

Minutes of the Vermilion City Council Meeting

Monday, December 18, 2017

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Vermilion City Council: Steve Herron, Council President; Monica Stark, Council at Large; Fred Ostrander, Ward One; Frank Loucka, Ward Two; Jim Forthofer, Ward Three; Barb Brady, Ward Four; G. Fisher, Certified Municipal Clerk. Absent: Brian Holmes, Ward Five

Administrative Staff: Brian Keller, Finance Director; Tony Valerius, Service Director; Kenneth Stumphauzer, Law Director; Lynn Miggins, City Engineer. Not Present:

CALL TO ORDER:

Steve Herron, Council President called the Monday, December 18, 2017, Vermilion City Council Meeting to order.

PLEDGE OF ALLEGIANCE:

The members of Council, administrative staff, and audience participants recited the Pledge of Allegiance followed with a moment of silence.

APPROVAL OF MINUTES:

F. Loucka MOVED; F. Ostrander seconded to approve the meeting minutes of December 4, 2017. Roll Call Vote 7 YEAS. **MOTION CARRIED.**

PRESIDENT OF COUNCIL'S REPORT:

S. Herron thanked Councilman Fred Ostrander for his service these past two years.

COMMITTEE REPORTS:

Streets, Buildings and Grounds Committee:

J. Forthofer reported on the meeting held December 11. The next meeting has been scheduled for January 8, 2018 at 7:00 pm.

Historic Design & Review Board:

J. Forthofer reported the next meeting has been scheduled for January 3, 2018 at 6:30 pm.

Planning Commission:

J. Forthofer reported the next meeting has been scheduled for January 3, 2018 at 7:00 pm.

Legislative Committee:

F. Loucka reported on the meeting held December 11. The next meeting is scheduled for January 8, 2018 at 7:00 pm.

Port Authority:

F. Loucka reported the next meeting will be scheduled for March 8, 2018 at 6:30 pm.

Board of Zoning Appeals:

B. Brady reported on the meeting held November 28. The next meeting is scheduled for January 23, 2018 at 7:00 pm.

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Utilities Committee:

B. Brady reported on the meeting held December 11. The next meeting is scheduled for January 8, 2018 at 7:00 pm.

She addressed the water bill fee charge as it still seems to be confusing because there are two vermilion.net websites (old and new). The old website shows no fees listed when paying your water bill online, but the new website provides the information and it doesn't make it clear that you will be billed if you do an ACH or EFT transfer. She noted the finance director said he would get back to council with the fee structure. She noted her concern with the fact that the paperless billing emails went out late to the residents. She would like the administration to consider providing a moratorium on the water bill penalty's for this month until everything gets straightened out because it doesn't seem fair to the residents to be charged because the website has changed and it isn't clear on the charges, and emails are being sent late. She asked council if they were okay with requesting the administration to look into the fee structure and the two different statements on the websites and with waiving the penalty for this billing. S. Herron agreed that the website is somewhat ambiguous and they can't tell if they are getting that fee or not. He agrees they should ask the administration to consider waiving the penalty and to make sure the website is clear on the fees and options. B. Brady asked the finance director if she would be responsible for this and B. Keller said he would look into it. B. Brady asked him to get back with council at the next Utilities meeting.

Contractors Registration Board of Examiners:

The next meeting is scheduled for January 23, 2018 at 6:00 pm.

Health & Safety Committee:

The next meeting is scheduled for January 8, 2018 at 7:00 pm.

Parks & Recreation:

The next meeting is scheduled for December 19, 2017 at 7:00 pm.

Stormwater Advisory Committee:

S. Herron reported the next meeting is scheduled for February 5, 2018 at 6:00 pm.

Tree Commission:

S. Herron reported the next meeting is scheduled for January 10, 2018 at 9:30 am at Ritter Public Library.

Finance Committee:

M. Stark reported on the meeting held December 11. The next meeting is scheduled for January 8, 2018 at 7:00 pm.

Vermilion Community Services Board:

M. Stark thanked everyone for attending the fund raiser held at Quaker Steak on December 12.

MAYOR'S REPORT:

G. Fisher presented Mayor Bulan's report as follows:

I want to thank all the Administration, City Council, and all employees for their hard work and help the last eight years. I want to thank Fred Ostrander for serving on City Council the last two years and I'm sure he will continue to be active in the community.

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I want to congratulate Mayor-Elect Jim Forthofer on much success in the New Year as he serves as the Mayor of the City.

I am sorry that I cannot attend this meeting, as it's due to a family emergency.

