

BRATENAHL VILLAGE
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SPECIAL FINANCE COMMITTEE MEETING
CONDUCTED VIA ZOOM

JUNE 9, 2021
5:30 p.m.

MAYOR JOHN LICASTRO
JAMES PUFFENBERGER, CHAIR
JOYCE BURKE-JONES
TOM McDONALD

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

3

1 to make relative to our debt. At least we have
2 some actions to take in the next month or so.
3 And they are here to give us some guidance and
4 advice this evening.

17:36:04 5 Did you want me to pull up the documents
6 that you have here? I'll straighten them out for
7 you.

8 MR. REIDY: That will be perfect. Thank
9 you, Jim.

17:36:20 10 MR. PUFFENBERGER: I'll make it smaller.
11 Okay. You have the floor.

12 MR. REIDY: Okay. Thank you. Thank you
13 members of the committee, once again, for
14 providing the opportunity to get together and

17:36:32 15 talk through your debt issues. Jim is correct
16 that you have a looming decision to make. As we
17 discussed at this point last year, the Village's
18 outstanding note will be coming due on August

17:36:50 19 12th of this year. As you see in the agenda, a
20 list of items in front of you, the note is
21 outstanding in the amount of \$2.4 million, again
22 due August 12, 2021. It has an interest payment
23 that's due at maturity. So the principal amount
24 of 2.4 million and an interest payment of \$24,000

17:37:11 25 is due on that date. So that obviously will

2

1 MR. PUFFENBERGER: All right. We will
2 get started. It's a little past 5:30. I'll call
3 this special Finance meeting to order. Diana,
4 can you please take the roll?

17:34:54 5 MS. COOKS: Yes. Good evening,
6 everyone. Ms. Burke-Jones?

7 MS. BURKE-JONES: Here.

8 MS. COOKS: Mr. McDonald?

9 MR. McDONALD: Here.

17:35:10 10 MS. COOKS: And Mr. Puffenberger?

11 MR. PUFFENBERGER: I am here. Thank you
12 for joining us here tonight. This is a special
13 meeting of the Finance Committee. Really there
14 are only a couple of main items that we will be
15 discussing. I did promise Mr. Reidy and Mr.
16 Callender that we would put them first so they
17 don't have to listen through all of the mundane
18 business that we will discussing later on and so
19 I will do that.

17:35:24 20 For those of you who don't know, we have
21 here tonight Mr. Tim Reidy. He is managing
22 director of public finance at Fifth Third. I
23 think I got that right. Also Ryan Callender, who
24 is partner at Squire Patton Boggs and serves as
17:35:49 25 our bond counsel. We have perhaps some decisions

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1 compel us to take some sort of action to make
2 sure the Village has resources to retire that
3 note at maturity.

4 Okay. I will take a moment, Jim, if you
17:37:24 5 don't mind going to the following page, the
6 graph, take a moment to talk a little bit about
7 the interest rate market and then we'll go back
8 and talk about the schedule.

9 You may have heard that interest rates
17:37:37 10 are starting to rise and they certainly are, have
11 been rising over the course of 2021, for longer
12 dated maturities, so mortgage rates and longer
13 10, 20-year bonds have risen significantly since
14 the beginning of 2021. Primarily back in
17:37:54 15 February and March we saw a significant bump
16 higher. And that was really driven by obviously
17 coming out of the pandemic expectations for
18 economic growth, all the things that go along
19 with that, with expectation for interest -- for
17:38:11 20 inflation, I'm sorry, to increase and we've
21 started to see that.

22 Certainly inflation is really the hot
23 button topic as it relates to the Federal
24 Reserve. And the Federal Reserve mandate is to
17:38:24 25 tamp down inflation. So as inflation starts to

1 increase is when the Fed's start taking action,
2 whether it's by changing the funds rate or
3 whether it's by other monetary policies they
4 have. We have seen signs of inflation.

17:38:41 5 At this point in time, the Fed is
6 indicating that they believe those signs of
7 inflation are transitory, as they like to say, or
8 temporary. Meaning that the inflation won't be
9 persistent. That it's based upon unique
17:38:52 10 circumstances that we're going through right now
11 coming out of a pandemic and the challenges we
12 have, the supply chain issues and cost of
13 materials and all the things that you're hearing
14 about as relates to labor shortages, so forth.

17:39:07 15 So whether inflation truly is temporary
16 or not is really the ultimate question. If it
17 does not show to be temporary, then the Fed will
18 be forced to start taking some action. The
19 market typically for longer dated maturity is
17:39:23 20 well ahead of the Fed. And that's why you did
21 see a large increase in interest rates earlier
22 this year. Things have settled down to some
23 extent as the pace of economic reemergence of our
24 country is questionable.

17:39:41 25 We're seeing conflicting reports as it
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1 relates to underperforming on jobs reports and
2 this big question of why is it so difficult to
3 find employees and all these jobs are going
4 unfilled. So that's one of the constraints
17:39:58 5 that's really, I think, slowing down or
6 potentially slowing down the economy that's
7 giving some pause to an immediate increase in
8 interest rates.

9 As it relates to short-term interest
17:40:08 10 rates, which is what the graph in front of you
11 shows, this graph shows the gold line is the
12 one-year treasury rate. And the blue line is the
13 one-year MIG or the municipal rate. The one-year
14 MIG rate, municipal rate, is the benchmark that
17:40:24 15 your note and all Ohio notes are priced off of.
16 So that's the benchmark. Then notes are sold
17 based upon a credit spread of the underlying
18 credit of a municipality.

19 At this point last year, the note was
17:40:37 20 sold at a 0.45 percent, so at 45 basis points.
21 The MIG scale was at 0.20, so slightly above
22 where we are now. Right now we're at 0.10, which
23 is just about the lowest in history. So the
24 Village set a personal record for lowest
17:40:57 25 borrowing cost last year. And if interest rates

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1 on the short end hold course, I would expect to
2 match or surpass that on the low side as far as
3 borrowing costs. So we would expect at this
4 point in time a borrowing cost in the note
17:41:13 5 somewhere around 0.35 to 0.4 percent lower than
6 last year's borrowing cost, which is great. So
7 the cost of carrying this debt is, if you don't
8 mind me saying so, it's fairly minimal as it
9 relates to the size of the note issue.

17:41:29 10 Any questions about interest rates or
11 the market? Okay. Jim, if you wouldn't mind
12 going up to the prior page. So moving to item
13 three, obviously there is the \$2.4 million note
14 coming due in August. The Village does have to
17:41:54 15 pay the interest. At this point, I'm going to
16 pause and ask Ryan to interject in his with a
17 little recap which we've heard before, but a
18 recap as to what the Ohio Revised Code stipulates
19 would be a mandatory or how mandatory payments on
17:42:13 20 notes are determined.

21 Ryan, do you mind?
22 MR. CALLENDER: Sure, absolutely.
23 Thanks, Tim. Mr. Chairman, members of the
24 committee, as we have discussed in the past, but
17:42:23 25 I know it's not something you think about every
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1 night when you're going to bed, so you might have
2 forgotten and that's okay. Every municipal
3 issuance for a capital improvement like this,
4 when you issue notes, and what these really are
17:42:41 5 under the Revised Code are bond anticipation
6 notes, so you're anticipating eventually issuing
7 bonds at some point, allows for essentially a
8 five-year period in which you do not have to pay
9 any principal down on the original debt. It's
17:43:03 10 kind of akin to a construction period.

11 So these notes consist of two different
12 purposes. You have the garage and salt storage
13 shed, which is about \$2 million of the notes and
14 then the improvements to Lake Shore Avenue, which
17:43:27 15 is about 400,000. The salt, the garage and salt
16 storage shed was originally issued back in 2017.
17 So if we kind of worked forward for the five-year
18 period, you still have a couple of years left in
19 which you do not have to pay any principal down.
17:43:45 20 It is not legally required.

21 Once we get to the end of that five-year
22 period or the very first rollover of the note
23 after that five-year period, then we will have to
24 start amortizing the principal as if it was
17:43:59 25 actually a fixed rate bond and we make estimates

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1 on what that principal payment is. That doesn't
2 mean to say that you can't pay anything down now.
3 It just means to say that you have the
4 flexibility of not doing so and consulting with
17:44:17 5 your financial folks. And what Tim just said
6 about low interest rates, that goes into your
7 thinking and into your -- should go into your
8 discussion about whether to pay anything down at
9 this point or not.

17:44:36 10 MR. REIDY: Perfect. Thank you, Ryan.

11 MR. PUFFENBERGER: I do have a question.
12 What you said at the outset is even phrased in
13 the legislation, it says notes in anticipation of
14 bonds. What kind of guidance can you give us on
17:44:55 15 when we should issue bonds or if we should issue
16 bonds.

17 MR. CALLENDER: Sure. So I'll start
18 more on the legal end and just what I've
19 experienced and then maybe Tim can jump in on
17:45:10 20 more the financial end.

21 Again, the code does refer to these as
22 bond anticipation notes. It is not uncommon at
23 all in the past couple of decades for entities to
24 just rollover notes over and over and over again
17:45:26 25 and never actually issue bonds. And that's

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1 perfectly legal, because, quite frankly, the
2 shorter end -- again, Tim's filled me in, but the
3 shorter end of the yield curve has been so low
4 for so long and so a lot of entities have
17:45:45 5 actually done okay with that.

6 You're always running a couple of risks.
7 They're minor, but there's a couple of risks with
8 that. Of course, you're running the risks that
9 interest rates go up, but you're also -- a little
17:45:58 10 bit more on my side, you're running very, very
11 minimal risk, but we've seen it happen, at least
12 certainly in around the 2008 era, in which you're
13 not able to access the markets in order to roll
14 it over, because your note happens to be coming
17:46:18 15 due at a time of a crisis, some sort of crash
16 crisis, so there are some risks.

17 The idea of whether you want to roll
18 them into bonds or not, certainly you take in the
19 financial considerations. You also consider
17:46:34 20 whether -- you know, issuing notes is not free,
21 but as compared to \$2.4 million, it's not
22 incredibly expensive. Issuing bonds gets a
23 little bit more expensive both on the various
24 professionals that you hire, including the
17:46:53 25 lawyers.

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1 And so typically what you want to do is
2 wait until you make sure that you've got as many
3 of the projects that you intend to do kind of in
4 play so that you're not going back out and you're
17:47:09 5 issuing bonds multiple times in three or four
6 years, that you're hopefully kind of combining
7 them at the same time.

8 There's also the question of what the
9 sources of revenue eventually will be for the
10 bonds. And so if there's ever any consideration
11 that you want to put some sort of special levy on
12 in order to pay the debt service, that's another
13 consideration obviously that we can time out the
14 issuance of the bonds with that. So with that,
17:47:38 15 maybe Tim can speak much more effectively about
16 the financial side.

17 MR. REIDY: Thank you, Ryan. I would
18 say that in this interest rate environment, there
19 really is not a bad choice in the sense that
17:47:56 20 short-term interest rates are extraordinary low
21 and yes, bond rates are extraordinarily low.
22 It's a very attractive and straight environment.

23 There should be pause given to what is the
24 solution or are we at the point where we can
17:48:11 25 determine the solution for these notes. That

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1 ultimately is the question.

2 One of the greatest benefits of notes,
3 other than the inexpensive cost of capital, is
4 the flexibility that you maintain and reserve
17:48:22 5 having those notes as one-year duration
6 instruments in the sense that you can pay down,
7 increase on an annual basis. You have the
8 flexibility, to Ryan's point, if there are
9 additional projects that the Village would
17:48:39 10 contemplate, including those in a future
11 issuance, which to reiterate kind of what Ryan
12 was alluding to, what you really don't want to do
13 is go to bonds multiple times and try to avoid
14 multiple issues like that, because it becomes
17:48:56 15 just cost prohibitive and kind of inefficient
16 economically.

17 So being in notes, again, is a
18 tremendously flexible tool for the Village.
19 Paying down some -- while the Village has
17:49:10 20 certainly the capacity or the ability to pay down
21 this note a little bit, the interest rate benefit
22 of paying it down is negligible obviously,
23 because when you're talking about 30 basis
24 points, paying down \$50,000 or something like
17:49:26 25 that is a very nominal dollar amount.

