 office  
 19 visit co-pay, \$25 -- \$35 Urgent Care and all the  
 20 diagnostic X-ray and lab is covered at 100  
 21 percent, other than your major, so diagnostics,  
 22 so it's a very, very rich plan.

23 The plan, though, is, as the Mayor said,  
 24 it is completely and totally unsustainable. It's  
 25 a grandfathered plan. There are no -- it's a

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1 grandfathered plan that can no longer be offered  
 2 to new groups. So what happens is we're in a  
 3 diminishing pool. The healthy groups are leaving  
 4 and we're in a group that is going to probably  
 5 experience similar kind of rate increases down  
 6 the road if we remain in the same pool.

7 So what we are considering, you go to  
 8 the second one, the second Exhibit here, it says  
 9 has 6,550. 6,550. The plan is incredibly simple  
 10 in its design. There is a \$6,550 deductible for  
 11 single employees and a \$13,000, \$13,100  
 12 deductible for employees who are covered,  
 13 dependents, whether it's one child or employee's  
 14 spouse and five children. So it's very, very  
 15 simple. Once you hit that deductible, everything  
 16 is covered at 100 percent. Okay. Very, very  
 17 simple.

18 Just like your car insurance or your  
 19 homeowner's insurance, when you increase your  
 20 deductible from 2,500 to \$6,500, you're going to  
 21 generate huge, huge savings. We're going to take  
 22 a look at the savings that it generates in a  
 23 couple of minutes, but the savings are huge.  
 24 Now, there are a couple of items. All your  
 25 preventive care is still going to be covered at

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1 100 percent without having to satisfy the  
 2 deductible. So you're well-woman care, your  
 3 childcare, all your preventative immunizations  
 4 and inoculations are covered at 100 percent.

5 Any questions up to this point from  
 6 either the Finance Committee or any of the  
 7 observers?

8 MAYOR LICASTRO: Continue.

9 MR. MURPHY: So here is the big picture,  
 10 that's exactly what I said on here, the big  
 11 picture. So the big picture is we're going to  
 12 increase the deductible from \$6,500 from 250 to  
 13 \$6,550 single and from 500 to 13,500 -- 13,100  
 14 for family.

15 As we just said, increasing the  
 16 deductible generates huge savings. And so the  
 17 Village is not going to tell the employee you're  
 18 now responsible for this huge step in deductible  
 19 from 250 to 5,550, we're going to use a lot of  
 20 the cost savings to pay a large portion of the  
 21 employee's deductible. It's called a health  
 22 reimbursement arrangement or health reimbursement  
 23 agreement.

24 So when we take a look at the  
 25 restructured benefits in a minute, the benefits

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1 are not being reduced, they're just being  
 2 restructured on how the deductible and the costs  
 3 are shared. Employees will continue to  
 4 contribute 15 percent of the cost, but now the  
 5 cost doesn't include just the premium, it's the  
 6 premium plus a share of the actual claims that  
 7 are going to be incurred.

8 And it's not guaranteed, but we believe  
 9 that it's going to create a more stable platform  
 10 going forward. We're going to be in a pool now  
 11 that's going to be growing that new companies are  
 12 joining, new municipalities are joining, so we're  
 13 going to have a more vibrant pool that's going to  
 14 hopefully provide for more stability and more  
 15 predictable rate adjustments in the future.

16 Now, there's an example here of how the  
 17 cost sharing is going to occur as far as the  
 18 deductible goes. The employee will still be  
 19 responsible just like right now for the first  
 20 \$250 of expenses. So if you go to the doctor and  
 21 it's \$100 for your office visit, you're going to  
 22 -- the employee is going to be responsible for  
 23 that \$100. If they go and they incur \$150 in  
 24 prescription drugs, they're going to be on the  
 25 hook for that \$150 in drugs and then they have

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1 hit their \$250 deductible.  
 2 Once the deductible is hit, the \$250,  
 3 then the Village begins to share in the remaining  
 4 part of the deductible. So on the next \$6,250 of  
 5 expenses, the Village will pay 80 percent, the  
 6 employee will be responsible for 20 percent. So  
 7 the bottom line is that the employee will have  
 8 the same out-of-pocket exposure that they  
 9 currently have. So it's going to be \$1,500  
 10 maximum out-of-pocket for single employee, \$3,000  
 11 out-of-pocket for the family, for employees who  
 12 have dependents, whether it's one child or a  
 13 traditional family employee spouse and children.  
 14 Okay? So that is what I call the big picture.  
 15 Now, here's where -- what I've done,  
 16 I've put together a cost comparison. We're going  
 17 to take a look, first of all, at the impact that  
 18 it's going to have on the individual employees.  
 19 And at the top of the page, these are the people  
 20 who are currently enrolled in the base plan. And  
 21 if you take a look at the top line, you can see  
 22 we have seven employees who are currently  
 23 enrolled in the base plan. If we did nothing,  
 24 the employee would be contributing \$143.93 on a  
 25 monthly basis.