Happy Holidays to everyone and Thank you! ~Mayor Eileen Bulan

SERVICE DIRECTOR'S REPORT:

T. Valerius reported that the Water Department will be taking the water tower offline for a short time on Tuesday, December 19, to repair a leak in the stem. The valves will be installed in several locations throughout the city in order to prevent a buildup in pressure and the plant will be closely monitored, and they do not anticipate any issues. However, a few residents may experience reduced pressure for a short amount of time. Repairs should take more than hour, at which time the tower will be refilled to normal operating height.

He wished Mayor Bulan the very best in the future. Eileen's accomplishments and contributions to this city will certainly out last all of us and she will be missed.

S. Herron thanked the service director for sending notice to council on the water tower leak. B. Brady asked if they knew why it happened and T. Valerius said not really as the stem is wrapped in insulation. B. Brady said it wasn't too long ago when they had problems with it. T. Valerius said it was serviced in June of 2015 and at that time there was a leak and Dixon Engineering assessed it and had the city remove the insulation and repair the leak, and reinsulate it. He noted that Dixon Engineering will be in the city tomorrow to do an assessment of the stem by using ultrasound and will provide the city with a recommendation as to what should be done. J. Forthofer asked how many perforations there were in the stem and T. Valerius said just one right now, but there are areas that don't look good. J. Forthofer said if they recommend to the city that they need to replace the stem or a section, it probably will not be done in an hour. T. Valerius said it would be done at a later date. J. Forthofer asked how long they can operate pumping directly from the plant. T. Valerius said from what he understands when they shut the tower down several years ago, they ran a couple days. However, there is a balancing act because the city has to hook up to the emergency connections with the City of Lorain and Erie County and monitor the pressure very closely.

FINANCE DIRECTOR'S REPORT:

B. Keller asked council if they had any questions on the appropriations amendment that was sent out on Friday which is the last of the year and which needs passed this evening.

M. Stark asked the finance director why council was getting this appropriations amendment so late because they only had a few days to review it. She asked if it was common to get it so late and to have so many adjustments. She said there are a lot of appropriations and it is kind of last minute. B. Keller said it will always be last minute because of the timing of the way things operate in the finance department. First order of measure is to establish a requisition cutoff date and this year was December 8. At that point, they need to run preliminary figures and process items that haven't been processed in terms of purchase orders, and they have to update expectations. They have to go through anything that hasn't been posted, so it is kind of a rush job at the end of the year.

M. Stark addressed Fund 101-1104-51101 Salaries Wages Full Time in the Finance Department. It states that two full time employees were under budgeted and they were also given a raise for acquiring additional duties upon the departure of the third accounting clerk. Therefore, she asked if there were only two clerks at this point and B. Keller responded yes. M. Stark asked if the two clerks were full time and nobody else. B. Keller said yes full time, but they just brought on a variable hourly employee to help with the capital assets. M. Stark asked how many hours she/he was getting and B. Keller said she is averaging 70 hours bi-weekly which won't last forever; it's just getting the ball rolling for capital assets. M. Stark asked if the raises given were within the union contract. B. Keller said they are not in the union. M. Stark asked if they do not follow the union contract for their raises. B. Keller said they follow the union contract but not in terms of wage increases. M. Stark asked if council has to approve wage increases. B. Keller said not from what he understands. B. Brady said over a certain amount she thought council did

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have to approve them. G. Fisher clarified that non-union employees do follow the Local 860 contract for wage increases, which they received in January of 2017. M. Stark asked if they are allowed to give raises on top of what is given per the contract. B. Keller said the discretion is in terms of the mayor. The mayor can issue a raise which has happened a few other times; as well in the Parks department. B. Brady thought there was a limit if they would look back in the minutes.

M. Stark said throughout the appropriation amendments she sees where the health insurance costs are increasing, and asked the finance director when he found out those were changing. B. Keller said they were able to monitor it throughout the year so they just monitor it as the year goes by, and then at the end of the year they can catch everything up essentially. B. Brady asked if there was a percent raise. B. Keller asked a percent raise for what. B. Brady said in the health insurance rates because the city has a major medical account and is this what he is talking about. B. Keller said yes they are talking about the costs that the city incurs to have health insurance for all the employees. B. Brady said there are two things; we are self-insured and then they have a major medical policy, so what went up. B. Keller said the self-insurance. B. Brady asked if the major medical increased and B. Keller said it went up but not as much as the self-insured part.

M. Stark addressed the various areas where it says the budget was adjusted to account for a rate increase and wondered if this was new raise increase or part of the union contract. B. Keller said in 2017 employees were given a 2½ percent raise based on the union negotiations. M. Stark thought that would have already been part of the budget at the beginning of the year and not now. B. Keller said that budget number was put in there but in some cases it was right on and some was under budgeted or over.