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1 So it's a question of what does the
 2 Village want to do with its resources. And as
 3 Ryan mentioned, what's the eventual solution
 4 going to bonds, because once you go to bonds, you
 17:49:42 5 have a fixed amortization and you have a fixed
 6 payment schedule, so you want to get comfortable
 7 with what your revenue source is for that issue.
 8 MR. PUFFENBERGER: Thank you. We have
 9 some anticipated capital projects that probably
 17:49:56 10 require some flexibility on our part, so that
 11 needs to be taken into consideration in the next
 12 year or two. Thank you.
 13 MR. REIDY: So Jim, if I may finish,
 14 just to finish up item number three. So as we
 17:50:14 15 look at the notes that are coming due, working
 16 back from the date of when the 2020 note matures
 17 August 12th, as I mentioned, so if the Village
 18 were to stay in notes, we would be looking at a
 19 schedule of needing to be in the market to sell
 17:50:31 20 the note to new investors on or around July 29th,
 21 which would give us two weeks then to facilitate
 22 closing documents and to execute the transaction
 23 and fund the proceeds to the Village by the day
 24 prior, which would be August 11th. So as it
 17:50:51 25 relates to any sort of Council action, we would
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1 need obviously Council approval prior to any new
 2 issuance of debt.
 3 Any questions about that?
 4 MR. PUFFENBERGER: Our July Council
 17:51:12 5 meeting is July the 21st.
 6 MR. REIDY: Yes, that would work
 7 perfectly fine certainly.
 8 MR. PUFFENBERGER: That would give us
 9 enough time to do what you need to do then.
 17:51:28 10 MR. REIDY: Right.
 11 MR. PUFFENBERGER: All right.
 12 MS. BURKE-JONES: Can I go back, since
 13 you're a numbers guy. This is Joyce. And what
 14 in approximate terms, if it starts to remain low
 17:51:46 15 or interest rates remain low, do you anticipate
 16 that -- how much would paying off this be on an
 17 annual basis once we start paying it down,
 18 whether it be bonds or by notes, how much? I
 19 just would like to know what the amount is.
 17:52:08 20 MAYOR LICASTRO: I think I can answer
 21 that question. So if you put a bond issue on the
 22 ballot, for every mill it generates about
 23 \$1.8 million of proceeds that takes into account
 24 the payment of interest. So for every one mill,
 17:52:28 25 it's about \$1.8 million net. Is that clear?
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1 MS. BURKE-JONES: Okay.
 2 MAYOR LICASTRO: That's for a 30-year
 3 period of time, but I think that's correct, Tim,
 4 isn't it?
 17:52:46 5 MR. McDONALD: Is that what you were
 6 asking?
 7 MR. REIDY: I think what she was asking
 8 was if we went to bonds, what would the payment
 9 be on an annual basis; is that correct?
 17:52:57 10 MS. BURKE-JONES: Yes.
 11 MR. REIDY: So I think it's a little bit
 12 nuanced a little bit differently, Mayor. So to
 13 answer your question, it's a question of -- I'll
 14 give you an example. If the note was converted
 17:53:09 15 into a 20-year bond issue, it would be about --
 16 the annual payment would be about \$155,000 a year
 17 based upon current interest rates. If the
 18 Village chose a shorter duration issue, then
 19 obviously you have a larger payment on an annual
 17:53:29 20 basis, paid off faster, but the burden on an
 21 annual basis to your expenditures is higher. So
 22 for instance, on a 20-year amortization, it's
 23 about 190,000 per year.
 24 MS. BURKE-JONES: Okay.
 17:53:45 25 MR. REIDY: So it really goes back to --
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1 MR. McDONALD: John, it goes back to one
 2 mill of yield in cash, we have one mill levy.
 3 MAYOR LICASTRO: So keep in mind that
 4 bonds over a period of time, the money is front
 17:53:59 5 loaded. So if you put on a multiple mill levy
 6 for 30 years, the money is front loaded. Again,
 7 accounting for interest. So for every one mill,
 8 it generates about 1.8 million again over and
 9 above taking into account the interest payment.
 17:54:19 10 Interest makes it more, but that's the net to the
 11 Village.
 12 MR. PUFFENBERGER: Anyone else have any
 13 questions for Mr. Reidy or Mr. Callender?
 14 MR. BENJAMIN: Yes, Mr. Chairman. Hi,
 17:54:38 15 it's Keith Benjamin.
 16 MR. PUFFENBERGER: Go ahead, Keith.
 17 MR. BENJAMIN: I may have missed this at
 18 the very beginning of the meeting, are we in year
 19 four of rolling over these notes or is this five?
 17:54:52 20 MR. CALLENDER: This would be the fourth
 21 year, so you'd have one more year where you would
 22 not be legally required to pay down principal
 23 after this. So starting in 2023, if we were
 24 still rolling over notes rather than in bonds,
 17:55:09 25 you'd have to start paying principal down at that
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1 point.

2 MR. BENJAMIN: Okay. Thank you. So we
3 have another year then to determine --

4 MAYOR LICASTRO: Two years.

17:55:19 5 MR. BENJAMIN: -- two years to determine
6 how we're going to move forward with these notes.

7 I guess my feeling on this is that we roll these
8 over and look at our future bond issuances and
9 what we might be doing in the next couple years

17:55:36 10 and work to make those decisions, but certainly
11 the market right now is the interest rates are so
12 low, I think it makes most sense to just roll
13 these over for another year and work to find out,
14 you know, a solution in how we're going to pay

17:55:54 15 these off once we have to pay 150,000 a year on
16 these.

17 MR. PUFFENBERGER: Yeah, that would be
18 my impression, too. I think rolling it over

17:56:09 19 another year because we have, like I said, some
20 capital projects that we need to take into

21 consideration what we have in the bank, et
22 cetera, to accommodate those. This offers us a
23 bit more flexibility. And we have one more year
24 to determine what we want to do relative to

17:56:27 25 bonds. It seems that everything in my view

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1 mull over them because, you know, taking into
2 consideration everything that's been said,
3 especially in anticipation of capital improvement
4 projects that we do need to get done and others,
5 that would certainly bring great benefit to the
6 Village.

17:58:07 7 I think it's going to be important to
8 just lay it all out and see what it looks like
9 before I think the whole Council takes into
17:58:23 10 consideration what we feel like we need in terms
11 of funding and otherwise, so yeah, I have a whole
12 lot of questions, but none that I intend to share
13 right now.

17:58:39 14 MR. McDONALD: To Gina's point, are we
15 limited when we can refund these things to
16 maturity date or can we sell bonds and refund the
17 anticipation notes just on the sale of the bond?

17:58:56 18 MR. CALLENDER: That's a great question.
19 I was almost going to raise that. Typically your
20 notes are not prepayable. And by the way,
21 they're also tax exempt, so the interest on the
22 rates are tax exempt. Because they're tax
23 exempt, we have to live by a lot of fun rules
24 that the IRS throws at us. And one of those
17:59:14 25 rules currently is that you can issue bonds to

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1 points to rolling over the notes.

17:56:43 2 MR. McDONALD: I agree with that. We
3 just have to keep our eye on the calendar.
4 Interest rates haven't been this low ever, so we
5 want -- we don't want to do anything too quickly
6 before we know everything that we would like to
7 get done, but at some point in time we need to
8 issue bonds when the rates are down there.

9 MR. PUFFENBERGER: Yeah.

17:56:57 10 MS. BURKE-JONES: I agree. I agree.

11 MR. PUFFENBERGER: Okay. We have two
12 years to make that.

13 MR. McDONALD: We're in a very good
14 position, as long as the rates don't spike.

17:57:14 15 MR. PUFFENBERGER: Yeah, as long as that
16 doesn't happen. There's a lot of discussion
17 about inflation and rates and who knows, but
18 hopefully that's a short-term thing.

19 All right. Anything else we need to

17:57:31 20 know to finalize this decision? Anybody else
21 have any questions?

22 MS. HUFFMAN: Yes.

23 MS. BURKE-JONES: Is that Gina I hear?

24 MS. HUFFMAN: Yes, this is Gina Huffman.

17:57:46 25 I do have several questions, but I just need to

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1 refund a note in advance of their maturity, but
2 no more than 90 days before that maturity.

17:59:36 3 So kind of the crux of it is we wouldn't
4 be able to issue bonds without some special
5 feature of these notes, which probably would --
6 Tim can address this, probably cost you money or
7 higher interest rate. We wouldn't be able to
8 issue new bonds to take these out until 90 days
9 before the maturity. So your current notes right
17:59:54 10 now mature on August 12th. Your new notes likely
11 will mature right around there, maybe August 11th
12 of '22. So you back up 90 days from there, it
13 would be May of 2022, before you could actually
14 issue bonds to take those notes out, unless you
18:00:14 15 had some special provision, but again, I think,
16 Tim, I would assume that would cost the Village
17 to have a special provision in it.

18 MR. BENJAMIN: Mr. Chairman, I don't
19 think that the Village is in any position at this
18:00:27 20 time to make a decision on additional potential
21 capital improvement projects we would be bonding
22 or buying notes out for before August of this
23 year. So I don't think we really have much of a
24 choice but to roll them over for another year.

18:00:46 25 And then next year really diligently look at what

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1 we've got coming up.
 2 MR. McDONALD: I agree, but I think that
 3 August '22 date might be very good.
 4 MR. BENJAMIN: Agreed. Agreed.
 5 MR. PUFFENBERGER: The special
 6 provisions just for our information, if we do
 7 have special provisions to pay them off early,
 8 does it make those notes less salable?
 9 MR. REIDY: Good question. So what Ryan
 10 is referring to is having a call provision on the
 11 notes. Typically notes are sold without a call
 12 provision, as he said, so they would be not be
 13 callable. You may be familiar a bond issue might
 14 have a call provision where those bonds could be
 15 called in advance of the maturity.
 16 Notes certainly could be sold with a
 17 call provision and we certainly do it with some
 18 frequency. It's not the normal, but with some
 19 frequency. There typically is some cost. When
 20 we say cost, we mean a basis point or an interest
 21 rate cost. And that's because the investor
 22 doesn't want you to call the notes away, so
 23 they're going to say you need to pay me another
 24 two or three basis points for the risk that this
 25 note gets called away prior to maturity.

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1 So for that benefit to the Village, for
 2 the flexibility that derives from having the
 3 ability to call it earlier than the 9-month
 4 period, as Ryan mentioned, will typically cost a
 5 few basis points. So I would say that unless
 6 there is some high level of confidence that you
 7 would use that call provision, there seems to be
 8 no point to paying for it unless, again, you
 9 believe that you'll be in a position to
 10 potentially bond this out or bond this and
 11 something else out come May of next year.
 12 MR. PUFFENBERGER: Thank you.
 13 MR. REIDY: But with that said, a call
 14 provision, it's not extraordinarily cost
 15 prohibitive. Again, it's probably a few basis
 16 points, not much. It's certainly something that
 17 could be entertained, but I don't think at this
 18 point seems like it is very compelling.
 19 MR. PUFFENBERGER: Okay.
 20 MS. BURKE-JONES: I would say to the
 21 Chair with the speed that we're moving in,
 22 determination on facilities in the future, I
 23 highly doubt that anything would occur before a
 24 year from now, that we would actually know,
 25 unless we change, you know, how we're proceeding.

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1 MR. PUFFENBERGER: Okay. Are there any
 2 more questions? Mr. Matty, do we need to make a
 3 motion to recommend to Council to rollover the
 4 notes at this juncture?
 5 MR. MATTY: Yes.
 6 MR. PUFFENBERGER: I'll entertain a
 7 motion to recommend to Council that we rollover
 8 our existing notes.
 9 MR. McDONALD: Second.
 10 MR. PUFFENBERGER: All in favor?
 11 MS. BURKE-JONES: Aye.
 12 MR. McDONALD: Aye.
 13 MR. PUFFENBERGER: Then we make that
 14 recommendation to Council at our next Council
 15 meeting. And then we will have the appropriate
 16 legislation at our July meeting if that meets the
 17 time frame. Does that work for everybody?
 18 MS. BURKE-JONES: Yes.
 19 MR. PUFFENBERGER: Mr. Reidy, Mr.
 20 Callender, thank you very much for your guidance
 21 and your information. It's invaluable and we'll
 22 keep moving forward.
 23 MR. CALLENDER: Thank you, Mr. Chairman.
 24 MR. REIDY: Thank you for having me.
 25 MAYOR LICASTRO: Thank you, Gentlemen.

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1 Jim, may I have a moment or two?
 2 MR. PUFFENBERGER: Go ahead.
 3 MAYOR LICASTRO: Thank you. So again,
 4 as Jim mentioned a facility study, Joyce did as
 5 well, we know we're about to undertake that
 6 process. To that end, I spoke to Roy Call, a
 7 longtime resident at Haskell, who was involved in
 8 facilities maintenance at UH and also at Judson
 9 where he did more at Judson. Roy spend his
 10 summer in Maine. So I guess he's a summer bird,
 11 not a snowbird. He's a sun bird. And knowing he
 12 was leaving, I asked him to look at Village Hall,
 13 the Community Center and the old high school. He
 14 got a tour of all three and did an extensive
 15 survey of the building.
 16 And I had lunch with him before he left.
 17 And what he told me really led to an epiphany.
 18 And I can make this brief. He basically looked
 19 at Village Hall and told me Village Hall has
 20 exceeded its shelf life. It was built in 1916.
 21 There's structural issues. There's water issue.
 22 There's the old gun range in the basement full of
 23 lead. He said the only logical thing with
 24 Village Hall is tear it down. Now, that
 25 surprised me, but that was his opinion.