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1 If we make the conversion, instead of  
 2 paying \$143 on a monthly basis, the employees'  
 3 contribution will be \$93.56, for a savings for  
 4 that employee of \$50 on a monthly basis. Annual  
 5 savings of about \$600 for that single employee.  
 6 If you add up the savings, there's about 20  
 7 employees that are currently on the plan. The  
 8 employees themselves are going to save about  
 9 \$37,000 in premium contributions. So there's  
 10 going to be about 37,000 more that's going to be  
 11 going into the employee's paychecks. Okay? Each  
 12 and every one of them is going to save money on  
 13 an ongoing basis.  
 14 Now, here is where I say it gets really,  
 15 really exciting. The next sheet here, this is a  
 16 financial impact on the Village. If we take a  
 17 look, I mean, these numbers are staggering.  
 18 We'll start with a single employee. If we did  
 19 nothing, their single rate would go from nine --  
 20 would go up to \$917. When we go to the high  
 21 deductible plan, the premium is going to go from  
 22 \$917 down to \$383. Okay?  
 23 The employee and spouse is going to go  
 24 from \$1,835 down to 841, almost \$1,000 a month in  
 25 savings. If we expand, and right now Medical

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1 Mutual, under the current plan is what's called  
 2 an eight tier rate structure where there is a  
 3 different rate for employee, employee of spouse,  
 4 employee spouse plus one child, employee spouse  
 5 plus two, employee spouse plus three or more and  
 6 an employee who is a single parent and employee  
 7 and one, employee and two children, employee and  
 8 three or more children.  
 9 If we take each one of those eight rate  
 10 years, multiply it times the number of people who  
 11 are enrolled, if we did nothing, the annual  
 12 health premium for the Village would increase to  
 13 a total of \$367,612. The Village is currently  
 14 paying 85 percent of the premium, the employees  
 15 picking up 15. So the employer share would be  
 16 \$312,470.  
 17 When we look at the premium for the  
 18 \$6,500 deductible plan, the premium decreases,  
 19 the gross premium decreases from 367,000 down to  
 20 \$173,000. That's savings, the employer's share,  
 21 the Village's share, is \$147,000. And that  
 22 generates savings of \$165,007. So \$165,000 in  
 23 savings to the Village.  
 24 Now, you've got to use part of those  
 25 savings to pay the claims, because remember,

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1 we're not going to ask the employee to pay that  
 2 whole \$6,550 deductible. So what's going to  
 3 happen then is what we said, we took like a worst  
 4 case scenario, which is not going to happen. The  
 5 worst case scenario is everybody hits that 6,550  
 6 deductible. A worst case scenario is that the  
 7 Village would incur \$156,000 in claims, wind up  
 8 only saving \$8,400.  
 9 More realistic scenario is, and this is  
 10 -- in a smaller group it's impossible to predict,  
 11 but savings normally range somewhere between --  
 12 the group will incur claims between 60 percent --  
 13 40 percent and 60 percent of the maximum claims.  
 14 So if we assume that the Village is  
 15 going to kind of follow the same pattern that  
 16 most small groups do, we're projecting savings of  
 17 between 71,000 and a \$102,000. So we're doing  
 18 this, it's not guaranteed. The guarantee is  
 19 around about \$8,500. But we reasonably believe  
 20 that we can generate savings of somewhere around  
 21 71, between 71 and a \$102,000. Not only that, we  
 22 think that it's going to provide a more viable  
 23 platform, a more sustainable platform going  
 24 forward for the next three to five years. As  
 25 crazy as healthcare is right now, who can really

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1 predict, but that's what we reasonably believe.  
 2 MAYOR LICASTRO: So let me just  
 3 reiterate in a more simple manner what Bruce  
 4 said. So if we pay the 18.9 percent increase on  
 5 existing plans, it would cost the Village about  
 6 \$70,000 more a year. If we fund the employees'  
 7 accounts as indicated and we have a typical year  
 8 for our healthcare group, the Village will save  
 9 \$70,000. So it's \$140,000 delta between what it  
 10 would cost us to keep the plans and what we'll  
 11 save with the plan as presented.

