

**CITY OF HIGHLAND HEIGHTS
MINUTES OF A COUNCIL MEETING
AS A COMMITTEE OF THE WHOLE
HELD: FEBRUARY 26, 2019
6:45 PM**

PRESENT: Mayor Brunello; Council Representatives D'Amico, Hargate, Lombardo, Mastrangelo, Murphy, Stickan; Clerk of Council Cahill; Fire Chief Turner, Police Chief Cook, Service Director Evans; Building Commissioner Grabfelder; Finance Director Filippo; Law Director Paluf

The Meeting was called to Order by Law Director Paluf.

AGENDA

Discussion of Council President Position
Procedure to appoint At-Large Council Position
Discussion of auditing firm
2019 Proposed Budget

APPOINTMENT OF PRESIDENT PRO-TEM:

Director Paluf stated that with the dedication of Council, the new Mayor and Department Heads all working together, the City will continue to move forward. Council will need to appoint a new President of Council.

Mrs. Murphy stated that she has removed her name for consideration of Council President and supports Lisa Marie Stickan as Council President. Ms. D'Amico concurred. There were no other comments or nominations from Council.

Director Paluf stated a formal motion to elect a Council President will be added to the Council Agenda; however, he suggested Ms. Stickan Chair this Committee of the Whole Meeting. Council, having no objections, agreed to Ms. Stickan as Chair.

APPROVAL OF MINUTES: The reading of the Minutes of the Committee of the Whole Meeting held February 12, 2019 was dispensed with. A motion was made by Mrs. Murphy to accept the Minutes as written; seconded by Ms. D'Amico. Ayes all; motion carried.

OPEN COUNCIL AT-LARGE POSITION

Ms. Stickan stated the open at-large Council position will be filled by an appointment from Council. Council members requested a process be determined to have the appointment made in a transparent and efficient manner.

Director Paluf confirmed that the City Charter and ordinances do not contain a set procedure or requirements to follow. The Council may determine a process to follow.

Ms. Stickan suggested the city's website and Facebook page be utilized to publicize the open position. An article on Cleveland.com or in the Sun Press would also facilitate in advertising for the open position. Interested candidates should submit a cover letter and resume to the Council Office by Friday, March 8th at Noon.

CITY OF HIGHLAND HEIGHTS
MINUTES OF A COUNCIL MEETING AS A COMMITTEE OF THE WHOLE
HELD: FEBRUARY 26, 2019 - PAGE 2 OF 5

Mayor Brunello suggested all inquiries by interested candidates be directed to the Council Office to submit their cover letter and resume.

Director Paluf stated Council has 30 days from February 20th to make an appointment. After that date the Mayor becomes the appointing authority. Mayor Brunello concurred that he will cooperate with Council if the deadline needs to be extended.

Ms. Stickan received a consensus from Council that the March 8th deadline would allow residents sufficient time to submit and Council to evaluate and review the applications. Applicants are required by Charter to be a resident of Highland Heights for three years. The successful applicant will fill the position until the end of the current year. The position will be filled beginning January 1, 2020 by the successful candidate elected in the November 2019 election.

Ms. Stickan recapped the suggestions for publicizing the open position. The City's website and Facebook page will be able to post the information by tomorrow. The newspaper reporter from Sun Papers stated an article will be printed in the February 28th edition and an article will be on Cleveland.com.

Mrs. Murphy suggested placing the At-Large open council position on the city's electronic signs. Director Evans stated an abbreviated statement would be placed on the city's electronic signs with instructions to contact the Council Clerk for more information.

Ms. Stickan stated Council will determine a process to proceed and timeframe after having received the applications.

Discussion of Auditing Firm

Director Filippo sent a memo to Council with information from two accounting firms: Ciuni & Panichi; Skoda Minotti. The firms stated a financial audit is different from a forensic audit. Council must direct the auditing firm to determine the scope of the audit. Director Filippo stated Council needs to discuss the details of the audit and determine the timeframe to review.