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1 By the way, this is one person's
 2 opinion. We need to still have a process to see
 3 if we reach a consensus, but let me continue.
 4 With the old high school, he called it a white
 5 elephant. Now, I guess it's okay to pay a dollar
 6 for a white elephant, but he mentioned there's
 7 four HVAC systems there that have not been turned
 8 on in five to seven years. They can cost upwards
 9 of 150,000 each. He said don't expect to flip a
 10 switched and they'll work. We already know
 11 there's extensive roof issues. He mentioned the
 12 deck that needs to be resurfaced. In his
 13 opinion, we could spend a million dollars to
 14 bring that facility up to a usable condition.
 15 He thought of all three structures, the
 16 Community Center would have the best bones, the
 17 best structure, but we already know from the Doty
 18 Miller report that there are potentially millions
 19 we could spend there if, indeed, we were to
 20 upgrade the facility to make it current and more
 21 usable and more safe.
 22 MR. BENJAMIN: Mayor, I'm sorry to
 23 interrupt. Would it be possible to have Mr.
 24 Call, I know we're on a countdown on how many
 25 more days we can have virtual meetings, but it
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1 might be good to have Mr. Call share, sort of
 2 share his opinion with us at an upcoming meeting.
 3 MAYOR LICASTRO: He'll be on the meeting
 4 next week of Committee of the Whole, but let me
 5 continue my epiphany. So when you look at
 6 Village Hall that was built as a home for a
 7 marshal and you look at two buildings built in
 8 1908 and 1970, built for schools, I think it is
 9 something we strongly need to consider and that
 10 is building new.
 11 We have 7.43 acre at the old high
 12 school. Building a building that is built for
 13 the police to make them more efficient to attract
 14 and retain employees, to make them more centrally
 15 located, especially closer to Bratenahl Place,
 16 the largest concentration of residents, to build
 17 something for admin that is built for admin that
 18 gives us the space we need to function more
 19 efficiently, and also to include rec programs as
 20 well.
 21 Now, again, we have 7.43 acres to play
 22 with. As much as I love the Community Center, I
 23 went to grade school there, I know that the
 24 prospect of selling it to a developer and tearing
 25 it down and putting in townhouses might not
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1 resonate, but I think that would generate revenue
 2 we sorely need. It would also get rid of a
 3 building that no matter how much we put into is
 4 still ancient.
 5 Village Hall could be torn down and a
 6 pavilion put in with restrooms that would augment
 7 the parks. Again, the grounds at the old high
 8 school I think is the perfect place to build a
 9 civic campus. I've been all over community
 10 centers, civic campuses all over the county, I'm
 11 sure many of you have as well, you see these
 12 brand-new facilities, Independence, Brecksville,
 13 even Newburgh Heights were buildings built for
 14 the purpose they're intended.
 15 We've been struggling for years. We had
 16 a service garage that was torn in half by the
 17 freeway. We made it work for 63 years and then
 18 moved on and built a garage that was for the
 19 purposes and the needs of the Service Department.
 20 I think the police, I've talked about
 21 this with the Chief and Lieutenant, I think would
 22 really help them be more efficient, attract
 23 employees, et cetera, et cetera, as I mentioned.
 24 I think we need to look strongly at taking the
 25 debt we have on the service garage, 2.4 million,
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1 and rolling that into a bond issue at some point
 2 in time once we complete this process, not based
 3 on my opinion or one individual's opinion, and
 4 starting from scratch and build something this
 5 community deserves, brand-new campus with
 6 brand-new buildings that will last for
 7 generations to come.
 8 Now, I'll pause there and just talk
 9 about financing. I mentioned one mill is about
 10 1.8 million in revenue for a 30-year bond issue.
 11 I think a 30-year bond issue for three or perhaps
 12 four mills would be what we need. The burden on
 13 that is not excessive. For a \$300,000 home, a
 14 three mill bond issue property tax is about \$300
 15 in burden, four mill, 400.
 16 I rarely get as excited as I am about my
 17 visions or epiphanies, but I just think with the
 18 courtesy of Mr. Puffenberger, it seemed like a
 19 good time to put this out there for Council to
 20 consider. We need to stop trying to fit a square
 21 peg into a round hole, get rid of these old
 22 buildings. The newest one is already 50 years
 23 old, because no matter how much money we sink
 24 into them, they're going to be old. And I think
 25 taking the Community Center, we love it, but it's
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1 become an albatross. And allowing that for
 2 development is something we should strongly
 3 consider. So that's my epiphany. Mr.
 4 Puffenberger, thank you for allowing me to voice
 5 it and hopefully we'll continue this dialogue
 6 going forward.
 7 MR. PUFFENBERGER: Mr. Mayor, I'm very
 8 glad you did voice that opinion, because
 9 certainly evidence is mounting or maybe we're
 10 just coming to that realization that at least two
 11 of those three buildings aren't feasible for
 12 anything for the Village any longer anyway. And
 13 I don't think many of us have said that that
 14 bluntly over the last few years, but it certainly
 15 seems to be the case. And given the situation
 16 with the building that we just acquired, I mean,
 17 it's a nice property, but the building we just
 18 acquired, it seems that more and more we're
 19 hearing of additional cost. It's something to
 20 take into consideration if we do, as part of this
 21 process, consider new is that the cost of
 22 maintaining at least two of those three buildings
 23 is pretty high.
 24 So eliminating those costs can offset
 25 some of the cost of building new as well. It's
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1 an extraordinary cost to keep old buildings like
 2 that running. And so that can offset some of
 3 that cost, but that's my two cents. I think it's
 4 a direction we should certainly consider going as
 5 part of the process.
 6 MAYOR LICASTRO: Jim, I'm thrilled to
 7 hear you say that. And look, I understand the
 8 ballot box has consequences, but even if we
 9 borrow money to upgrade these structures, we have
 10 to go to the ballot box. I think with the police
 11 as the primary recipients of this long overdue
 12 need, helping us with the public, understanding
 13 how it would make them more efficient and attract
 14 and retain employees, we can go to the residents
 15 and make a strong case of why we need it for not
 16 only police, but other Village functions and make
 17 it happen. I know visionaries are often thought
 18 to be a little crazy. I feel this is something
 19 we need in the center. And, Jim, thank you so
 20 much for giving it some consideration. We have a
 21 lot of work to do, but I think we need to keep
 22 that in focus. Thank you.
 23 MR. PUFFENBERGER: Thank you. Yeah, I
 24 said what I needed to say. Anyone else want to
 25 chime in before we move on? Okay. Let's move
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1 on. Second item on the agenda.
 2 MS. BURKE-JONES: I have to unmute
 3 myself there. Jim, excuse me, I'm glad we're
 4 saying that. Again, remember and new is always
 5 easier. And we always need to look at the
 6 service we've already done. The study that was
 7 done by Doty Miller said that new for the rec
 8 building was between four to six million and
 9 that's a few years ago, so you have another -- so
 10 we're talking five, \$7 million for a new -- I'm
 11 just talking in ballpark figures when we're
 12 talking that. Just to kind of give you -- I have
 13 no problem. I just want us to make sure we
 14 understand dollar amounts that we're talking
 15 about.
 16 MAYOR LICASTRO: Actually, Roy thought
 17 more like 3.5 to 4, but the process will let us
 18 know what we're building, what the costs are.
 19 Again, I think we can keep the millage
 20 reasonable, because, again, we have to get
 21 approval from the residents. And that's why I
 22 think the process we described with Gina's
 23 committee leading the effort with community
 24 members, including Mr. Call involved, to get
 25 their input and see if we reach consensus will
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1 also empower them to help support this.
 2 MS. BURKE-JONES: Total agree with you
 3 Mayor. I just want to make sure we take a look
 4 at the studies we've already done and the numbers
 5 we've already been given that give us that
 6 number. We just have to know we have to pull the
 7 program down and reduce the number of things that
 8 we actually want to put in it to get to the 4
 9 million. And I think that's very exciting to
 10 build new.
 11 MAYOR LICASTRO: I wasn't sure how this
 12 would resonate. The fact that several of you
 13 have shared my excitement is very pleasing to me.
 14 And thank you for allowing me to wax poetically
 15 about this. I think it's something we strongly
 16 need to think about. I'm in these buildings
 17 every day. He shocked me with his assessment of
 18 Village Hall. Once he did that, it led to my
 19 epiphany. I'm sorry, Mr. Puffenberger, I don't
 20 want to hijack your meeting.
 21 MR. PUFFENBERGER: No need to apologize.
 22 We some homework to do and we have a process to
 23 follow, but this, in my view, and apparently
 24 others are agreeing, is another option that we
 25 hadn't really talked about in any detail that
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1 should be considered. And it is kind of an
 2 exciting prospect to think about a brand-new
 3 building. And we've talked about many times that
 4 the decisions we make about these three
 5 buildings, these three older buildings, are going
 6 to impact what happens with the Village and how
 7 the Village runs for decades.
 8 This is not a short-term decision. And
 9 it's going to be expensive, but we're also going
 10 to be eliminating other costs that we would have
 11 incurred anyway on buildings that wouldn't last
 12 us as long or be as functional. And those are
 13 the things that we need to take into
 14 consideration. So yeah, anyway. That's my
 15 feeling. Anybody else?
 16 MR. McDONALD: I think it's something we
 17 have to pursue and see where it leads us.
 18 MR. PUFFENBERGER: All right. Good
 19 deal. Gina, are you planning another meeting any
 20 time in the near future that we can talk about
 21 this? I'm not on your committee, but I'm just
 22 curious.
 23 MS. HUFFMAN: Actually, yes. We're
 24 going to certainly try to figure out what dates
 25 are going to be good dates moving forward. I
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1 know I have my calendar out and I'm thinking
 2 about what would be a suitable date for everyone.
 3 During those meetings certainly we want to make
 4 sure we hear from the community and get their
 5 input on some of these things that we're talking
 6 about today.
 7 Certainly we have a date to still
 8 select, everyone, as to visiting the Bratenahl
 9 Center. And we all discussed about people
 10 walking through the Bratenahl Center and getting
 11 a feel for, you know, the building and what could
 12 be there or in light of the conversation today,
 13 certainly that's going to be pertinent what
 14 people feel that can be there.
 15 As you said, Jim, there's also a cost to
 16 just getting that building just safe and dry. I
 17 know a quote came in for the roof that Mr. Zalar
 18 has. And I'm sure that there's some others who
 19 are going to come and assess what we need to do
 20 to make sure that roof is repaired, so that at
 21 least it's safe and it's dry. And from there,
 22 you know, we'll go on to other things like I know
 23 I've been contacting some developers myself as I
 24 said that I would do in my homework to just give
 25 the community ideas of what could possibly be in
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1 that space or is that building at all, but
 2 certainly we need to start brainstorming, so
 3 that's the long answer.
 4 The short answer is yes. Probably by
 5 the time we have a Council Committee of the
 6 Whole, we'll throw out some dates.
 7 MR. PUFFENBERGER: Thank you. I didn't
 8 mean to put you on the spot.
 9 MS. HUFFMAN: No, no, that's okay. This
 10 is exciting.
 11 MR. PUFFENBERGER: It is. I think that
 12 same level of excitement, I think, when we
 13 finally made the determination to build a new
 14 service building and get rid of an old building
 15 that frankly just shouldn't have been there. And
 16 so we're getting to that point with these other
 17 old buildings, too. As much history as they have
 18 and as much emotional attachments some members of
 19 the Village have to those buildings, they're
 20 getting less and less feasible for us to use, so
 21 anyway.
 22 MS. BURKE-JONES: Just one last thing,
 23 Jim, I'm sorry to interrupt.
 24 MR. PUFFENBERGER: No, no, this is
 25 important.
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1 MS. BURKE-JONES: Just concur, again,
 2 with the million dollars mentioned by the
 3 individual you talked with there, because that's
 4 right in line with what our consultant said it
 5 was going to take to renovate that, only renovate
 6 that, not -- excuse me, just update it, not
 7 putting in the wall changes that we would need to
 8 make it really fit our needs. So he was right
 9 on. Thank you.
 10 MR. PUFFENBERGER: Not a problem.
 11 Anyone else before we move on to our Fiscal
 12 Officer's report? Anything else? And ties
 13 nicely into that. Diana and I spoke on -- thank
 14 you everybody for your comments.
 15 Diana and I spoke, what was it, Thursday
 16 or Friday I guess it was. And we spoke about a
 17 number of things. But one of the things I asked
 18 her to do is essentially give sort of from a
 19 fiscal perspective a state of the union address,
 20 where do we stand.
 21 As everyone knows at the beginning of
 22 the year, this will tie into item number four on
 23 our agenda, we broke the appropriations and
 24 budget into two halves. And my intent here this
 25 evening is to talk about if there should be
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1 adjustments in the second half based on what we
 2 know now. There was an lot we didn't know back
 3 in November and December when we were doing the
 4 budget appropriations. We know a little bit more
 5 now. So I've asked Diana to give us a little bit
 6 of an update as best we can at this juncture.
 7 And Diana, you have the floor.
 8 MS. COOKS: Thank you, Mr. Puffenberger.
 9 May I have the screen?
 10 MR. PUFFENBERGER: Yes, let me stop
 11 this.
 12 MS. COOKS: Thank you. Give me a
 13 second. Is everyone seeing that?
 14 MR. PUFFENBERGER: Not yet.
 15 MS. COOKS: Okay. Can you see that?
 16 MR. McDONALD: Yes.
 17 MS. COOKS: So thank you, Mr.
 18 Puffenberger. I'm going to try to be brief and
 19 open up for questions to, you know, for a
 20 discussion about some of my thinking and based on
 21 the information that we have as of May 31, 2021.
 22 So I decided to do a three-year
 23 comparison of all the funds with, as you can see,
 24 revenue and expenditures. And I went back to
 25 '19, primarily because we know that 2020 was an
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1 awful year. And so I have compiled the
 2 information. And I broke out income tax and
 3 property tax, obviously, because that is a
 4 majority of our life here of the revenues that
 5 the Village receives.
 6 So in 2019, and just for the sake of
 7 clarity, that was the first year that we had the
 8 half percent income tax increase. That was
 9 effective on June 1, 2019. That year the Fiscal
 10 Officer at the time transferred \$64,000 into that
 11 income tax fund. So what is supposed to happen
 12 is that -- and I've been doing it quarterly, so I
 13 just transferred from the general fund into the
 14 special revenue account \$234,000, which
 15 represents 20 percent of those gross receipts.
 16 So this year so far we have collected
 17 1.171 roughly in income tax. And considering
 18 that collections are based upon 2020 year, I
 19 think we're doing pretty good. I think we're on
 20 par to do better than we did last year. And
 21 indications are from Brian Thunberg at RITA that
 22 we will almost, if not reach, almost exceed by a
 23 certain percentage. He's not given me that
 24 percentage yet, the income tax that we collected
 25 in 2019.
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1 Property tax seems to lag behind. If
 2 you will recall from last year when we were doing
 3 estimates for what we thought we would collect in
 4 revenue, I did a 20 percent reduction in property
 5 tax, because my theory was that as people's
 6 income is decreased, one of the first things that
 7 may be delayed is their payment of property tax.
 8 And I think we've seen that that has happened.
 9 I look on the county's website. I see
 10 that the county continues to offer delinquent
 11 payment plans. So it's really difficult to tell
 12 how we will receive those property taxes as the
 13 year goes on. So I don't think that they're
 14 going to do an extension of the property taxes
 15 that are collected in July. So in August, we
 16 should see whatever receipts that were received
 17 by the county for property tax.
 18 As far as income tax are concerned, we
 19 know that Federal filings were delayed until May
 20 15th of this year. And so I expect that we would
 21 collect what we would normally collect in May.
 22 So in June, we should see those receipts. So I
 23 would predict that once we collect those, we will
 24 be closer to the 2.1 million that we collected in
 25 2019. Any questions on that?
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1 MR. PUFFENBERGER: I do. I have just
 2 one quick question, excuse me. When we were
 3 making the conversion from CCA to RITA, they
 4 indicated to us they had some rather
 5 sophisticated methods for doing projections. All
 6 the numbers in 2021, that you have here are to
 7 date or through May, I assume; is that correct?
 8 MS. COOKS: That is correct.
 9 MR. PUFFENBERGER: Have they been able
 10 to provide any types of hard projections for the
 11 remainder of the year?
 12 MS. COOKS: So Brian would like to wait
 13 until the collections for this month, which would
 14 have normally been the collections we would have
 15 received in May and traditionally receive in May
 16 before those predictions can be made.
 17 MR. PUFFENBERGER: All right. But they
 18 will be doing that. They will, in fact, be
 19 coming through with some projections that we can
 20 utilize in some way, shape or form?
 21 MS. COOKS: Yes, sir.
 22 MR. PUFFENBERGER: Okay. Thank you.
 23 MS. COOKS: So looking ahead, I spoke
 24 about some of this. Income tax is on par or may
 25 be higher than what we received in 2019. The
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1 property tax usually, you know, lags when income
 2 is a factor. So I would like for us to continue
 3 to monitor and taper our expenses, if it's
 4 necessary. I expect the Federal funds over the
 18:28:55 5 next two years to be helpful. We know that we're
 6 getting between 225 and \$250,000 that will be
 7 divided into two payments. So I don't know a
 8 date yet for receipt on that.
 9 MAYOR LICASTRO: Diana, let will me just
 18:29:18 10 stop you there.
 11 MS. COOKS: Okay.
 12 MAYOR LICASTRO: We had a Mayors'
 13 meeting this morning on that very topic. So
 14 indeed, we have projections based on monies from
 18:29:21 15 the Feds to the state and to cities and villages
 16 an, indeed, the estimate Diana has there is
 17 accurate.
 18 However, General Assembly is strongly
 19 considering including townships in its
 18:29:34 20 distribution, which was not factored in the
 21 original distribution. About a third of the
 22 communities in the state are townships. If,
 23 indeed, that comes to fruition, and it's getting
 24 strong support from the General Assembly, it is
 18:29:51 25 likely that the monies cities and villages will
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1 receive might be cut in half. So we'll know in
 2 the next -- I know, really?
 3 One reason they're telling us don't
 4 worry about people looking for refunds on income
 18:30:09 5 tax based on where they work, the Federal money
 6 will make you whole, this flies in the face of
 7 that logic. We'll know within the next 10 days,
 8 but I would not spend that money until we see
 9 what actually comes into our coffers. Thank you.
 18:30:25 10 Sorry to interrupt.
 11 MR. PUFFENBERGER: It seems that this
 12 has changed quite a bit over time. My impression
 13 was that this was all coming in one tranche
 14 initially and now it's in two tranches over two
 18:30:37 15 years. That's what I understood at least. And
 16 it seems as though the numbers are changing and
 17 we don't know when we're going to get it.
 18 MAYOR LICASTRO: It's always been over a
 19 two-year period. But this thing with the
 18:30:45 20 township literally happened last night. Don't
 21 forget since a third of the communities in Ohio
 22 are townships, a large portion of the elected
 23 representatives are from those townships, so it's
 24 been given strong consideration.
 18:30:59 25 The reaction to the Mayors on the call
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1 was shock and dismay that monies they thought
 2 were coming might indeed be reduced maybe by as
 3 much as half, so we'll know more in 10 days.
 4 Thank you, Diana, sorry to interrupt.
 18:31:14 5 MS. COOKS: No problem. So that's on
 6 Federal funds. For consideration for the
 7 committee for Council, there are currently 10
 8 employees who are eligible or nearly eligible for
 9 retirement. That's Ordinance 3891. Amongst
 18:31:36 10 other retirement eligible payouts are sick leave
 11 ordinance. And it in part currently says that a
 12 full-time employee of the Village may elect at
 13 the time of retirement from active full-time
 14 service with the Village, with 10 or more years
 18:32:02 15 of continuous service with the Village, can be
 16 paid in cash one half of the value of his or her
 17 accrued but unused sick credit up to -- and I'm
 18 jumping ahead, I'm not reading everything, but
 19 I'm paraphrasing -- up to 720 hours. Of those 10
 18:32:28 20 employees, nine of them are eligible to receive
 21 payment for 720 hours. And that amount would be
 22 a liability to the Village.
 23 Let me just say this, only three of them
 24 likely could at this time retire and get a
 18:32:53 25 payout, but definitely within the next five
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1 years, and that amount is \$219,637. So I am
 2 asking Council to remember and keep it in mind
 3 that this will be a liability to the Village that
 4 will likely be paid out within the next five
 18:33:19 5 years. So I don't think that at this stage in
 6 the game that we should put an accrual on our
 7 books, but it is something that needs to be
 8 considered along with other financial issues that
 9 are coming up in the next five years.
 18:33:43 10 I won't belabor anything on the facility
 11 plans. I know Council is going to make those
 12 decisions in the coming months. And one of the
 13 things that is on the agenda today are employee
 14 compensation plans. So if anyone has any
 18:34:05 15 additional questions on this site, I'll move
 16 forward.
 17 MR. PUFFENBERGER: I do have another
 18 question, Diana. Obviously we don't want to know
 19 names, but are there retirements potential for
 18:34:21 20 this year, any of those 10?
 21 MS. COOKS: I'm prohibited from asking,
 22 but I would say likely not.
 23 MR. PUFFENBERGER: Okay. Thank you.
 24 MS. BURKE-JONES: May I ask a question?
 18:34:42 25 MS. COOKS: Absolutely.
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1 MS. BURKE-JONES: So this is on the
 2 previous page, but you don't have to go back.
 3 You were talking about that it looks like we will
 4 most probably exceed 2019 revenues, but I also
 18:35:04 5 recall when we were doing our budget for 2019,
 6 our concern that that was still low, was that not
 7 true, Jim, because there was only half a year of
 8 that. And we really weren't going to start being
 9 in good shape until the additional funds were in
 18:35:25 10 for full year, so that number is still low as far
 11 as the general budget for the Village. Is my
 12 memory not correct?
 13 MS. COOKS: Are you addressing yourself
 14 to me or to Mr. Puffenberger? Either?
 18:35:43 15 MS. BURKE-JONES: Diana, please, yes.
 16 MS. COOKS: Okay. Yes, that is correct.
 17 MS. BURKE-JONES: So we're not out of
 18 the woods yet. We're obviously much better than
 19 last year, but it still needs to go higher to
 18:35:59 20 really be where we were expecting to be back in
 21 2019 or 2018.
 22 MS. COOKS: 2018, yes.
 23 MS. BURKE-JONES: Okay.
 24 MS. COOKS: So I would agree with that
 18:36:10 25 statement. Certainly anything, almost everything
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1 is better than last year.
 2 MS. BURKE-JONES: Exactly.
 3 MS. COOKS: Again, what we collect in
 4 '21, both on income and on property tax, are
 18:36:27 5 based on 2020. So again, I don't really think we
 6 will see true numbers until 2022.
 7 MS. BURKE-JONES: Okay. Thank you very
 8 much.
 9 MS. COOKS: Sure. And lastly, so here
 18:36:46 10 are my recommendations. You know, we can discuss
 11 about the accrual for qualifying retirement
 12 benefits. And I suggest and, you know, I've
 13 spoken with a couple of my colleagues, I don't
 14 want to preempt them, but I think we should delay
 18:37:08 15 the employee compensation discussion until
 16 September 2021. You know, that will give us a
 17 month before we start our full budget discussion.
 18 It will give departments, some of whom didn't
 19 hear Mr. Puffenberger's request for information
 18:37:30 20 and/or may have interpreted it differently.
 21 And so this will give those departments
 22 an opportunity to get a full understanding of
 23 what it is that he may expect to see. But
 24 considering that that discussion will be delayed,
 18:37:54 25 I think in the short-term that if Council will
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1 consider a 5 percent across the board COLA for
 2 all employees that cover the last two years and I
 3 think a way that it can be funded is -- and I'm
 4 sure you will all recall last year when we asked
 18:38:13 5 the Tax Administrator to transfer funds from the
 6 various funds, one of which was the capital
 7 improvement fund. And I was authorized to
 8 transfer \$350,000 from that fund to the general
 9 fund. I only transferred half.
 18:38:33 10 And if Council is so inclined, a 5
 11 percent across the board COLA is about \$103,000.
 12 And I would be agreeable to transfer that amount
 13 of that 175 to cover -- well, actually that
 14 includes Rec, but I would be inclined to transfer
 18:39:08 15 that amount as a show to the employees that this
 16 very challenging 14, 15 months has not gone
 17 unnoticed by Council.
 18 At this time, that concludes my report
 19 and I'm open for questions.
 18:39:28 20 MR. PUFFENBERGER: I have a few, but
 21 I'll ask anyone else who may have questions to go
 22 first. No?
 23 Okay. How is the 5 percent calculated?
 24 What was it determined by?
 18:39:43 25 MS. COOKS: It was determined -- so I
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1 believe that at the last -- I have to think it
 2 was the special Council of the Whole meeting,
 3 Lieutenant LoBello, that was the request that he
 4 brought forth, a 5 percent increase COLA. I
 18:40:14 5 don't know if he called it a COLA or not, but
 6 that was the number that he came up with.
 7 And so generally it has been a 1.6 COLA,
 8 which we last received in 2019. So, you know,
 9 basically that's like a 3.2 over the last couple
 18:40:39 10 years and, you know, in a pinch we're in, like
 11 they say, for your birthday.
 12 MR. PUFFENBERGER: Okay. I can
 13 understand your willingness to delay the employee
 14 compensation discussion. I think we do need to
 18:40:59 15 discuss it a little bit tonight. There are some
 16 things tonight that we do need to discuss. I do
 17 know that Lieutenant LoBello has some information
 18 he would like to present to us. I would hate to
 19 delay that. There are some things that are
 18:41:13 20 specific to the police force that he wants to
 21 discuss. And since he's prepared to do so, I
 22 think we should do that tonight.
 23 I also have some information that I can
 24 remind everyone on how COLA is determined. We
 18:41:28 25 had legislation back in -- in fact, I can pull it
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1 up. I think I have it right handy here if I can
2 get the screen back. I believe I have it right
3 here.