M. Stark said under the Port Authority Fund 214-2140-51102 Salaries Wages Part-Time it states it is to account for the slight increase in the number of hours worked by part time employees who were also paid at a slightly higher wage than the prior year. B. Keller said the port authority sets its own wages. M. Stark said she just wants to know why these appropriations are last minute on wages because it seems as though they should have been figured out earlier in the year. B. Keller said the Port Authority lets them know at the beginning of the year how much an individual will be paid but they don't always know the hours they will end up working. M. Stark addressed Port Authority Fund 214-2140-53906 Bank Card Fees and asked why the actual costs were higher than originally estimated. B. Keller said this is through the Port Authority and when people dock they may use their credit cards and there are bank fees which is tough to estimate at the beginning of the year.

M. Stark addressed Fund 229-2290-52102 Court Education and Training and asked if each department has a professional budget for professional development that is put into the budget. B. Keller said he is trying to get more department heads active in their budget rather than guessing what they are going to do. Every department is different in terms of how often the employees need training. He said laws change and they may need additional training.

M. Stark addressed Fund 602-6023-51101 Salaries Wages Full Time where it states that full time wages were under budgeted and asked if there were employment changes. B. Keller said it could have been a clerical error on his part. M. Stark addressed Fund 602-6023-51103 it states that \$13,500 more in overtime hours earned this year than the previous year partly due to the frequency of main breaks throughout the City in addition to employees being paid a higher rate. Therefore, she questioned the higher rates. B. Keller said they too received a 2½ percent raise and next year will be 2 percent.

M. Stark questioned Fund 602-6023-555103 Vehicles & Apparatus which is to account for the VAC truck lease payment, and asked the finance director if he didn't add this into the budget at the beginning of the year and B. Keller said he had not.

S. Herron directed the finance director's attention to the water fund as all categories states that actual costs were lower than originally estimated. He asked how off this was and B. Keller said they don't know from year to year what's going to require somebody to come in and fix something so they tend to overestimate what they will need to do, and a lot of things go into contracted services so there's a lot of things that get done throughout the year. S. Herron asked if the estimates were done as a safe guard. B. Keller said yes.

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B. Brady said in 2016 the actual budget was \$5.5 million and the finance director is saying \$6.1 million which is a pretty hefty difference. B. Keller asked her what she was referring to and B. Brady said she was looking at the 2015-2016 report he gave council. B. Keller said it should have been about \$22 million. B. Brady said she was only talking about the general fund and the actual is showing \$6.1 million. B. Keller said he didn't know. B. Brady asked if they have \$600,000 in the general fund more than they had in 2016. B. Keller said council needs to keep in mind they bought a parking lot and they had some additional transfers, so it all adds up. B. Brady asked if any of the enterprise or dedicated funds is running in the red. B. Keller said stormwater is. B. Brady said on the audit report it said the city hadn't appropriated funds on time in 2016. B. Keller said the audit said the city spent more than what they appropriated, so this is part of the timing thing and at the end of the year they need to basically guess on what might come in at the end of the year, which occurred. From the time he submitted this information to right now they had to put in another purchase order for salt, so there is a slight adjustment to the appropriation ordinance.

B. Brady said according to the audit, the city is not justifying their checking bank accounts, so can the city be sure they can cover these expenses in all areas and B. Keller said yes.

J. Forthofer said most of the appropriation increases over the last year were things like the parking lot that were approved by council, so it is more and council helped make more. B. Brady said in 2016 they apparently didn't appropriate the necessary amounts. B. Keller said this was a material weakness and they are making sure they don't do that again.

B. Keller said the temporary budget for 2018 will need passage this evening. He also provided council with pictures of an old dump body on one of the salt trucks as a glimpse of the fleet on the road to account for the reason why it needs replaced. He will work with T. Valerius to address some of these vehicle needs.

B. Keller provided council with a review on some things that were good in 2017. He said the finance department addressed capital assets as in the past several years the city received a material weakness on the schedule of findings from the auditor's because the city didn't have a tagging system, and they weren't doing physical accounts regularly, and they didn't have a detailed master capital asset list. As of right now they have addressed those issues and they had a city-wide appraisal completed, and a tagging system implemented. They also started the process of updating the master capital asset list.