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12 So we think that's much more viable.  
 13 The employees have had a lot of questions. We've  
 14 pretty much addressed them. I think they  
 15 understand that we need to move in this  
 16 direction. So either we pay \$70,000 more, which  
 17 we're not recommending, or we save approximately  
 18 \$70,000 a year by doing what's recommended. So  
 19 how the employees are affected doesn't really  
 20 affect council, but we feel the employees have  
 21 bought into this, several are in the audience,  
 22 they understand the nuances. It's a savings for  
 23 them as well as for the Village.  
 24 MR. MURPHY: And I don't want to be --  
 25 is it called Pollyanna-ish. There are going to  
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1 they have the Ohio Department of Insurance. And  
 2 they have regulations on how insurance companies  
 3 like Medical Mutual, like Anthem rate small  
 4 groups. And under the State of Ohio's rating  
 5 practices, there's three components that affect  
 6 your renewal, okay? These are the three primary  
 7 factors that affect your current plan.

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8 The first one is changing demographics.  
 9 If you have a couple of older employees who  
 10 retire and they're replaced by younger employees,  
 11 that improves your demographics. You've got  
 12 younger employees. And younger employees, as a  
 13 general rule, are less expensive to insure.  
 14 On the flip side, if you want to get rid  
 15 of a couple of young people who just don't get  
 16 it, they don't show up, they don't work, and  
 17 replace them with more seasoned employees, well,  
 18 then that's going to adversely affect your  
 19 demographics and have a drift up on the rates.  
 20 So it's your change in demographics.  
 21 The second factor is just change in  
 22 what's medical trend. Medical trend is a couple  
 23 of factors. An X-ray costs more this year than  
 24 it cost last year. Inflation. In that trend  
 25 component, there's also what is called  
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1 be some transitioning. Everybody has been  
 2 enrolled in the same plan since 1999, I believe.  
 3 So there's going to be a learning curve. There  
 4 are going to be -- it's going to be a little bit  
 5 different. So there's going to be a little bit  
 6 of a learning curve, but again, I think it's the  
 7 best decision going forward. The current pathway  
 8 is just not sustainable.

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9 MAYOR LICASTRO: So does anyone think  
 10 this is not a good idea on Council?  
 11 MR. McDONALD: Is there any experience,  
 12 if we have some experience, that are different  
 13 than that, does it blowup? We have more --  
 14 MR. MURPHY: So you're kind of saying  
 15 what happens down the road?  
 16 MR. McDONALD: What happens if a whole  
 17 bunch of folks get sick?  
 18 MR. MURPHY: Rating practices are --  
 19 MAYOR LICASTRO: Bruce, address this  
 20 group. Thank you.  
 21 MR. MURPHY: You guys are still  
 22 important to me. I just want you to know that.  
 23 MAYOR LICASTRO: These are the ones  
 24 making decisions.  
 25 MR. MURPHY: Under the State of Ohio,  
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1 utilization. Doctors might be up for ordering  
 2 more tests for preventive medicine. So even  
 3 though an X-ray might only cost a little bit  
 4 more, if a doctor is ordering 10 percent more  
 5 X-rays, that's going to have an impact on your  
 6 cost.