4 MS. COOKS: I'm sorry.

18:41:46 5 MR. PUFFENBERGER: That's okay. Let me
6 see if I can bring that up quickly. I believe I
7 have it here. Yep, I do. There it is. This is
8 the legislation that we passed back in December
9 of 2017. And this was intended to determine how
18:42:15 10 we did COLAs. It was determined -- and these are
11 stipulations, and I know a lot of people made
12 jokes because I put these stipulations together
13 while I was sitting on the beach in Florida.

14 This is the legislation that resulted.

18:42:30 15 And the intent was that there would be four tests
16 or five tests essentially. And I think it's an
17 appropriate time to show this. Four tests that
18 would limit our exposure and yet be fair to
19 employees. And I'll just read through these
18:42:50 20 quickly, because I don't know if everybody can
21 read them easily.

22 And the first one is should CPI -- and
23 the intent of the COLA was to be based on the
24 Consumer Price Index. And we made even tighter
18:43:03 25 stipulations on that, that it would be on the

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1 rolling average based on final in October of each
2 year for the following year. That was the
3 stipulation. And I've said this many times,
4 there's no better way to adjust the cost of
18:43:16 5 living than on the actual increase in cost of
6 living as it is specified by the CPI or Consumer
7 Price Index.

8 And we even brought that down
9 regionally. There is a Midwest number that's
18:43:29 10 different from the Western number that's
11 different from the Eastern number. I looked at
12 the Midwestern number. And this puts together a
13 plan that we can carry forward so that we don't
14 have a dartboard approach every year and say this
18:43:47 15 year we'll do two just for the heck of it. There
16 has to be some logic behind it. And that's why I
17 put these stipulations together and that's why we
18 passed this legislation.

19 Anyway, number one, "Should CPI be
18:44:01 20 negative during the specified period, a wage
21 decrease will not be applied."

22 That's fair. Obviously sometimes CPI is
23 negative. And with a very low inflation, that's
24 a possibility that may change, but certainly
18:44:13 25 we're not going to reduce anybody's.

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1 "Maximum COLA increase shall be no
2 greater than 2.5." That's to protect the Village
3 from a massive increase should there be huge
4 inflation. Number three, "Total increase for all
18:44:25 5 employees cannot total more than 10 percent of
6 general fund balance and will be adjusted to 10
7 percent total if greater."

8 So if we have a low general fund
9 balance, we need to be very cautious of that and
18:44:36 10 that protects the Village as well. "COLA
11 increase does not apply and will not be paid in
12 any year if prior year total Village revenue
13 decreases by more than 10 percent."

14 That's something that we can debate as
18:44:47 15 we go forward, but we put that in again just to
16 make sure that we had adequate funds. And then
17 the "COLA increase does not apply if
18 budget/appropriations for affected fiscal year
19 increase by more than 10 percent or should there
18:45:02 20 be extraordinary and unforeseen expenditures of
21 more than a million and a half."

22 And so this is the legislation as it is.
23 You are absolutely correct, Diana, that the
24 amount here is not filled in, but it was 1.6
18:45:17 25 percent that year. And that was based

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1 specifically on the CPI. Determined by CPI in
2 October and it's based on the regional. If we
3 were to have done that last year, if we looked at
4 October of last year, and I did that, I have the
18:45:31 5 statistics in front of me, it would have been one
6 percent, just one percent. That's how it would
7 have worked.

8 This year likely it's going to be
9 higher, because we'll probably see some
18:45:42 10 inflation. But that's how we have determined
11 this. Now, we can adjust this, but this is the
12 legislation as it has existed since December of
13 2017. And I think it's a good plan. I think
14 it's something that protects both the employees
18:45:57 15 and the Village. And we probably should put more
16 specific language in about CPI and how that's
17 determined, but this is where we are now, just
18 for everybody's knowledge.

19 Anybody have any questions on this or
18:46:11 20 comments? Okay. I thought that was an
21 appropriate time to throw that in.