He stated at the beginning of the year they had incomplete and inaccurate bank reconciliations. At this point they have had two meetings with Lennon and Company who prepares the city's financial statements. They started to implement daily procedures to handle all sorts of reconciling items to ensure accuracy and timeliness. They are still battling against beginning balances and one of the sticking points is confirming Utilities deposits when people pay online. In February, First Merit changed to Huntington Bank so it caused a reconciling nightmare for them. In May, Huntington switched some of their accounts on their merchant services, so they dealt with this. In October, they stopped online payment functions while they implemented the Utilities conversion and then in December they discovered a posting glitch when the Utilities Department was receiving the payments and it was going to the wrong bank in the accounting system, so they fixed this.

He addressed monthly financial statements as throughout the course of the year they were running behind with receipt postings and issuing timely financial information. At this point, they have issued statements for two consecutive months and the goal is to have them by the 15th of each month, and they plan to have the final 2017 reports issued by January of 2018.

He said they successfully completed an accounting system conversion, a payroll system conversion, and a Utilities system conversion this year with three full time employees.

They successfully constructed information regarding the water fund for review during the water regionalization consideration. They put together a comprehensive financial outlook for the prospect of selecting streets prior to 2018, which included an eight year forecast. They successfully implemented a tracking system for the city's federal schedule which he reported on a few times. When he came to the city it was incomplete and inaccurate and they were still dealing with things from 2014 and it has been

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addressed. It's basically a quarterly submission to ODOT and they require tracking of all projects throughout the city that have any sort of federal pass-through funds to the city.

They put together a more accurate and timely way of tracking and submitting wages to Lorain and Erie County that they get reimbursed for on the municipal court.

For 2017, they established the cooperative agreement with the Ohio Treasurer with the implementation of Ohiocheckbook.com. There were a lot more things they did but these are some of the big ones.

Into 2018, some expectations he has is the question of how much money the city has to start investing. In going through the reconciliation process, he is starting to see pockets of money that might be available to start working for the city instead of earning little bits of interest along the way. He would like to come to council next year with some recommendations on moving forward with growing their money. In addition, to the monthly reports and bank reconciliations; in addition to budgetary information, he will also start including a document highlighting their estimated resources, so they can see how much money they have coming in. The Ohio Auditor of State has issued a new report "The Financial Health Indicators" which is available for 2016. He would like to submit this to council next year so they can see what they are doing well and what they need to address according to the Auditor of State.

Lastly, he would like to entertain an idea of adopting a water fund reserve so they can address future capital needs at the water plant when it comes time to upgrade the water plant or build a new plant. He said in talking with the Finance Director of Oberlin he found out this is something they implemented. B. Brady asked if this is something they would want to do for the sewer department too. B. Keller said they could but he didn't think the fund was in that bad of shape.

B. Brady asked if the 2016 Audit report could be added to the next Finance Committee for review.

T. Valerius reported that the dump bed was replaced in house by the maintenance man which saved the city a lot of money. He will be pushing for a maintenance bay next year and this is one of the reasons why as they can do it in house to save money.

M. Stark asked the finance director to provide council with a breakdown of how many people are in each department so they know what kind of staffing the city has. She said she didn't need to know the name of each person, but how many full time and part time employees are in each department, and if it's part time a range of how many hours they work weekly because this shows a difference in the budget when they are looking at it throughout the year. B. Keller asked if she wanted him to include seasonal employees too and M. Stark said yes. F. Loucka said he would also like to see the job titles listed.

J. Forthofer said in the finance director's report he had talked about reconciliation and that he was being aided by Lennon & Company. Therefore, who hired them? B. Keller believed they were here when Brian Huff took over as Finance Director. J. Forthofer asked how much a year they cost and B. Keller thought it was 15,000 - \$20,000, but he would get back to him on that.

S. Herron said in respect to the audit deficiencies, are there any deficiencies that the finance director doesn't think he is able to do or is struggling with meeting that maybe somebody can help him with. B. Keller said one of the things that are fixed is the timeliness of the reports that weren't being issued essentially on a monthly basis. At many points it was hard to compare the resources to the appropriations. The employees have met several times on how they can improve their own processes and how they can shift things around to make sure things get done more timely. Part of this will lead them to knowing daily and weekly how much money they have and what their budget figures look like instead of knowing in three months when everything gets updated. He feels confident they are in a good spot to address this right now.

CITY ENGINEER'S REPORT:

L. Miggins recognized Mayor Bulan for being a transformational leader. She said Eileen would be the first person to say, "I did not do it myself; it took a lot of people to create the successes that happened over the past eight years." She said that Mayor Bulan is far too humble and that it takes a great leader to lead

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people to success. As a resident of Vermilion, she thanked Mayor Bulan for her service to the community and stated it's been a true pleasure working with her. S. Herron thanked her for this true felt sentiment.