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7 The third factor is your claims, your  
 8 actual claims and your expected claims. By that,  
 9 actual claims are pretty easy. Here's what they  
 10 paid out. Expected claims could be based upon  
 11 there's a newly inner diagnostic code in the  
 12 claim system that says four people in the Village  
 13 need kidney transplants. Even though there  
 14 haven't been any claims, they know that those  
 15 claims are going to come down the road. So those  
 16 are the three components. Your claims, your  
 17 unexpected claims, demographics and medical  
 18 trend.  
 19 You can't predict any of those factors,  
 20 but what the State of Ohio says is that as far as  
 21 your claims go, if we do have the terrible claims  
 22 where five or 10 people have catastrophic claims,  
 23 in any one year, the most they can adjust your  
 24 rates based upon your claims experience is 15  
 25 percent.  
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1 MAYOR LICASTRO: So what we did, for  
 2 everyone's edification, people hate to change  
 3 healthcare providers. They hate it. People  
 4 don't like change. And benefits are sometimes  
 17:52:42 5 more important than salary. So we chose a plan  
 6 that not only saved the Village money, but saved  
 7 the employee money and gave them pretty much  
 8 comparable benefits. So they save money, we save  
 9 money.  
 17:52:55 10 The one thing we knew for sure is 18.9  
 11 percent of an increase was just not sustainable.  
 12 So we would pay \$70,000 more with this as  
 13 presented. We save 70 grand, we think it's a  
 14 no-brainer. And the employees, I think, have  
 17:53:10 15 pretty much bought in. There's been a few bumps,  
 16 people that are concerned. Bruce has met with  
 17 them on Zoom. We met with them earlier today and  
 18 continue to allay their fears. We're presenting  
 19 this to Council that we, as the administration,  
 17:53:23 20 thinks what's makes best sense in time for the  
 21 Village.  
 22 MR. McDONALD: Do we need to act?  
 23 MAYOR LICASTRO: No.  
 24 MR. McDONALD: I didn't think so.  
 17:53:30 25 MAYOR LICASTRO: We go through COSE. So  
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1 we get the discounts through COSE, but we just  
 2 sign some documents and on we go.  
 3 Yes, Joyce.  
 4 MS. BURKE-JONES: Is it going to require  
 17:53:41 5 any more work on our employee's part, on our  
 6 staff who are managing this?  
 7 MS. COOKS: Yes, of course it will.  
 8 MR. McDONALD: Job security.  
 9 MS. COOKS: I don't know what that is,  
 17:53:56 10 but yes.  
 11 MS. BURKE-JONES: That's part of the  
 12 cost of the whole thing as well.  
 13 MS. COOKS: Yeah.  
 14 MR. MURPHY: The largest burden is kind  
 17:54:05 15 of what I said before. It's going to be learning  
 16 curve. As far as administratively, it's going to  
 17 be essentially is -- Diana, right now she uses an  
 18 online computer system called Employer Link.  
 19 It's still going to be Employer Link like  
 17:54:21 20 renewing people or terminating people. It's the  
 21 same administration system for administering  
 22 Cobra. It will be a learning curve, but it  
 23 should be relatively, you know, a similar amount  
 24 of effort once we get over the learning curve.  
 17:54:38 25 MS. BURKE-JONES: So just to follow-up  
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1 on that. Already you're doing something because  
 2 you're already doing something.  
 3 MS. COOKS: Yes.  
 4 MS. BURKE-JONES: So it's not like  
 17:54:46 5 you're doing nothing now.  
 6 MS. COOKS: It's not nothing. Yes, I  
 7 manage our healthcare. As Bruce stated, it will  
 8 just be different. I hope it's seamless.  
 9 MAYOR LICASTRO: Diana often acts as an  
 17:55:07 10 advocate for the employees. She's a go-to person  
 11 for anyone with an issue. So she's been very  
 12 hands on, making certain people understand the  
 13 transition and what's involved, knowing that she  
 14 gets healthcare as well. But it's unusual to  
 17:55:22 15 have a situation that is a win/win. It's a  
 16 savings for the employees, a significant savings  
 17 for the employees and a significant savings for  
 18 the Village with pretty much the same benefit  
 19 package.  
 17:55:35 20 MR. MURPHY: Yeah. Again, to address  
 21 the administrative issues is that since we're  
 22 already in the Medical Mutual system, it's simply  
 23 transferring us from one plan to a new plan. So  
 24 the employees don't have to fill out new  
 17:55:49 25 enrollment forms. It will be significantly  
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1 streamline.  
 2 MAYOR LICASTRO: It's the same network.  
 3 People can keep the same physicians, et cetera.  
 4 MR. McDONALD: Sounds reasonable.  
 17:56:03 5 MAYOR LICASTRO: We thought so. Any  
 6 questions on this? Because we have her report,  
 7 I'm going to have the next presenter set up while  
 8 you move through Diana's report.  
 9 Oh, that's next meeting. Go ahead, it's  
 17:56:20 10 all you. (Laughter.)  
 11 MR. McDONALD: Ms. Cooks, your report,  
 12 please.  
 13 MS. COOKS: So I think I'll forego what  
 14 I was going to talk about and move right to the  
 17:56:33 15 legislation. I do know that there has been some  
 16 misunderstanding in regard to ordinance numbers  
 17 4138 and 4139, both of which are housekeeping  
 18 ordinances that are mainly for the audio.  
 19 So what I learned from this current  
 17:57:14 20 audit is the auditors are going to randomly  
 21 select employees to test their payroll. And in  
 22 the past or at least in the past, they gave it,  
 23 I've been with the Village, pay ordinances have  
 24 not been updated.  
 17:57:33 25 So what they suggested is that each year  
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1 when there are changes to those ordinances or to  
2 employee pay, that we've seen with those in  
3 legislation. So that is what 4138, which is for  
4 2021.