22 MS. COOKS: Mr. Puffenberger?

23 MR. PUFFENBERGER: Yes, ma'am.

24 MS. COOKS: May I at this time ask Mr.
18:46:29 25 Matty, because I probably wouldn't do it justice,

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1 but ask Mr. Matty if he could explain the concept
 2 of equity paid that he explained to me?
 3 MR. MATTY: If I may, Mr. Chairman.
 4 MR. PUFFENBERGER: Absolutely.
 5 MR. MATTY: Mr. Chairman, the Fiscal
 6 Officer asked to meet me last week. And we had a
 7 meeting concerning the issue of an equity
 8 adjustment for our employees other than or on top
 9 of a COLA increase, if Council would be so kind
 10 to even consider a COLA increase. And I do not
 11 have the numbers, but I'm sure the Lieutenant
 12 does. We have a situation where our employees,
 13 even with a COLA increase, are finding themselves
 14 behind other employees of other villages of the
 15 same stature as Bratenahl.
 16 And in some of the areas of municipal
 17 work, those employees are finding and looking for
 18 a job market that keeps them in a reasonable
 19 fashion compensated as to some of their other,
 20 whether they be police officers, fiscal people or
 21 Service Department people or administration
 22 employees, an equity adjustment is a concept
 23 which allows them to catch up.
 24 And I'm not talking about being on the
 25 top of what I will call the elite communities in
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1 employees, Diana's already touched on it, we have
 2 a number of employees who are not immediately
 3 close to retirement, but close or almost close or
 4 in the near future. And those type of equity
 5 adjustments are important. Those type of salary
 6 increases on top of COLA are important for them
 7 in their long-term pensions when they do retire.
 8 So I would like Council, if they would,
 9 to consider something like that. No matter what
 10 percentages you pick in COLA, COLA only keeps our
 11 employees up-to-date with the cost of living. It
 12 doesn't really do anything for their long-term.
 13 And I know the concept may be new to the Village,
 14 but the concept is not new to collective
 15 bargaining. It is not new to when we have a
 16 situation of disparity.
 17 And I'll leave it to the Lieutenant and
 18 others as to what they think or what they can
 19 show Council that other communities, the
 20 positions they hold for us, what other
 21 communities pay the same individuals. That, I
 22 think, is very important in this municipal day
 23 today, because if you just touch the fringes for
 24 our employees, it will not keep them employed,
 25 especially in our police department.
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18:52:11

1 our area. And I think you all know what elite
 2 communities I am speaking about. There are many.
 3 And they're close. And unfortunately, our
 4 employees, because there has been no increase for
 5 the last two years and there has been an increase
 6 in their cost of healthcare, are finding
 7 themselves further behind.
 8 One of the communities in our area has a
 9 very interesting ordinance, which allows them to
 10 have an adjustment each year to keep them in the
 11 top 25 percent of the communities that they're
 12 being compared to. And that is done so that the
 13 employees are retained. Right now in some of the
 14 municipal service areas, especially with the
 15 police and the fire, there are many communities
 16 looking for good people, because especially in
 17 the police area, they are finding themselves very
 18 lean on new prospects.
 19 And I spoke to Diana about an equity
 20 adjustment in concept, because it not only helps
 21 our employees to stay not up to the best, but
 22 compared to possibly the top whatever percentage
 23 you want to pick in their field, and that keeps
 24 them employed in Bratenahl.
 25 The other thing it does for our
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1 And I told Diana if she needed to, I
 2 would speak to you. I am not in any way, shape
 3 or form compensated in this way, nor am I
 4 concerned for my own concern, but I am concerned
 5 with some of the people we train and we lose to
 6 other communities because we're not keeping up.
 7 Thank you.
 8 MR. PUFFENBERGER: I appreciate that.
 9 And certainly that is the reason why I included
 10 this discussion on the agenda. And Diana touched
 11 earlier on -- perhaps I wasn't clear on the type
 12 of information I wanted, but comparables in other
 13 communities is exactly what I was looking for.
 14 And we get a lot of that and I get a lot of that
 15 because I get data, as I've quoted many, many
 16 times, from the Ohio Municipal League. If you
 17 join Civic Plus, you can get data from comparable
 18 positions from hundreds of villages that are our
 19 size, smaller and larger. I presented that data
 20 many times when we were going through this
 21 process. So that's one source of that kind of
 22 information, but we do want to look at
 23 comparables.
 24 And I think what you're talking about
 25 with the equity raises based on the competitive
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18:53:31

1 rate out there, if I may say, I think you're
 2 talking about Willoughby, because I think they do
 3 that. I don't know if they do it for all of
 4 their employees, but I know they do it for their
 18:53:51 5 police. And so I think that is something that is
 6 worth looking at. I don't think that we would
 7 want to be 25 percent above all the other
 8 communities simply because I don't think we can,
 9 but I think we certainly want to retract and
 18:54:05 10 retain the best employees across all departments.
 11 And that's the purpose of our discussion tonight.
 12 Now, Diana suggested we hold off on this
 13 discussion, but really there is a part of this
 14 discussion that I think we should have this
 18:54:18 15 evening. And part of it is what Lieutenant
 16 LoBello is prepared to present tonight and it's
 17 exactly that, comparables with other communities.
 18 MR. MATTY: Mr. Chairman, if I may,
 19 maybe I wasn't clear. I wasn't talking about
 18:54:32 20 being 25 percent above any of the other
 21 communities. I was talking about being in the 25
 22 percent range of the other communities. So in
 23 other words, if the other communities, whatever
 24 we would pay our people, we would be in the top
 18:54:55 25 25 percent of whatever communities Council thinks
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1 we are comparable to in that top 25 percent of
 2 payment, not 25 percent above the top.
 3 And I always have heard Council speak,
 4 and I do agree, from the bike ride I take through
 18:55:15 5 the community, to the people I represent in this
 6 community, we definitely deserve to be in the top
 7 25 percent of all villages that are comparable to
 8 the word "elite" because we're there.
 9 MR. PUFFENBERGER: Thank you for that
 18:55:31 10 clarification. I appreciate that. I think that
 11 there are also other considerations because it's
 12 not just about salary, it's about a compensation
 13 structure, because as everyone knows, we pay
 14 additional for tenure. We want to incent people
 18:55:53 15 to stay with us, so we have various tenure
 16 levels. And over the years, over the last six or
 17 seven years, we have reduced the amount of time
 18 it takes to get to top pay. We started out at 26
 19 years for any of our employees to get to the top
 18:56:09 20 pay. And we reduced that significantly over
 21 time, so that's part of it as well. You simply
 22 can increase salary faster as you progress
 23 through your longevity with the Village. That
 24 was important for me to do.
 18:56:25 25 We've also incented employees to improve
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1 their education and we pay for that. We pay for
 2 not the education, but we pay additional dollars
 3 into their salary if they achieve certain levels
 4 of education. Those are other things we can
 18:56:42 5 consider either enhancing or doing differently.
 6 And I think that there are a couple of
 7 things that are specific to the police force,
 8 since you're talking about that a lot, too, that
 9 we've considered. One is time served with other
 18:57:00 10 departments. We added accommodations for that.
 11 I know that when I first joint Council, there was
 12 no accommodation for that at all. We didn't give
 13 any credit for time served in another facility or
 14 another agency, I should say. And we also
 18:57:18 15 changed the rank differential. We looked at
 16 that.
 17 Lieutenant LoBello and I had any number
 18 of discussions about that. And that would be to
 19 incent our officers to move through the various
 18:57:32 20 ranks. When we have a small force like this,
 21 it's a fairly flat organization. There aren't a
 22 lot of places for everyone to go, but we wanted
 23 to incent everyone to move through the ranks from
 24 patrolman to sergeant to lieutenant to chief.
 18:57:43 25 And so we did something at one point fairly
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1 dramatic. And I think that Lieutenant LoBello is
 2 going to address that again this evening, too.
 3 And we gave credit for military as well.
 4 So those are some of the things that we
 18:57:56 5 have done in the past. I'm not saying that we're
 6 finished, because that's why we're having a
 7 discussion tonight. But we do need to discuss
 8 what we want to do to keep all of our employees
 9 across all the various departments. And we made
 18:58:18 10 a start. I felt seven and a half years ago when
 11 I joined Council that our compensation plans were
 12 all pretty antiquated. And we've made dramatic
 13 changes during that time up to and including
 14 increasing starting pay for, I believe, every
 18:58:26 15 single position in the Village. And maybe we
 16 need to do more. So we'll have that discussion
 17 as we determine where it's possible.
 18 So does anyone else want to chime in
 19 here?
 18:58:43 20 MR. BENJAMIN: Hi, it's Keith Benjamin.
 21 MR. PUFFENBERGER: Hi, Keith.
 22 MR. BENJAMIN: So I just wanted to state
 23 that I think that the equity pay assessment idea
 24 is a good one and it certainly merits discussion.
 18:58:56 25 And I'd like to direct folks to Councilwoman
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1 Huffman's remark that are in the chat room where
 2 she states that perhaps enlisting Clemans Nelson,
 3 now that we have some professional HR consultants
 4 on board, might be able to assist us with looking
 18:59:18 5 at this and other salary issues as we move
 6 forward. Thank you.
 7 MR. PUFFENBERGER: I think that's an
 8 outstanding idea and that's part of what HR is
 9 for. I wouldn't want to do this just on our own.
 18:59:32 10 I'm glad to have them on board. I know that
 11 we're going to be evaluating better defining job
 12 descriptions. I think that is only a very small
 13 start and there are a lot of other things we can
 14 pull into that. And frankly, I think it's worth
 18:59:51 15 looking at a more encompassing or all
 16 encompassing maybe look at how we do things in
 17 the Village rather than only looking at job
 18 descriptions to start. It's just a very small
 19 start. I know that she's going to be here next
 19:00:13 20 week, so we'll have that discussion.
 21 MAYOR LICASTRO: I think it's a great
 22 idea. Robin Bell has been very helpful to us.
 23 I'm sure she can help us in this endeavor. Let
 24 me state the obvious. The manner in which our
 19:00:25 25 employees performed in the last 15 or 16 months
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1 with pandemic, with quarantine, with shutdown,
 2 with working from home with all the fear and
 3 anxiety out there, I'm not telling you something
 4 you don't know, was unbelievable to me as the
 19:00:39 5 chief administrator in Bratenahl: Never missed a
 6 beat. Never left us short-staffed. Did the
 7 extra. What Julie did with Mayor's Court and
 8 what our police did and administration dealing
 9 with issues that have never happened before in
 19:00:54 10 the last hundred years was just amazing to me.
 11 And I think the fact that Council is
 12 looking to recognize that with some sort of a
 13 compensation in pay is very appropriate. I just
 14 want to make sure, again, I'm stating the
 19:01:10 15 obvious, so thank you.
 16 MR. PUFFENBERGER: Not a problem. Thank
 17 you for that. We appreciate all of that. And
 18 again, that's why I put it on the agenda. I know
 19 that back in November when we were doing our
 19:01:27 20 appropriations, I think, Mr. Mayor, you made the
 21 recommendation that we not do COLAs this year.
 22 It was based on -- well, I'll let you address
 23 that. I don't want to speak for you, but I think
 24 we're actually doing better than we anticipated
 19:01:42 25 through this year, so perhaps it's something you
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1 want to address.
 2 MAYOR LICASTRO: I think now looking
 3 back at 2020, and making up what we lost in 2020,
 4 is an appropriate conversation. Again, what
 19:01:55 5 happened in 2020, was so unanticipated,
 6 unforeseen, and for which there was no precedent.
 7 Being frugal and careful certainly made perfect
 8 sense, but now that we're doing better than we
 9 anticipated in '21, and perhaps we'll do even
 19:02:09 10 better in '22, based on the prior year, I think
 11 going back to 2020 and '21 at the same time is
 12 the appropriate thing to do.
 13 MR. PUFFENBERGER: Okay. So anyone else
 14 want to chime in on this before we have some
 19:02:27 15 information from Lieutenant LoBello as we've
 16 alluded to a couple of times. I know he's
 17 prepared to discuss exactly what Mr. Matty was
 18 talking about. So if nobody else has any
 19 comments, I believe I can pull that up. I
 19:02:41 20 believe I have that information.
 21 Is this the information you'd like me to
 22 show at the moment, Lieutenant LoBello?
 23 LT. LOBELLO: Thank you, Jim. There
 24 have been a couple of topics tonight where people
 19:03:35 25 have said Lieutenant LoBello is willing to speak
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1 on and is ready to speak on it. Just for
 2 clarification sake here, I do believe there are
 3 two separate animals when we talk about COLAs and
 4 a, for lack of better term, restructuring, which
 19:03:53 5 this spreadsheet is for.
 6 So I was prepared to speak on this and I
 7 still am. However, after hearing Diana's idea
 8 earlier in the conversation regarding possible
 9 holding off on the restructuring talk until we
 19:04:12 10 get closer to appropriations time for '22, that
 11 seems like it's an absolutely reasonable and
 12 feasible thing to do. So away from the
 13 restructuring part, I'd like to talk about the
 14 COLA ideas first. We can get back to this if
 19:04:34 15 need be, but again, I'm willing to table the
 16 restructuring until we get the COLA part
 17 straightened out and as we get closer to the
 18 appropriations time later in the year, because
 19 obviously the COLA and restructuring are not
 19:04:53 20 mutually exclusive.
 21 MR. PUFFENBERGER: Lt. LoBello, just for
 22 clarification, the restructuring part that you're
 23 discussing is rank differential, correct?
 24 LT. LOBELLO: Several different things
 19:05:05 25 within that. If we get into the restructuring
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1 conversation then, yes, separation ranks would be
2 addressed, but like I said, if you indulge me,
3 allow me to do COLA conversation first and we can
4 move on from there.

19:05:20 5 MR. PUFFENBERGER: Absolutely. You have
6 the floor. Whatever you'd like to do. I'll get
7 rid of it for now.

8 LT. LOBELLO: Thank you. The
9 legislation as written for the COLA does say it's
19:05:33 10 based on the CPI. The CPI being 1.6 the last
11 time. I think we have one in the last three
12 years, was at a total of 1.6. Lastly, I'm
13 speaking Village wide now, not just police
14 department, have had a total of 1.6 over three

19:05:47 15 years. I believe there's wording in that
16 legislation that says it's no greater than 2.5,
17 which leads me to believe that the number for
18 COLA doesn't have to be married to CPI.
19 Particularly when there's no wording in the
19:06:06 20 legislation to state to make up for years in
21 which we got nothing.

22 And again, I believe Diana alluded
23 earlier to the numbers that I threw out. I
24 believe it was in the May meeting when you guys
19:06:22 25 had me speak of the 5 percent, so that's where
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1 the 5 percent came in at no greater than 2.5 over
2 the two years that we didn't, so we came up with
3 that 5 percent number there.