LAW DIRECTOR'S REPORT:

K. Stumphauzer reported that House Bill 49 which addresses the state budget, and the Ohio Senate Finance Committee adopted an amendment to the bill and one thing that would impact the City of Vermilion directly is the provision that allows businesses to decide whether they are going to file net profit returns with the municipality or with the Ohio Department of Taxation. This was challenged in Lorain County Common Pleas Court and the action was filed last week per council's approval where the City of Vermilion was named a Plaintiff along with numerous municipalities in Lorain County and Cuyahoga County. The matter will be set for a hearing on a Temporary Restraining Order on January 9, 2018, and they will attempt to get Judge Rothgery to join from implementing House Bill 49, thereby leaving the cities of having to report to the State of Ohio. The city would just continue to collect taxes as they currently do through RITA. S. Herron asked the law director to send an email to council on the time of the hearing. B. Brady asked if they would collect the money at that point and K. Stumphauzer responded yes.

K. Stumphauzer congratulated Mayor Eileen Bulan and noted his sentiments are contained in a Resolution that he would hope Council would entertain.

OPEN TO THE AUDIENCE: No participation.

NEW BUSINESS:

F. Loucka MOVED; B. Brady seconded to permanently remove the third reading of Ordinance 2017-41 from the agenda. Roll Call Vote 6 YEAS. **MOTION CARRIED.**

S. Herron MOVED; J. Forthofer seconded to add Resolution 2017R-17 to the agenda for a first reading. Roll Call Vote 6 YEAS. **MOTION CARRIED.**

READING OF ORDINANCES:

Second Reading – Ordinance 2017-62: AN ORDINANCE TO MAKE TEMPORARY APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES FOR THE CITY OF VERMILION, STATE OF OHIO, DURING THE THREE MONTH PERIOD BEGINNING JANUARY 1, 2018 AND ENDING MARCH 31, 2018 AND DECLARING AN EMERGENCY.

M. Stark MOVED; F. Loucka seconded to suspend the rules. Roll Call Vote 6 YEAS. **MOTION CARRIED.**

J. Forthofer MOVED; F. Loucka seconded to adopt Ordinance 2017-62 by emergency. Roll Call Vote 6 YEAS. **MOTION CARRIED.**

First Reading – Ordinance 2017-63: AN ORDINANCE AMENDING ORDINANCE 2017-4 ADOPTED MARCH 6, 2017 TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES FOR THE CITY OF VERMILION, OHIO AND DECLARING AN EMERGENCY.

F. Loucka MOVED; S. Herron seconded to suspend the rules. Roll Call Vote 6 YEAS. **MOTION CARRIED.**

J. Forthofer MOVED; F. Loucka seconded to adopt this ordinance by emergency. Roll Call Vote 6 YEAS. **MOTION CARRIED.**

First Reading – Ordinance 2017-64: AN ORDINANCE ACCEPTING AND APPROVING THE RE-SUBDIVISION PLAT OF SUBLOTS 14, 15 AND 16 IN TERRACE BEACH ALLOTMENT, PLAT VOLUME 10, PAGE 26 OF LORAIN COUNTY PLAT RECORDS, FOR RECORDING PURPOSES ONLY AND DECLARING AN EMERGENCY.

First Reading – Resolution 2017R-17: A RESOLUTION HONORING AND RECOGNIZING MAYOR EILEEN BULAN FOR HER EXCEPTIONAL AND DEDICATED SERVICE TO THE CITIZENS OF THE CITY OF VERMILION, OHIO, AND DECLARING SUNDAY, DECEMBER 31, 2017, AS MAYOR EILEEN BULAN DAY.

F. Loucka MOVED; J. Forthofer seconded to suspend the rules. Roll Call Vote 6 YEAS. **MOTION CARRIED.**

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S. Herron MOVED; M. Stark seconded to adopt this resolution. Roll Call Vote 6 YEAS. **MOTION CARRIED**.

ANNOUNCEMENT OF MEETING DATES:

December 25, 2017 – Christmas – City Offices Closed

Monday, January 1, 2018 – New Year's Day – City Offices Closed

Tuesday, January 2, 2018 – Vermilion City Council Swearing in Ceremony – 7pm; Organization & Regular Meeting – 8pm

Monday, January 8, 2018 – Vermilion City Council Committee Meetings (All) – 7pm

Monday, January 15, 2018 – City Offices Closed – Martin Luther King, Jr. Day

Monday, January 22, 2018 – Vermilion City Council Meeting – 7pm

Monday, January 29, 2018 – No Meeting

ADJOURNMENT:

Upon no further business, Council President Steve Herron adjourned the Vermilion City Council meeting.

Gwen Fisher
Certified Municipal Clerk