17:58:12 5 MAYOR LICASTRO: Joe, shut the door,  
6 will you, please.

7 MS. COOKS: Which reflects the two and a  
8 half percent COLA that Council authorized last  
9 year.

17:58:30 10 MAYOR LICASTRO: One and a half percent  
11 last year.

12 MS. COOKS: It was two and a half.

13 MAYOR LICASTRO: Two and a half.

17:58:37 14 MS. COOKS: Two and a half for fiscal  
15 year '21, and two and a half for fiscal year '22.

16 Since it is an audit period, I sent this  
17 legislation to the law department, six  
18 ordinances, which were combined for the auditors.

19 It is for information only. No one is getting --

17:59:00 20 this does not indicate raises or anything.

21 MR. McDONALD: As I understand it,  
22 actually Council has already approved these  
23 numbers.

24 MS. COOKS: These numbers have already  
17:59:11 25 been approved.

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1 MAYOR LICASTRO: There's not a single  
2 penny of new money in there. This is just a way  
3 to summarize it. Diana has been great about  
4 taking information and suggestions from the  
17:59:21 5 auditors to make these audits smoother going  
6 forward.

7 MR. McDONALD: So what we are approving  
8 actually is this page, so that she can put it in  
9 a format that she can give to the auditor.

17:59:35 10 MS. COOKS: To give to the auditor.

11 MAYOR LICASTRO: This is approval to  
12 form only. This is not any new money.

13 MR. McDONALD: So we are giving Ms.  
14 Cooks what she needs to deliver an auditable  
17:59:49 15 report.

16 MS. COOKS: Yes.

17 MAYOR LICASTRO: Yeah, if Finance  
18 Committee or Council looks at this and thinks  
19 down the road individual employees need to have  
17:59:57 20 their compensation addressed, we can do that, but  
21 we're not doing that tonight. We're just giving

22 you a recap of what you have already approved.

23 MR. McDONALD: Already in the books.

18:00:10 24 MS. COOKS: I think Ms. Burke-Jones has  
25 a question.

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1 MR. McDONALD: Joyce.

2 MAYOR LICASTRO: You put the mask back  
3 on.

4 MS. BURKE-JONES: I know. I happen to  
18:00:20 5 be careful here. Yeah, I was a little confused

6 when I looked. In my memory, I thought it was  
7 two percent and two percent. But when I look at  
8 the increase for two and a half percent this  
9 year, then the year before that we calculate the

18:00:35 10 difference, it's like five and a half percent,  
11 but I was just confused by when you look and  
12 total the two years, it comes to eight and a half  
13 percent difference. I was just confused by those  
14 numbers.

18:00:46 15 MS. COOKS: So if you recall, last year  
16 Council approved what was a total of five  
17 percent. It was for fiscal year 2020, and fiscal  
18 year 2021. We did not submit that in legislation  
19 for salaries. This year, for this fiscal year,

18:01:16 20 Council approved a two and a half percent COLA  
21 this year. That's what these two documents  
22 represent.

23 MAYOR LICASTRO: And employees have been  
24 paid at these rates ever since Council approved  
18:01:29 25 it retroactive to January 1. So this is nothing

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1 new here, nothing new.

2 MS. BURKE-JONES: I just would have to  
3 do the calculations myself to see to understand,  
4 that's all.

18:01:40 5 MAYOR LICASTRO: It's easy to do the  
6 math.

7 MR. McDONALD: Pat.

8 MS. MEADE: I understand wanting to  
9 include it from an auditor's standpoint that  
18:01:51 10 there's some paperwork. What I'm confused about  
11 is the way it's being formatted. It doesn't --  
12 typically, when Council has approved COLA in the  
13 past, it has not been reflected in like what they  
14 termed the longevity pay. And that's how it  
18:02:06 15 looks like it's appearing.

16 So going forward, is all COLA going to  
17 show up as part of the longevity pay or is it a  
18 way to show the longevity pay and then create a  
19 separate line underneath saying 2.5 percent COLA  
18:02:22 20 increase and then putting that difference in?