4 And if we can iron out a good --
19:06:39 5 particularly with the fact that we're ahead of
6 where we thought we were going to be financially
7 as a Village, and we have the other monies that
8 Diana was talking about with the 87 and a half, I
9 believe it is, Diana, correct me if I'm wrong,
19:06:55 10 roughly, doing it this way, it seems to me like
11 it would be more prudent -- again, I'm all for
12 restructuring of the police department, but it
13 seems to me at this point it would be more
14 prudent to talk about giving all employees a more

19:07:11 15 fair COLA to get them up to where we should have
16 been, which would still have left us behind the
17 comparables, which is not getting into that
18 restructuring conversation. The problem with it
19 is and what I've seen is our COLA being 1.6, the
19:07:30 20 average municipality, and I can't speak for other
21 departments, I know I'm going back and forth here
22 with all employees and police department,
23 obviously police department is in my area of
24 expertise, on average they're getting two and a

19:07:43 25 half to 3 percent annually and we're getting 1.6
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1 maybe annually.

2 And even if we are living up to the
3 intent of the COLA ordinance, it just creates a
4 natural void there of 0.9 to 1.4 percent every
19:08:00 5 year, which necessitates the talk for
6 restructuring constantly. So I think the idea of
7 the 5 percent COLA to get everybody up to where
8 we could have been and should have been is
9 probably the most prudent idea to talk about
19:08:19 10 right now. And that's what I've got for that.
11 Any questions on that?

12 MR. PUFFENBERGER: No, not at all. It's
13 one of the reasons I brought up the legislation.
14 That legislation was created and passed in
19:08:35 15 December of 2017. It was a very different time.
16 And there were very different things going on and
17 we were in a better financial picture perhaps
18 than we ever anticipated we would be this year.
19 And I suggested that perhaps this legislation
19:08:54 20 should be perhaps tweaked and those are things to
21 consider.

22 LT. LOBELLO: Thank you.
23 MR. PUFFENBERGER: That was our first
24 shot at really solidifying the consistent process
19:09:07 25 for COLAs, so it didn't become what I always
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1 call, you heard me say this many times, a dart
2 board approach. We feel like giving three
3 percent this year and we feel like giving one
4 percent next year or we feel like giving a bonus
19:09:21 5 instead of a COLA next year. That's what has
6 happened through the years. This was my attempt
7 at putting a consistent process together and it
8 was our first attempt. Perhaps now, four years
9 later, it needs to be tweaked.

19:09:34 10 LT. LOBELLO: It was an excellent first
11 step. Don't ever think that I'm in any way
12 complaining about it. It was much better than
13 what we had in December 2016, let's put it that
14 way. So it was an excellent first step and we
19:09:47 15 appreciate that.

16 MR. PUFFENBERGER: Was I right about the
17 Willoughby thing?

18 LT. LOBELLO: Yes, sir.

19 MR. PUFFENBERGER: I believe you told me
19:09:54 20 that anyway.

21 LT. LOBELLO: Which is why within the
22 next month, one of our officers, speaking of
23 recruitment and retention, one of our officers
24 will be leaving us to go to Willoughby to bask in
19:10:08 25 their high salary. God bless the guy.

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1 You had talked about our tenure levels.
 2 Our tenure levels are on par with most other
 3 agencies, so we're good there. And the
 4 stipulation you have in there about time served
 19:10:30 5 credit with other departments, it's a great
 6 stipulation and it's a great idea, but
 7 unfortunately it's been rendered mute in this day
 8 and age because the base salaries make it so much
 9 so that people don't want to come here to reap
 19:10:46 10 the benefits of the time served credit. So it's
 11 a great idea in theory again, but as of right now
 12 it's not doing us any good whatsoever, because
 13 we're losing far more than we're gaining, put it
 14 that way.
 19:10:58 15 MR. PUFFENBERGER: Okay. I get it. I
 16 get it. All right. Do you want to present that
 17 other chart or do you want to wait on that?
 18 LT. LOBELLO: I'm fine to table that
 19 until we can get to a COLA number that is agreed
 19:11:19 20 upon that's good for the Village and good for the
 21 employees. I'm good to table that to the
 22 appropriation talks.
 23 MR. PUFFENBERGER: Okay. That makes
 24 sense to me. There was talk at one point about
 19:11:30 25 -- maybe I brought it up, about the difference
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1 between COLAs and bonuses and the differential
 2 between the two and which is better than the
 3 other?
 4 This is my view. COLAs last as long as
 19:11:45 5 you live here, as long as you work here, or live
 6 here, as long as you work here. Bonuses are one
 7 time and they don't carryover year to year. And
 8 they don't compound either. When you get a COLA,
 9 you get it the next year, too. You get it the
 19:12:03 10 next year, too. That money is yours. It's a
 11 higher salary that continues on. And it does
 12 compound, as I said, because if you reach the
 13 next tenure level or if you get a COLA the next
 14 year, you're getting that increase on the
 19:12:19 15 previous increase. It's kind of like compound
 16 interest.
 17 So there is no doubt in my mind that an
 18 increase in salary, no matter what form it takes,
 19 whether it's COLA or otherwise, is more
 19:12:32 20 beneficial than any kind of a bonus, because
 21 that's just a one-time thing and doesn't
 22 carryover. That's my thing. I think the numbers
 23 bear it out very easily. We can do calculations
 24 to show that.
 19:12:43 25 LT. LOBELLO: I agree.
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1 MR. PUFFENBERGER: You understand?
 2 LT. LOBELLO: I agree. Thank you.
 3 MR. PUFFENBERGER: Okay. So that's how
 4 that works. All right. I think that I do need
 19:12:55 5 perhaps to clarify again the kind of information
 6 that I think will be evaluated by all
 7 departments. And that is very simply comparables
 8 in other areas, so that we know that we're
 9 competitive. If a similar position -- and it's
 19:13:10 10 always hard to do apples to apples, because when
 11 I'm working with start-up companies, geez, people
 12 do everything. The CEO sweeps the floor
 13 sometimes. So it's hard to actually do apples to
 14 apples from every position, but as best we can,
 19:13:31 15 we can do that based on job descriptions, et
 16 cetera, and we're moving in that direction with
 17 HR to get better definitions of that.
 18 And we also have a great deal of
 19 information, as I said, from the Ohio Municipal
 19:13:42 20 League. Hundreds and hundreds of villages around
 21 our size, little bit bigger, little bit smaller
 22 that we can pull information from. You've seen
 23 my data on those in the past as well to use for
 24 salary calculations. But that's the kind of
 19:13:56 25 information I'm looking for. What is comparable?
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1 What is competitive? What is going to not only
 2 attract the best employee, but what is also going
 3 to keep them here for a long period of time?
 4 Turnover is incredibly expensive,
 19:14:11 5 incredibly expensive. Nothing costs more than an
 6 employee who comes here, gets trained and then
 7 goes and takes that training somewhere else to
 8 utilize. It's incredibly expensive. Recruiting
 9 is expensive. And then there's the downtime, the
 19:14:27 10 training time. Retention, there's nothing more
 11 important than retention. So that's something we
 12 really need to look at. It's something that I
 13 want to look at very quickly. Again, that's the
 14 reason it's on the agenda this evening, but the
 19:14:41 15 information about comparables in other
 16 communities is absolutely critical so we know
 17 what actually is competitive.
 18 And that goes not only to the absolute
 19 dollar, what the starting salary is, but also to
 19:14:56 20 the structure. How quickly someone gets to the
 21 next tenure level, how quickly someone can, you
 22 know, go to the next rank for that matter in the
 23 case of the police. In most of our departments,
 24 there really aren't ranks to go to, other than
 19:15:13 25 the police department, with just a couple of
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1 exceptions, but that's something certainly to
2 consider. And that's really the kind of
3 information that I think we need to make these
4 determinations fairly quickly.

19:15:27 5 LT. LOBELLO: If I may, I think it's
6 important to note, also, that I completely agree
7 with the apples to apples approach is the only
8 way to do it, but again, I don't think that the
9 COLA talks and the restructuring for comparables

19:15:44 10 are mutually exclusive. I believe the COLA talks
11 are to, in essence, make up for lack of COLAs the
12 last two years. And then once those are ironed
13 out would bring our basis up closer to the
14 comparables and be less of a big hit when we do

19:16:03 15 try to do apples to apples.

16 Speaking police department-wise, as you
17 said, it's near impossible to get a complete true
18 apples to apples with us, because while I do
19 believe we are, we being Bratenahl, are an elite

19:16:19 20 Village and should be and are mentioned in the
21 same breaths as the Gates Mills, the Pepper
22 Pikes, the Hunting Valleys of the world and the
23 Moreland Hills.

24 I do believe there's a little bit left

19:16:32 25 out of that equation in that they're surrounded

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1 by themselves. Gates Mills borders Hunting
2 Valley and Moreland Hills and Mayfield Village,
3 whereas we don't, to be candid. So our police
4 department is far more active than those. So I
5 believe that probably needs to be taken into
6 account, too, when we try to do an apples to
7 apples comparison when we get to the comps. I
8 don't think we're there yet.

19:16:49 9 As I said earlier, it's important to
10 note that two separate conversations need to be
11 had. The restructuring to get us comparable to
12 other like departments is the second conversation
13 that needs to be had. The COLA conversations for
14 all employees to make up for the last two years

19:17:19 15 is the most important and pressing conversation
16 to be had. And I don't think the second should
17 have to wait for the first -- excuse me, I don't
18 think the first should have to wait for the
19 second.

19:17:30 20 MR. PUFFENBERGER: No, I got it. I got

21 it. COLA, as you said, somebody said, I said,
22 that's simply to make up for the increase in the
23 cost of living. That's all that is. That
24 doesn't make us competitive, that just keeps us

19:17:42 25 where we were. And it keeps employees where they

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1 are, because we all know what gas costs now
2 versus what it did a few months ago. And it's to
3 make up for those kinds of things.

19:17:56 4 LT. LOBELLO: Again, I know it's the

5 cost to do business, since it's the nature of the
6 beast, but there have been -- there have been
7 increases in employee contributions to healthcare
8 over the past couple years, too, where there
9 hasn't even been the 1.6. In essence, our
10 employees have been working at a net loss over
11 two years as opposed to a gain.

12 MR. PUFFENBERGER: I appreciate that.

13 There are lots of aspects to a compensation plan.

14 LT. LOBELLO: Absolutely.

19:18:21 15 MR. PUFFENBERGER: There's more to a
16 base salary. There is the prospect of making
17 more down the road. There is the prospect of
18 being promoted. There is the prospect of being
19 appreciated for a long tenure with the

19:18:35 20 organization. And then there are other things,
21 too, and I mentioned a few of those. Things like
22 credit for service elsewhere. Credit for
23 education that you attain over time. All those

24 things are important. And I would challenge

19:18:50 25 everyone to come up with any more that we can do.

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1 We obviously can't incent the police
2 force to do certain things. That would be
3 illegal and we would never do that, but there are
4 certain things that we can incent and for all
5 employees, not just the police force. And those
6 are things that I would challenge everybody to
7 kind of be creative about that add into the plan,
8 that make it a more attractive place to work.

19:19:03 9 And also it incents employees to improve what
10 they do, taking courses, whatever it might be.
11 That improves the Village, it improves the
12 employee and they need to be compensated for that
13 in my view. That's something I take away from
14 the private world and I think it translate to the

19:19:34 15 public world as well.

16 LT. LOBELLO: I agree.

17 MR. PUFFENBERGER: Anybody else have
18 anything to say? I've done a lot of talking. Hi
19 Julie. You're muted, Julie. You have a really
20 cute dog by the way.

19:19:55 21 MS. KREINER: Thank you. Lieutenant
22 LoBello and I, I'm on the same -- I think I'm
23 speaking for the other four employees. We've had
24 conversations in administration. You know, 2020