A cost estimate is difficult to provide as the firms do not have the specific scope of the audit. Mr. Saponic from Skoda Minotti stated their hourly rates are \$150-\$400 an hour with an average of \$225-\$250 per hour for staff and senior auditors. Cuini & Panichi rates are comparable.

Director Filippo stated the former mayor did not have a city issued credit card; gas card; cell phone; city vehicle; access to petty cash; or authorization to sign checks. The Mayor does have a spending authority; however, all contracts are approved by Council. Three reimbursements were given for attending seminars. Council needs to determine what areas are to be examined.

Director Filippo stated the State has just finished the city's audit and reported it was a clean audit, revenues and expenses were appropriately classified, there are strong internal controls and there are no allegations of fraud or suspected fraud. There was no knowledge of any communication from regulatory agencies concerning non-compliance. The report stated to the best of their knowledge and belief, none of the city

CITY OF HIGHLAND HEIGHTS
MINUTES OF A COUNCIL MEETING AS A COMMITTEE OF THE WHOLE
HELD: FEBRUARY 26, 2019 - PAGE 3 OF 5

employees or elected officials has any material direct or indirect financial interest in any transaction consummated with the city other than compensation expenses budgeted for such persons. The completed financial audit stated the city's status is acceptable.

Director Filippo stated each firm has their own specialized department for fraud investigation and are reputable firms. The senior auditors submitted resumes detailing their experience.

Mrs. Murphy was concerned that Mr. Suponcic suggests providing an oral presentation to Council versus a written report. Mrs. Murphy stated a written report is necessary so that it can be posted and shared with the public. Director Filippo stated that was presented as a cost saving option. Mayor Brunello agreed that a written report would be required from either firm that is selected.

President Stickan stated Council is performing due diligence to confirm there was no impropriety. The scope would be for a five-year period and include any records the former mayor would have access to. Director Filippo stated he will provide a memo detailing the scope of the audit for Council to review and upon approval submit to the firms for a cost estimate. A Committee of the Whole meeting will be scheduled for March 5th to review the proposals. Mrs. Murphy requested the firms confirm that they have no contact with anyone in the city including the former mayor to ensure a fair and objective audit.

2019 Proposed Budget

Director Filippo stated the budget books were delivered to Council and the budget appropriation legislation is on the Council Agenda for first reading this evening. The Legislative and Finance Committee had thorough meetings with department heads. Chairman Hargate provided Council with a description of the L/F meetings at the last Council meeting. The budget provides for a 2 ½% increase in wages; however, the contracts are still being negotiated. The 2019 budget is consistent with prior years expenditures.

There will be a transfer from General Fund to Capital Fund. The Capital budget is \$3.66 million with \$975,000 of reimbursements. A schedule of capital expenditures by department has been provided in the budget books.

The \$5 million note will have \$650,000 applied creating a balance of \$2,350,000. The schedule shows paying off the note in three years. By the year 2022, there will be a \$200,000 debt service payment.

Director Filippo stated the Capital Fund was supported by Estate Tax and Local Government Tax funds which have been eliminated. There is a remaining balance in the Capital Fund to be used for expenditures next year. Mayor Brunello agreed that the Capital Fund should have a balance for next year's expenditures.

Director Evans provided Council with a worksheet outlining Service Department's 2019 Capital expenditure requests. There are ten sewer and drainage projects which are reimbursable from another agency. The reimbursements may not be received in the same fiscal year as the project was performed.

CITY OF HIGHLAND HEIGHTS
MINUTES OF A COUNCIL MEETING AS A COMMITTEE OF THE WHOLE
HELD: FEBRUARY 26, 2019 - PAGE 4 OF 5

Mr. Hargate stated the L/F Committee has reviewed and recommended proceeding with item #3 and item #4 on the Council Agenda. The legislation will have three readings.