21 MS. COOKS: Certainly I understand what  
22 you're asking. However, it is not my position to  
23 opine on the structure. What I am doing is  
24 verifying that the salaries that employees are  
18:02:46 25 making trace back to legislation. And so when I

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1 mentioned earlier that I had six ordinances, they  
 2 were for all departments. And I updated them and  
 3 sent them to the law director. At that time,  
 4 they put all of that in one document. That is  
 5 not to say that future ordinances will not be for  
 6 just longevity or for salary. But for this  
 7 particular purpose for the auditors, this is the  
 8 way these documents are one document.

18:03:14 9 MS. MEADE: They just look like salary  
 10 increases as opposed to COLA and keeping your  
 11 tenure or longevity the same. And I think that's  
 12 why people were confused.

18:03:35 13 MAYOR LICASTRO: They reflect COLA  
 14 increases over the last two years. We have  
 15 different ordinances that have different  
 16 longevity periods of time. At some point in time  
 17 we're going to look at that for a little more  
 18 consistency, but for tonight all we're doing is  
 19 summarizing what's already been approved.

18:04:04 20 MR. McDONALD: So she has something to  
 21 show the auditors that there is legislation  
 22 supporting those salaries.

23 MAYOR LICASTRO: In one document, not  
 24 six.

18:04:14 25 MS. COOKS: So maybe I can offer an  
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1 example, and this is a real example. Say the  
 2 auditors, and they do, they're always going to  
 3 test my salary, Fiscal Officer salary, always  
 4 going to test the Chief of Police and they're  
 5 always going to test the Mayor's.

18:04:34 6 So when they say, okay, prove your  
 7 salary to me. So I had an ordinance from 2017,  
 8 that included five COLAs. So instead of me  
 9 saying, okay, here's my ordinance that's a part  
 10 of the admin salaries that was from 2017, and I  
 11 started giving them, here's another one, here's  
 12 another one, they go whoa, wait. You don't have  
 13 a document that says what it is.

18:04:56 14 So I took that information, that  
 15 guidance, and I said, well, I'm going to put them  
 16 in one document. Not being concerned. My  
 17 concern is not longevity. My concern is the  
 18 salary. So for example, admin has five-year  
 19 increments of longevity. The Police Department  
 20 has one year after one year and after three  
 21 years. Service department has three-year levels.  
 22 Rec has four-year levels. They're all different.

18:05:46 23 So that's why it looks odd on this one document,  
 24 but the purpose of this one document is for the  
 25 auditors.

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1 MS. MEADE: But couldn't you just as a  
 2 point of clarification on that one document, you  
 3 know, make some kind of statement that says the  
 4 2.5 percent increase is a COLA award?

18:06:23 5 MS. COOKS: I'm not responsible for  
 6 creating legislation.

7 MAYOR LICASTRO: Again, the record  
 8 reflects what the nature of the ordinances are.  
 9 And to her point, as given by examples, we need  
 10 at some point in time see if can get some  
 11 commonality and not get three years, five years,  
 12 four years, one year from department to  
 13 department, but we're not doing that tonight.

14 MR. McDONALD: Right.

18:06:51 15 MS. HUFFMAN: I get that. I think in  
 16 that way I understand why you put it together  
 17 like that, but to your point, even where it says  
 18 section one compensation is hereby authorized,  
 19 well, that can be open to interpretation,  
 20 compensation, which is why I think everybody or  
 21 many people, including myself, thought, oh, we're  
 22 voting, we'll be voting tonight on raises  
 23 overall for the whole administration and that was  
 24 a misunderstanding. So if it were written in

18:07:25 25 such a way that this represents compensation for  
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1 X year through X year at this rate, then I think  
 2 it will be more clear.

18:07:39 3 MR. McDONALD: If you look at the two  
 4 documents, though, this is effective January 1,  
 5 2021, and the next one says January 1, 2022. So  
 6 you know this is for 2021, that's it. This one  
 7 takes on for 2022.

8 MS. HUFFMAN: It has no mention of  
 9 percentages.

18:07:54 10 MAYOR LICASTRO: There's previous  
 11 legislation.

12 MS. HUFFMAN: It is just an observation.

13 MS. COOKS: And you actually proved the  
 14 auditor's point that I got -- they have six  
 15 ordinances that they have to rifle through and  
 16 then there's longevity, then there is the  
 17 education multiplier and all these things.