19:20:12 25 was like no other year we've ever had. And we

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1 know looking forward, I know you say bonuses are
 2 just a one-time thing, COLA does increase your
 3 salary for years compounding, but what Chuck and
 4 I both agree with with all departments is the
 19:20:31 5 need to try to immediately do something for our
 6 employees that would show them or would at least
 7 help compensate for what I can see it in my own,
 8 Angela, who works for me, I mean, what she and I
 9 had to go through last year, and you know, the
 19:20:54 10 they drive to work every day. I drive two miles.
 11 It's like nothing, but there's other employees
 12 here that drive very far and do a lot and spend a
 13 lot of money in gas. So cost of living at the
 14 minimum is what we should be doing.
 19:21:08 15 And over the years, I've seen cost of
 16 living, yes, we had it in -- I think I only saw
 17 increase. I'm kind of leaning towards I'd like
 18 to see a good COLA, us catch up with the COLA
 19 this year sooner as opposed to later, talk about
 19:21:28 20 job descriptions and structuring later on in the
 21 year when it comes to '22 to '23, '24, moving
 22 forward, how we were compensated.
 23 You know, you're talking to somebody who
 24 is on the latter part of her career here now with
 19:21:44 25 the Village. I've worked with the Village 22
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1 years, but what I'm seeing right now is an
 2 immediate need for Council to look at some sort
 3 of immediate compensation or -- actually, Chuck
 4 and I, we agree, COLA is the way to go to just
 19:22:04 5 help offset some of the -- and I'm not talking
 6 police department, because there's other
 7 departments, too, that have some disparages.
 8 It's just they need to be shown or we need to get
 9 caught up just on the cost of living.
 19:22:24 10 And I think it would go a long way. I'm
 11 not talking -- I think I know the number 5
 12 percent was put out there and we kind of talked
 13 about that being -- Lieutenant and I talked about
 14 that. We talked about that with people from the
 19:22:37 15 Service Department. I think it would be a great
 16 start. And I think, you know, we've gotten --
 17 even last year didn't we talk about we had gotten
 18 some money from Workers' Comp? That they are
 19 reimbursing us our premiums from 2020? Well, I
 19:22:53 20 mean, why can't that money be maybe put into the
 21 process? We got a refund from Workers' Comp, if
 22 I'm not correct, too, I think, in 2020 due to
 23 COVID.
 24 And I think those type funds, those
 19:23:12 25 monies that are put there, the monies we're going
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1 to be getting from the stimulus, those monies
 2 should be looked at and a portion of them should
 3 be, you know, set out to the employees and given
 4 -- employees should be given some -- we should be
 19:23:32 5 looking at employee compensation moving forward,
 6 but for this year and for last year, I really
 7 would like, like Chuck said, I really like the
 8 COLA to be something that we don't wait until the
 9 end of the year to discuss. Thank you.
 19:23:49 10 MR. PUFFENBERGER: Thank you, Julie.
 11 Any monies we receive certainly we take into
 12 consideration for everything we need in the
 13 Village. We were fortunate to get a few dollars.
 14 I think we got one tranche. I think there's
 19:24:06 15 another one in December based on Workers' Comp.
 16 And obviously that will go into the pot that we
 17 consider to use for all purposes, so that's what
 18 we need to do. Anybody else want to join in?
 19 LT. LOBELLO: I have one more thing,
 19:24:23 20 Jim, I'm sorry.
 21 MR. PUFFENBERGER: No, that's all right.
 22 LT. LOBELLO: Julie hit the nail on the
 23 head. I was remiss. I didn't mention the fact
 24 that other than the police specific stuff that I
 19:24:32 25 talked about, I have spoken to several members of
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1 the Service Department about this and Julie about
 2 this. And I think all departments are absolutely
 3 unified on what we came up with, that we believe
 4 that COLA needs to be addressed swiftly and then
 19:24:50 5 we can talk about the other stuff.
 6 MR. PUFFENBERGER: Okay. Got it.
 7 MS. MEADE: I have some comments. It's
 8 Pat.
 9 MR. PUFFENBERGER: Okay. Wait until
 19:25:01 10 we're finished with Council and employee
 11 comments.
 12 MS. MEADE: You said anybody else.
 13 MR. PUFFENBERGER: I'm sorry, Pat, I
 14 wasn't specific enough. Let's keep it to
 19:25:11 15 employees and to councilmembers and
 16 administrative staff and then we'll open it up to
 17 everyone else. Thank you.
 18 MR. BENJAMIN: Jim?
 19 MR. PUFFENBERGER: Yes, Keith.
 19:25:21 20 MR. BENJAMIN: Unless other members of
 21 the Finance Committee want to speak first.
 22 MR. PUFFENBERGER: No, you're up. Go
 23 ahead.
 24 MR. BENJAMIN: I certainly am supportive
 19:25:30 25 of the COLA discussion. And I think it would be
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1 best to move forward as soon as possible. I know
 2 that last year was a very trying year for our
 3 employees. And I know what that's like, because
 4 I also work for a city as my day job. And I know
 19:25:48 5 how hard it was to pivot and adjust on a dime to
 6 the challenges that we all faced in the last
 7 year.
 8 So I don't know how the Finance
 9 Committee wants to go about this process of
 19:26:03 10 determining the COLA. Certainly taking into
 11 account the legislation that had previously been
 12 passed back in '18, but if we could get something
 13 done and even if we have to separate it from, you
 14 know, take care of last year, because our
 19:26:23 15 employees certainly deserve their cost, whatever
 16 their cost of living increase is determined to be
 17 for 2020. And if we have to separate that from
 18 2021, so be it, but I would prefer to get this
 19 done in the next few weeks if we can.
 19:26:42 20 I can tell you based on -- again, it's
 21 based on just the data, I think we have to take
 22 into account also that Bratenahl is -- we don't
 23 have collective bargaining agreements in
 24 Bratenahl like most other cities do. Most
 19:27:00 25 employees and service departments and police
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1 departments know, you know, what their cost of
 2 living is going to be for an average of three
 3 years at one time. And that also gives some
 4 stability to the municipality as well because
 19:27:19 5 they then know what percentage increases are
 6 going to be for at least three years, if not
 7 longer in some cases.
 8 Having gone through collective
 9 bargaining just recently, you know, the average
 19:27:36 10 in Northeast Ohio in communities is between two
 11 and two and a half percent. So if that helps
 12 with the Finance Committee's discussion as you
 13 move forward, certainly take that into account,
 14 but I do think that we should do something pretty
 19:27:57 15 soon on this issue. Thanks.
 16 MR. MATTY: Mr. Chairman?
 17 MR. PUFFENBERGER: Yes, Mr. Matty.
 18 MR. MATTY: Mr. Chairman, in hearing
 19 what Mr. Benjamin just said and knowing the
 19:28:08 20 ordinance that is currently in our code, if
 21 Council desires, if the Finance Committee
 22 desires, you can make a motion this evening on
 23 COLA. You can also consider in your
 24 restructuring when that discussion occurs in the
 19:28:27 25 early part of fall of doing an ordinance, as Mr.
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1 Benjamin mentioned, that gives our employees a
 2 three-year comfort level by putting in an
 3 increase, however you deem it, however you word
 4 it, for a three-year period.
 19:28:46 5 You do not need a collective bargaining
 6 agreement like most of the other communities that
 7 I represent have. You can do that by ordinance
 8 if you choose to. But you do have the authority
 9 this evening or next week when Council meets as a
 19:29:03 10 whole to simply put in or request legislation to
 11 do the COLA for '20 and '21. If it is not
 12 totally in line with one of the five conditions,
 13 it doesn't matter. You can always change those
 14 conditions. If swift action is what's desired,
 19:29:27 15 you can take it this evening if you wish. Thank
 16 you.
 17 MR. PUFFENBERGER: All right. I
 18 appreciate that, Mr. Matty. I do have some ideas
 19 in changing the original legislation from
 19:29:38 20 December 2017. I'd like to hear others ideas as
 21 well. I think that I would like to hear a little
 22 bit more about how the three year thing is
 23 structured. I know it's --
 24 MR. McDONALD: Mr. Chairman, may I make
 19:29:55 25 a suggestion?
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1 MR. PUFFENBERGER: Yes.
 2 MR. McDONALD: I think we've been
 3 talking about the 5 percent COLA thing and I
 4 haven't heard any dissension on that. So I would
 19:30:06 5 like to see a recommendation to make the
 6 5 percent COLA adjustment whenever we can, at the
 7 next Council meeting or take a vote on it tonight
 8 or whatever it is. And then we need more data to
 9 see where the rankings would go and how do we get
 19:30:25 10 to be a top 25 or match up with the other suburbs
 11 and know where they are, where we fit and where
 12 we would fit. Do all that research. And that
 13 gives us a little time to come up with the actual
 14 salary rankings or where those would fall, but
 19:30:48 15 the 5 percent, I think, it sounds to me like that
 16 needs to happen pretty quickly.
 17 MR. PUFFENBERGER: Yeah, that's kind of
 18 where I was going. There are a lot of other
 19 stipulations that we want to put in the final
 19:31:00 20 legislation. Mr. Matty, you said that we could
 21 do something -- do we have all -- I guess we have
 22 to wait until next week to actually vote it in,
 23 but we can make a recommendation here this
 24 evening --
 19:31:13 25 MR. MATTY: Correct.
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1 MR. PUFFENBERGER: -- for COLA for now
 2 and we can vote it in next week. We can make
 3 over time the tweak talking about the original
 4 legislation for COLAs as we go along. I believe
 19:31:28 5 there are some tweaks that are necessary. And
 6 the three year thing is something that certainly
 7 I want to look at, because stability is based on
 8 what you know is going to happen down the road,
 9 so that's worth looking at, but that's kind of
 19:31:45 10 where I was going. Joyce?
 11 MS. BURKE-JONES: Yes. I didn't say
 12 anything because I was thinking that we were
 13 still abiding by the legislation we already
 14 approved. I don't necessarily want to abandon it
 19:32:01 15 and make a very quick decision. I would like to
 16 know what the last -- and I think our employees
 17 are doing an extraordinary job. I think they
 18 deserve as much as we can give them, but I would
 19 like to know if complying with our existing
 19:32:24 20 legislation, what the two years of being -- you
 21 mentioned 1 percent was one year. Did you
 22 already know the percentage?
 23 MR. PUFFENBERGER: I've got the U.S.
 24 Bureau of Labor Statistics information right
 19:32:39 25 here, so I can give you all those numbers.
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1 MS. BURKE-JONES: Yeah, just interested
 2 in seeing what that would be.
 3 MR. PUFFENBERGER: If you look at the
 4 October numbers through the years, actually
 19:32:50 5 October of 2017 was -- or 2018, sorry, 2018 was
 6 2.2; 2019 was 1.5; last year was an even 1.0. Of
 7 course we only have numbers through the month of
 8 April for 2021. The May number is actually --
 9 what is today, the 9th? The May numbers will be
 19:33:16 10 released tomorrow actually, the 10th, so we'll
 11 have a better idea through May of this year.
 12 Last year would have been one, the year before
 13 that would have been one and a half if we
 14 followed that guideline.
 19:33:27 15 MS. BURKE-JONES: I think we want to
 16 take action, but I'd like to see what those
 17 numbers are when you find out the number
 18 tomorrow, and possibly take action on what those
 19 might move forward with.
 19:33:47 20 MAYOR LICASTRO: Jim, if I may.
 21 MR. PUFFENBERGER: Go right ahead.
 22 MAYOR LICASTRO: I think Keith's input
 23 about what's happening at the collective
 24 bargaining level, it's between two and two and a
 19:33:56 25 half percent is something for Council to also
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1 consider. I think the ordinance allows a COLA up
 2 to 2.5 percent, which when you add it up for two
 3 years would be the 5 percent. And speaking on
 4 behalf of the employees, I'm not sure if Mr.
 19:34:11 5 McDonald made a motion or not, I think moving
 6 forward on that sooner than later would be
 7 recommended.
 8 MR. McDONALD: If I didn't, I so move
 9 now.
 19:34:21 10 MR. TAYLOR: Jim, if I can make a
 11 comment. I concur with what has been said here.
 12 I know the figures are lower than 5 percent a
 13 year, but considering what everybody has been
 14 through in the last two years, we can adjust it
 19:34:34 15 later. 4 or 5 percent, I think, is a reasonable
 16 figure for what everybody has been through this
 17 the past two years.
 18 MR. PUFFENBERGER: Okay. As I said, I
 19 keep referring to that legislation, it was my
 19:34:43 20 first shot at trying to standardized COLA so it
 21 wasn't a dartboard approach. Yes, things could
 22 be changed. What happened in 2017 is certainly
 23 different than the world right now.
 24 MR. McDONALD: There's a motion on the
 19:34:57 25 floor.
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1 MS. BURKE-JONES: And discussion.
 2 MR. MATTY: Before discussion, Mr.
 3 McDonald, is your motion for 5 percent for the
 4 total for the years '20 and '21, and is it for
 19:35:13 5 all employees?
 6 MR. McDONALD: I would think so.
 7 MR. MATTY: Thank you.
 8 MR. PUFFENBERGER: And when are you
 9 suggesting it take effect?
 19:35:25 10 MR. McDONALD: What month are we in?
 11 MR. PUFFENBERGER: June. July?
 12 MR. McDONALD: Yeah, July.
 13 MR. PUFFENBERGER: All right.
 14 LT. LOBELLO: With retroactivity.
 19:35:40 15 MR. PUFFENBERGER: Diana, is it feasible
 16 to make those changes prior to checks being cut
 17 in July?
 18 MS. COOKS: Absolutely, sir.
 19 MAYOR LICASTRO: Would this not be
 19:35:52 20 retroactive given the fact you're talking about
 21 two years?
 22 MR. MATTY: Mayor, it would be effective
 23 January 1st of 2020, so it would be retroactive,
 24 but the authority would be, as Mr. McDonald has
 19:36:04 25 indicated, at the next meeting we would do draft
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1 legislation, which would give the employees
 2 5 percent COLA increase effective that date of
 3 retroactive to January 1, 2020.
 4 MR. PUFFENBERGER: 2020 or 2021?
 19:36:19 5 MR. MATTY: 2020, because it's for the
 6 2020, 2021 year, so it should take effect the
 7 first day of 2020 as far as the retroactivity.
 8 If you're going to give them 5 percent for the
 9 time period they have not had an increase in COLA
 19:36:38 10 at all.
 11 MR. PUFFENBERGER: Comments?
 12 MR. BENJAMIN: Mr. Chairman, I don't
 13 want to put Diana on the spot, she may not be
 14 able to have this information, but do we have any
 19:36:52 15 calculations on if going back to January of 2020,
 16 what that would be? What that number is?
 17 MS. COOKS: Yes, Mr. Benjamin, I believe
 18 I gave the number roughly \$103,000. There have
 19 been no increases in pay over the last two years.
 19:37:20 20 MR. PUFFENBERGER: So the total increase
 21 in cost you're saying for all of 2020 and 2021,
 22 the total cost to the Village is \$103,000?
 23 MS. COOKS: That's correct.
 24 MR. PUFFENBERGER: Oh.
 19:37:38 25 MS. BURKE-JONES: Okay. What about
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1 increases this year.
 2 MR. ZALAR: There is none.
 3 MS. COOKS: That is a question to me?
 4 MS. BURKE-JONES: Yes.
 19:37:52 5 MS. COOKS: That is why I suggested that
 6 we delay the compensation restructuring until
 7 September and include it, whatever that
 8 restructuring is in the 2022 budget. And here's
 9 something that I didn't say previously. The
 19:38:11 10 auditors don't really like to see changes in
 11 compensation midyear as what happened with, I
 12 believe, 2019 pay structure for the police
 13 department. They're a little squirrely right
 14 now trying to figure out some people got
 19:38:30 15 increases, some people didn't. So it is always
 16 best that compensation be effective the first day
 17 of the fiscal year.
 18 MR. McDONALD: Given the unusual
 19 circumstances we've been discussing here tonight,
 19:38:47 20 I think this is a one-time deal. Obviously we
 21 can't give people that are working here now that
 22 didn't work here in 2020, that there's some
 23 calculations to be made, but to Joyce's point,
 24 we've got a lot more data to gather and a lot
 19:39:03 25 more calculations to make for the regular pay,
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1 not COLAs, just how we're going to pay people
 2 going forward.
 3 MAYOR LICASTRO: I think what Diana is
 4 recommending, I think we agree, whatever we do
 19:39:16 5 restructuring is effective in January 1 of '22.
 6 This would be COLA for '20 and '21.
 7 MS. COOKS: That was, indeed, what I
 8 meant.
 9 MS. BURKE-JONES: So still, since we are
 19:39:32 10 discussing. Again, I'm not against it. I'm just
 11 trying to find out how much it's going to go -- I
 12 mean, '22, and we're approving the second half of
 13 the budget, and I'm just trying to find out
 14 exactly how this all is going to affect us,
 19:39:51 15 because it's going to be above 103K.
 16 MR. McDONALD: That's what we discussed.
 17 MS. BURKE-JONES: So we need to know
 18 where in the world the money is going to come
 19 from.
 19:40:03 20 MR. McDONALD: That's the discussion
 21 that I was referring to. We have to gather data,
 22 do the discussions and crank the numbers.
 23 MS. BURKE-JONES: Exactly, Tom.
 24 MAYOR LICASTRO: If I understand
 19:40:13 25 correctly, there's a motion on the floor to do
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1 2.5 for '20 and 2.5 for '21 as COLA. Other
 2 discussions for pay increases will be discussed
 3 in September effective in '22; is that correct?
 4 MR. McDONALD: Right. And I think Joyce
 19:40:28 5 seconded it, didn't you?
 6 MS. BURKE-JONES: But the issue again is
 7 -- excuse me, but the 2022 salary, what would
 8 happen with that 5 percent is that also in there,
 9 Diana?
 19:40:43 10 MR. McDONALD: Yes.
 11 MS. COOKS: I'm sorry, that is not.
 12 MS. BURKE-JONES: I didn't think so.
 13 MS. COOKS: It does not consider -- it
 14 does not consider what salaries will be in '22.
 19:40:55 15 MS. BURKE-JONES: So it's more than the
 16 103 basically. And I'd like to know what it is.
 17 MR. McDONALD: Starting in '22.
 18 MR. MATTY: Correct, Tom, that starts in
 19 '22. It has no effect in '20 or '21, but that's
 19:41:07 20 the whole purpose of a COLA, Mrs. Burke-Jones.
 21 MS. BURKE-JONES: I understand. I
 22 understand.
 23 MR. MATTY: We have a motion. If
 24 there's a second, we can vote on the motion. If
 19:41:26 25 we do not, the motion dies.
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1 MR. PUFFENBERGER: Yeah, I want to
 2 clarify the motion. The motion is that there
 3 would be 2.5 retroactive through '20 and an
 4 additional 2.5 retro to January 1st of 2021, not
 19:41:44 5 5 percent beginning in January of '20.
 6 MR. McDONALD: No. You do those two
 7 calculations.
 8 MR. PUFFENBERGER: I just wanted to
 9 clarify. It sounded as though you were saying
 19:41:55 10 5 percent starting January 2020.
 11 MR. McDONALD: No.
 12 MR. PUFFENBERGER: All right. Just
 13 clarification there. And that is how you did
 14 your calculations, Diana?
 19:42:06 15 MS. COOKS: Yes, sir.
 16 MR. PUFFENBERGER: Okay. Thank you. So
 17 the motion is on the floor. Is there a second?
 18 MS. BURKE-JONES: I second.
 19 MR. PUFFENBERGER: All in favor?
 19:42:17 20 MS. BURKE-JONES: Aye.
 21 MR. McDONALD: Aye.
 22 MR. PUFFENBERGER: All right. We're
 23 recommending that if appropriate legislation can
 24 be put together for next week, we can sign this
 19:42:24 25 as legislation. Okay? Pass legislation.
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1 All right. Any other comments? Any
 2 other issues before I open it up to the public?
 3 MAYOR LICASTRO: Yes, I would like to
 4 say thank you on behalf of the employees.
 19:42:40 5 MS. KREINER: Thank you.
 6 LT. LOBELLO: Thank you.
 7 MAYOR LICASTRO: That's a wonderful
 8 thing.
 9 MS. COOKS: Absolutely. Thank you.
 19:42:43 10 MAYOR LICASTRO: I know it will be
 11 appreciated across the board. Thank you.
 12 CHIEF DOLBOW: God bless you all. Thank
 13 you.
 14 MR. PUFFENBERGER: You're more than
 19:42:51 15 welcome. Anything else?
 16 Okay. I'd like to open it up to the
 17 public for any comments or questions for a few.
 18 MS. MEADE: I have comments or
 19 questions.
 19:43:04 20 MR. PUFFENBERGER: Go ahead, Pat.
 21 MS. MEADE: Okay. First, it seems
 22 regarding the COLA, I'm not sure how to say this,
 23 it seems like it's a bad practice to go back in
 24 time and readjust things, you know, today,
 19:43:27 25 because Council looks every year at COLA and
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1 compensation and increases. And I think
 2 decisions were made in '19 for a reason, for '20
 3 for a reason. So now here in '21, and you want
 4 to look at COLA because things are increasing and
 19:43:42 5 you want to give -- you want to amend the
 6 ordinance and you want to give 5 percent, that's
 7 one thing.
 8 But I think to have it based on the
 9 theory as a makeup when Council and everyone
 19:43:55 10 lived through it and they decided at that time
 11 with good reason not to, it's opening the door
 12 for people at some point in time to come back and
 13 say, well, my salary was low for the last eight
 14 years, so I want it to be increased and
 19:44:09 15 retroactive. So I think it sets a bad practice
 16 for that reason.
 17 MR. McDONALD: It doesn't work that way.
 18 MS. MEADE: Again, I'm saying to approve
 19 it in '21 for A, B and C reasons, I think, is
 19:44:21 20 fine. And whatever amount is determined for this
 21 year, you know, makes sense to me. But looking
 22 at things as makeup numbers, I don't think that's
 23 good business.
 24 MR. McDONALD: Well, this Council
 19:44:34 25 disagrees with the Council in 2020.
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1 MS. MEADE: Well, and that was most of
 2 you. So I respect that. I'm just giving you my
 3 impression and view because it was last year,
 4 that's all.
 19:44:48 5 MR. McDONALD: We're going to have to
 6 vote. It's going to be voted on in full Council
 7 meeting. It may get voted down there for this
 8 very reason, but this group, this committee,
 9 thinks it's fair.
 19:44:59 10 MS. MEADE: I understand. I'm just,
 11 again, voicing a perspective and an opinion for
 12 food for thought, okay?
 13 MR. PUFFENBERGER: Appreciate your
 14 opinion, Pat.
 19:45:09 15 MS. MEADE: And then when it comes to
 16 compensation, I know I looked at -- and, again,
 17 not to highlight the police department, but they
 18 have done some research here. When you're
 19 looking at compensation, I know at one time the
 19:45:26 20 goal was to be, quote, competitive in the top 50
 21 percentile. Now we're moving up to the top 25
 22 percentile.
 23 And as I look at the cities that are
 24 listed, I know they have -- again, Bratenahl has
 19:45:41 25 only 1,200 people. These communities that were
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1 highlighted have populations from 5,000 up to
 2 62,000 people. So in proportion, their budgets
 3 are much larger than our three and four million.
 4 Okay. So they've got bigger budgets. They've
 19:46:00 5 got industrial, commercial. They've got higher
 6 crime. They've got more of everything, more
 7 intense, more volume of work and that's how some
 8 of those salaries get justified.
 9 So I think just to keep in mind when
 19:46:14 10 trying to look at compensation, trying to be
 11 competitive, all those things, there should be, I
 12 guess, more criteria evaluated other than
 13 salaries, because, again, a lot of people when
 14 they think of Bratenahl, they think they've got
 19:46:31 15 it made if they can get this kind of money and
 16 they don't do, quote, not my words, not as much
 17 work and it's not as hard and it's not as
 18 dangerous as other communities.
 19 LT. LOBELLO: Completely offended by
 19:46:43 20 that, Pat.
 21 MS. MEADE: Well, again, it wasn't meant
 22 to offend. I just want you to know how some --
 23 LT. LOBELLO: Well, it was offensive.
 24 MAYOR LICASTRO: This meeting is
 19:46:52 25 expressing -- Lieutenant, this is not a debate.
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1 Ms. Meade is expressing her opinion. It's not a
 2 debate.
 3 LT. LOBELLO: So am I.
 4 MS. MEADE: Please, not just my opinion,
 19:47:03 5 but other residents have voiced similar things.
 6 And I would think you would want to be made
 7 aware. And I am looking at facts based on
 8 population and based on other community budgets.
 9 I just think there's a bigger picture that needs
 19:47:16 10 to be analyzed.
 11 MR. McDONALD: Pat, can I remind you of
 12 one thing, please.
 13 MS. MEADE: Yes.
 14 MR. McDONALD: That is not what we voted
 19:47:21 15 on. That is what we're going to discuss later
 16 this month.
 17 MS. MEADE: I agree with you, Tom. I
 18 understand that. I'm just saying going forward
 19 when you consider compensation and restructuring,
 19:47:32 20 to look at some of these other criteria and
 21 variables before making your decision. That's
 22 all. Okay? I wasn't challenging the COLA
 23 decision. My COLA point was simply it should be
 24 based on changes that are happening in '21, and
 19:47:48 25 you are deciding what's needed for '21, and not
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1 looking back, but you're looking at the present
 2 time. That was my point with COLA.
 3 MR. McDONALD: And we will trust the
 4 wisdom of Council to come to the right decision.
 19:48:02 5 MR. PUFFENBERGER: Pat, let me address
 6 the competitive nature of this. Yes, some
 7 communities that we're talking about are much
 8 larger than us. They have a much larger revenue
 9 base than we have. Those are, in fact, the
 19:48:16 10 communities we're still competing against,
 11 whether they're bigger or smaller. We're losing
 12 officers to these communities.
 13 LT. LOBELLO: They also have a much
 14 larger employee pool, too.
 19:48:27 15 CHIEF DOLBOW: And we're surrounded by
 16 the inner city with high crime.
 17 MR. PUFFENBERGER: Yeah, you know --
 18 MS. MEADE: I'm not --
 19 MR. PUFFENBERGER: Let me speak. Let me
 19:48:37 20 speak. I'm looking at it strictly from a
 21 competitive standpoint. No matter how big or how
 22 small a community is, we are still competing with
 23 them for personnel. And that's something we have
 24 to take into consideration.
 19:48:51 25 MS. MEADE: I understand. And my point
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1 was, you know, we do have to look at all factors
 2 and criteria and then try and come up with a
 3 balance and a good solution. So I wasn't saying
 4 -- I hadn't drawn any conclusions or anything
 19:49:03 5 negative, but certain people are assuming the
 6 worst without just listening to saying -- and I
 7 understand where you're coming from. It has to
 8 be all looked at and balanced before decisions
 9 are made. That's my only point. And the one
 19:49:16 10 thing I was hearing this evening was primarily
 11 salary only. That was my only point, you know,
 12 just to make it a broader discussion before a
 13 decision is made. And, of course, it needs to be
 14 fact based.
 19:49:29 15 MR. MATTY: Mr. Chairman, if I may, Mr.
 16 Chairman. I agree with Mrs. Meade, all factors,
 17 but what you have to consider, and the State
 18 Employment Relations Board is a good start, two
 19 things that this Council and Mr. McDonald is dead
 19:49:50 20 right, this Council can do whatever this Council
 21 deems in the best interest of the Village and the
 22 employees. No matter what the Council in 2020
 23 did, no matter what the Council in 2015 did, no
 24 matter what the council in 2010 did, this Council
 19:50:04 25 has that legal right.
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1 But if you are going to look at all
 2 factors, you should look at the additional
 3 benefits that other employees in our same
 4 position in other communities get that our
 19:50:19 5 employees do not, because they're numerous. And
 6 the second thing you should look at is the number
 7 of assistants that people like the Lieutenant,
 8 that people like Mrs. Kreiner, that people like
 9 Mary Ranney have in other communities that we do
 19:50:36 10 not.
 11 So our employees are not only their own
 12 director, they're their own assistant and they're
 13 their own assistant assistant in what they do for
 14 us. So I agree with her, look at all factors,
 19:50:52 15 but make sure you look at the factors that those
 16 employees have to their benefit that ours do not.
 17 Thank you.
 18 MS. MEADE: Fair comment. And then I
 19 just wanted to make -- I had one question and one
 19:51:07 20 comment. I've noticed -- my first comment or
 21 observation is I've noticed Lieutenant LoBello
 22 has been speaking on behalf of the police
 23 department for the last year, maybe a little more
 24 so as opposed to Chief Dolbow. And people are
 19:51:22 25 wondering why. You don't have to answer if you