Mr. Mastrangelo suggested using the reimbursement funds from the County to pave some additional streets. Director Evans stated the reimbursements may not be received this year.

Director Evans stated a maintenance strategy has been created to perform road repairs by neighborhood. In 2019, the Aberdeen subdivision and Maypine Farms subdivision will receive road repairs. These two neighborhoods will cost approximately \$150,000 for pavement and catch basin repairs. There will be approximately \$278,000 in County road repairs. The turning lane on Wilson Mills from I-271 is estimated to cost \$320,000-\$330,000. An Asphalt Program to perform paving in the City Park has \$180,000 budgeted. There are some monies set aside to study the I-271 corridor.

Director Evans suggested reviewing the Engineer's Report to include in the Road Program additional miscellaneous repairs in another neighborhood.

Mr. Mastrangelo stated the Drainage budget is an aggressive program for 2019 and questioned the likelihood of completing them this year. Director Evans stated there are five projects that will be performed by the County. The County already has contracts with companies to perform the services and can be completed in a reasonable time.

Mrs. Murphy stated Brainard Road is scheduled for 2020. Mr. Mastrangelo questioned the amount of the city's contribution for the asphalt overlay of Brainard Road. Director Evans stated the city's portion is approximately 20%. Brainard Road is a project through NOACCA and the County.

Director Evans stated in reference to Item #3 & Item #4 on the Council Agenda, the opportunity to place an order as soon as Council passes the budget, positions our order ahead of other municipalities that will be placing orders also.

Chief Turner stated the current build time for a fire engine is 12-13 months from the date of contract signing. If more orders are received, the build time can be delayed. The new engine would replace a 1990 engine that is being sold on gov.deals. The last offer received for the 1990 engine was \$3200. The vehicle that would be put into reserve is a 1998 truck. The recommended life expectancy of a front-line vehicle is 15 years. Any vehicle 21 years of age will begin to have serious issues. The ladder truck was purchased in 2015.

Chief Turner explained the repair of the fire truck can take 2-3 weeks. A reserve truck is needed so that there will be two vehicles available to respond to calls. The reserve truck is also required for ISO ratings.

Chief Turner stated the 2012 squad spent six weeks out of service for repairs. The delay was due to an emissions and parts availability issues. For six weeks, a new vehicle and 14 year old squad was used.

CITY OF HIGHLAND HEIGHTS
MINUTES OF A COUNCIL MEETING AS A COMMITTEE OF THE WHOLE
HELD: FEBRUARY 26, 2019 - PAGE 5 OF 5

Mrs. Murphy clarified that Council will not authorize the purchase of the fire truck or the dump truck until the budget is passed. Chief Turner stated the readings of the legislation coincide with the readings of the budget.

Mr. Mastrangelo questioned if the City would consider regionalization options for the dispatch center. Chief Cook stated the regionalization concept has been explored. There are two regionalization centers, CVC, Chagrin Valley Dispatch and Hillcrest Dispatch. Richmond Heights recently closed their facility and joined Hillcrest Dispatch. Chief Cook stated recently there have been concurrent problems with the Hillcrest Dispatch Center. Chief Cook stated by providing our own dispatch center for the safety forces creates better service to our residents. A medical alarm board and a residential alarm board is available to residents at a reasonable cost. There are cameras at various locations in the city which are monitored and logged by our dispatch. These services would be lost if regionalization was implemented. Chief Cook would not recommend regionalization.

Mrs. Murphy requested a discussion on the Ohio Open Checkbook Program be held at a Committee of the Whole meeting on March 26th. A representative from the State Treasurer's Office will make a presentation. Mayor Brunello and President Stickan stated they are in support of the program as well.

President Stickan stated a Committee of the Whole meeting will be held on March 5th to continue discussion on the audit process and the appointment process.

ADJOURNMENT: A motion was made by Mrs. Murphy and seconded by Mr. Hargate to adjourn the meeting at 7:55 p.m. Ayes all; motion carried.