18:08:04 18 So if I were the person that was  
 19 handling the audit, say I leave, who knows that  
 20 but me? So I decided that the best way to handle  
 21 that, if I'm not here for the 2023 audit, that it  
 22 is solidified in the documents.

18:08:29 23 MS. MEADE: So you'll have the  
 24 legislation for the COLA to go along with this  
 25 one.

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1 MS. COOKS: Correct.  
 2 MAYOR LICASTRO: Okay. I know that's  
 3 clear as mud, but it's actually straightforward.  
 4 It's a summary of what you've already approved.  
 18:09:01 5 MR. McDONALD: Now, do we need a vote on  
 6 4138?  
 7 MAYOR LICASTRO: For both of these, yes.  
 8 MS. COOKS: Need a recommendation.  
 9 MR. McDONALD: Okay. I'll entertain a  
 18:09:13 10 motion to approve. Can we do it one at a time?  
 11 To approve Ordinance Number 4138, an ordinance  
 12 confirming compensation for employees of Village  
 13 of Bratenahl and declaring an emergency.  
 14 MAYOR LICASTRO: All I need is a  
 18:09:28 15 recommendation, Tom. We'll pass them at Council.  
 16 All you have to is say you're recommending them.  
 17 MR. McDONALD: For recommendation.  
 18 MS HOEFLING: Second.  
 19 MR. McDONALD: Do we need a roll call  
 18:09:41 20 for suspension?  
 21 MAYOR LICASTRO: No, we do that in  
 22 Council.  
 23 MR. McDONALD: Okay.  
 24 MAYOR LICASTRO: All in favor.  
 18:09:46 25 MR. McDONALD: All in favor?  
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1 MS HOEFLING: Aye.  
 2 MR. McDONALD: Aye. I'll entertain a  
 3 motion to approve Ordinance Number 4139.  
 4 MS HOEFLING: Second.  
 18:09:57 5 MR. McDONALD: So move. Second. All in  
 6 favor?  
 7 MS HOEFLING: Aye.  
 8 MR. McDONALD: Aye. And 4140, motion to  
 9 approve.  
 18:10:09 10 MAYOR LICASTRO: Do you want to go over  
 11 it? Any questions on pay claims?  
 12 MR. McDONALD: Oh, excuse me, this is  
 13 pay claims. I thought we were on salaries. I  
 14 will introduce a motion for Ordinance 4140, which  
 18:10:24 15 is pay claims. Total amount of those claims are  
 16 \$124,273.09.  
 17 MS HOEFLING: Second.  
 18 MAYOR LICASTRO: So before you ask for a  
 19 recommendation, are there any questions on these  
 18:10:41 20 from anybody?  
 21 MR. McDONALD: Any questions?  
 22 MAYOR LICASTRO: Anything jump off the  
 23 page at you? There's a few training things for  
 24 officers. It's pretty straightforward, but this  
 18:10:52 25 is the time to voice questions or concerns so we  
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1 can address them.  
 2 Does anyone have any questions on pay  
 3 claims?  
 4 MS HOEFLING: I saw the new training and  
 18:11:00 5 all that with new officers, so I have no  
 6 questions.  
 7 MAYOR LICASTRO: Thank you.  
 8 MS. COOKS: Mr. McDonald, I do want to  
 9 -- Mr. Bierut, our Village Engineer, noted that I  
 18:11:17 10 inadvertently omitted the Nerone & Sons invoice  
 11 for Bratenahl Road repair in the amount of  
 12 \$26,186.66 and I ask that that be added to pay  
 13 claims.  
 14 MAYOR LICASTRO: So what's the amount of  
 18:11:34 15 that invoice?  
 16 MS. COOKS: \$26,186.66.  
 17 MAYOR LICASTRO: What does that bring  
 18 the new total up to? That was work done last  
 19 year, authorized, complete. They're notoriously  
 18:11:56 20 late in their invoicing, but Don passed it on to  
 21 us.  
 22 MS. COOKS: For the record, it's  
 23 \$150,459.75.  
 24 MR. McDONALD: Okay.  
 18:12:20 25 MS. BURKE-JONES: Could you repeat that  
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1 one more time?  
 2 MS. COOKS: \$150,459.75.  
 3 MS. BURKE-JONES: Thank you.  
 4 MR. McDONALD: Okay.  
 18:12:33 5 MAYOR LICASTRO: So why don't you make a  
 6 motion to recommend as amended.  
 7 MR. McDONALD: Recommend passage of  