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1 don't want to. I'm just letting you know people
 2 are wondering why the police chief is not
 3 addressing some of these issues and the
 4 lieutenant is, and if there's a change imminent.
 19:51:34 5 And then my only question really was
 6 since the door was open is which officer is
 7 leaving? So could someone say which officer?
 8 MAYOR LICASTRO: We have yet to receive
 9 a formal request for resignation. That's still
 19:51:51 10 pending.
 11 MS. MEADE: Okay. Well, thank you for
 12 listening. And I hope you guys understand it was
 13 meant to be helpful and it was not in any way
 14 meant to be negative.
 19:52:01 15 CHIEF DOLBOW: And you're the only one
 16 wondering, Pat. And I delegated the lieutenant
 17 to do it.
 18 MS. MEADE: Okay. Well, people would
 19 like to hear from you, sir.
 19:52:11 20 CHIEF DOLBOW: You just did.
 21 MAYOR LICASTRO: You just did.
 22 MS. MEADE: Thank you.
 23 MR. PUFFENBERGER: Does anyone else have
 24 any comments, questions? Anyone from the public?
 19:52:19 25 Anyone on this call? That being the case, I'll

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1 entertain a motion to adjourn.
 2 MR. McDONALD: So move.
 3 MS. BURKE-JONES: Second.
 4 MR. PUFFENBERGER: All in favor?
 19:52:29 5 MR. McDONALD: Aye.
 6 MS. BURKE-JONES: Aye.
 7 MR. PUFFENBERGER: Thank you, everyone.
 8 I appreciate it.
 9 MS. COOKS: Thank you so much.
 19:52:37 10 MS. BURKE-JONES: Bye now.
 11 (Meeting adjourned at 7:52 p.m.)
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