 8 Ordinance Number 4140 pay claims as amended.  
 9 MS HOEFLING: Second.  
 18:12:45 10 MR. McDONALD: All in favor?  
 11 MS HOEFLING: Aye.  
 12 MR. McDONALD: Aye. My next item is  
 13 adjourn.  
 14 MAYOR LICASTRO: Our favorite time of  
 18:12:58 15 the meeting. Thank you, Tom.  
 16 MS. COOKS: Mr. McDonald, the audience  
 17 would like to ask audience.  
 18 MR. McDONALD: Sorry. Pat, go ahead.  
 19 MS. MEADE: I have a couple questions.  
 18:13:13 20 For the Shannon Darby case with the settlement of  
 21 162.5, how much more was Mr. Matty's law firm  
 22 paid?  
 23 MAYOR LICASTRO: We don't have that  
 24 number readily available.  
 18:13:26 25 MS. MEADE: Off the top of your head.  
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1 MAYOR LICASTRO: I'm not going to give  
 2 you numbers off the top of my head.  
 3 MS. MEADE: I know the last time I think  
 4 the number was in the 70s. I don't know how much  
 5 more it had increased. I didn't know with the  
 6 audit what the findings or deficiencies or  
 7 material weaknesses, if there were any outcomes  
 8 that ever got reported.  
 9 MAYOR LICASTRO: We haven't had the  
 10 final audit meeting.  
 11 MS. MEADE: When will that take place.  
 12 MS. COOKS: We don't know. We haven't  
 13 scheduled it yet.  
 14 MS. MEADE: And that was for what years?  
 15 MS. COOKS: 2019, 2020.  
 16 MS. MEADE: And then for pay claims,  
 17 with the timer cabinet being almost a \$12,000  
 18 expense, can you provide a little more detail  
 19 about that?  
 20 MAYOR LICASTRO: Sure. That's the  
 21 timing on the Eddy Road light. It got fried. We  
 22 had to replace it. They put a temporary unit in  
 23 there for a number of months and ordered a new  
 24 one. It was six months to get it.  
 25 MR. ZALAR: Nine weeks.  
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1 MS. MEADE: That was it. Thank you.  
 2 MR. McDONALD: Any other questions?  
 3 Now, we will stand adjourned.  
 4 MS HOEFLING: Second.  
 5 (Meeting adjourned at 6:16 p.m.)  
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1 MAYOR LICASTRO: Nine weeks. Thank you.  
 2 So that's what that is. It's the Eddy Road timer  
 3 on the traffic signal.  
 4 MS. MEADE: And then can you describe  
 5 what kind of training the officer completed?  
 6 MAYOR LICASTRO: Lieutenant.  
 7 LT. SORIC: I don't have that in front  
 8 of me.  
 9 MAYOR LICASTRO: I know it's defensive  
 10 EDGE training for Sergeant Durand.  
 11 LT. SORIC: Defensive EDGE training.  
 12 I'd have to look at the training spreadsheet. I  
 13 believe that's an updated course for his armor  
 14 school possibly. I have to look at it. I don't  
 15 have it in front of me.  
 16 MAYOR LICASTRO: North Coast Polytechnic  
 17 Institute is training for Sergeant O'Haire.  
 18 MS. MEADE: And then do you know for  
 19 Officer Toth?  
 20 LT. SORIC: Sergeant O'Haire was a  
 21 supervisor training. And then what else?  
 22 MAYOR LICASTRO: Van Meter & Associates  
 23 for Durand, O'Haire, and Toth.  
 24 LT. SORIC: So Durand is also supervisor  
 25 training. And Toth, report writing.  
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1 CERTIFICATE  
 2  
 3  
 4 I, Nancy L. Molnar, do hereby certify that  
 5 as such Reporter I took down in Stenotypy all of  
 6 the proceedings had in the foregoing transcript;  
 7 that I have transcribed my said Stenotype notes  
 8 into typewritten form as appears in the foregoing  
 9 transcript; that said transcript is the complete  
 10 form of the proceedings had in said cause and  
 11 constitutes a true and correct transcript therein.  
 12  
 13  
 14  
 15 *Nancy L. Molnar*  
 16 Nancy L. Molnar, Notary Public  
 17 within and for the State of Ohio  
 18  
 19 My commission expires July 15, 2023.  
 20  
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