

ORDINANCE COMMITTEE MEETING
DECEMBER 6, 2011

Committee Member Mr. D'Ambrosio opened the meeting at approximately 6:00 p.m. Members of the Committee in attendance were Mr. D'Ambrosio and Mr. Hoefle. Committee Chair Ms. Vaughn was absent and excused. Present from Council were Mr. Knuchel, Ms. DePledge, and Council President Morley. Mr. Matheke was absent and excused. Ward 3 Council-elect Mrs. Quinn-Hopkins was also present.

In attendance from the Administration were CBO Stigalt, Service Director Semik, Police Chief Reik, and Fire Chief Whittington. Mayor Andrzejewski and Law Director Klammer were absent and excused. Finance Director Slocum was late in arriving.

Also in attendance were members of the public.

Mr. D'Ambrosio: All the amendments on the agenda this evening are in regards to Chapter 155. Ms. Vaughn made the suggestion, as this is her Committee, that she was uncomfortable making any of these changes right now. Most are in regard to making the 155 employees the same as the Unions since the contracts have all been settled. She wants us to get copies of the contracts and wants to go over them thoroughly before any of these changes are actually introduced. So, to discuss them right now will probably not do us any good. Ms. Vaughn is aware there is a time frame and we are hoping to do this by the end of the year. She said she will be scheduling a meeting to make sure we do. She contacted Mr. Slocum who is getting us copies of all the contracts probably by the end of this week. All these items will be held in Committee except for 155.01 "General Administration."

PROPOSED AMENDMENTS: CHAPTER 155 "EMPLOYMENT PROVISIONS AND COMPENSATION"

AMENDMENT: 155.01 "GENERAL ADMINISTRATION"

Mr. Morley: Under 155 (d) Elected Officials – where it has "Council salaries will increase Three Hundred Dollars per year every other year beginning January 1, 1998" – there are two things. One is that City Council has decided among ourselves to not take the \$300 raise and also to add onto that we have also agreed to take a 10% cut starting January 1st. We are doing that in a resolution because the Charter calls for it. We will look at this again at the end of 2012 after we see where we are financially.

Mr. Slocum joined the meeting at this time.

Mr. Morley: City Council believes you should lead from the top and we believe regardless of what our salaries are that we will take a 10% cut to show the employees and the residents that we are willing to do the things we need to do also. We do not want to say everyone else should make cuts and not make any. We have made other cuts in the Council office and we will discuss that when the time comes. Obviously, I polled Council members before I asked for this resolution to be prepared. I also spoke with the two new Council members. All were in agreement on both items.

Mr. D'Ambrosio: This was unanimous – everyone agreed.

Mr. Morley: Yes.

Chief Whittington: You said there were several items in 155 – we don't get copies of the proposed changes. If there is anything that would affect me personally I would like to know what you have in front of you so at least I know what is happening.

Mr. D'Ambrosio: It is only the Union changes. We were going to change 155 to make it consistent with what was in the contracts. We will be holding those amendments except for what Mr. Morley brought up. Mr. Slocum, you are going to get us copies of the contracts, correct?

Mr. Slocum: Yes. But, it is my understanding after talking to the attorney that it will be the end of next week. This is part of the problem. The contracts have been ruled by the conciliators – these changes are consistent with the conciliation. But, I don't have a contract yet because we are still in that process. That is with the Union at this point – they want to make sure the contracts are what they agreed to and what was said. It takes time for them to go through it. I would rather actually have that time so we don't have any issues that have happened in the pass.

Josh Saperstein, Eastlake Fire Department

Mr. Saperstein: There is a rough draft of the contract. Mr. Slocum is right – we are reviewing it but if you don't care about any spelling errors – it is the changes. If you would like to move forward for the most part if anything was way out of line I could raise an objection to it but for the most part if you have a rough draft of the contract.

Mr. Slocum: I can provide that but I was told that you want the contracts.

Mr. D'Ambrosio: Let me find out from Ms. Vaughn what she wants.

Chief Reik: Mr. Slocum and I briefly talked with the attorney from the City and members of the Union. There was basically a clerical error with the Union's uniform reimbursement. Finance Department has been doing it the way it was intended anyway. The attorney will be providing a Memo of Understanding so both sides understand instead of 12, 13 and 14 it says 8, 9, and 10. It may be semantics but I cannot blame people for wanting to see it in writing. They will put all that together and hopefully they will have that resolved.

Mr. Slocum: The Chief contacted me first and I told him to contact the attorney. She got back to me and we are in agreement how it should operate. If there are any issues like that I would rather have them resolved so we can move on with things that are important.

There were no further questions or comments.

MISCELLANEOUS

AMENDMENT: SECTION 132.14 "FEES FOR RESCUE CALLS"

Mr. D'Ambrosio: We have an ordinance amending Section 132.14 "Fees for Rescue Calls." Chief Whittington, would you like to address this?

Chief Whittington: Unfortunately you do not have a copy of our plans we submitted to the Administration regarding the cuts.

Mr. D'Ambrosio: We have not seen any of those.

Chief Whittington: It is a tedious process because you are only seeing part of my proposal. When we were asked to make the cuts the one thing I looked at was the ability to increase revenues along with looking at what my obligations were. I spoke with our representative from the MedAccount Corporation that does our billing and told them I was trying to do my best to preserve full time employees. Because of the fact that we are facing such economic times - these billing rate don't affect our residents – we don't hard bill we soft bill – so, we go on the call and submit the paperwork to this corporation that goes after the insurance company. If we cannot get a bill or the person would pay a fortune we accept only what they give us. There is no burden to our residents at this point for anything as far as billing goes. If we go to someone who has no insurance then we do not go after them. They are not obligated to pay any bills. This was to me an opportunity to increase revenues for the Fire Department. I spoke with the representative and explained that on rates I wanted to be as aggressive as I could. He gave me a spread sheet I worked off. I am a little disappointed in his approach to it now – what he had told me that was projected for the Fire Department has changed by half so that has created a bigger burden for me. However, there are communities similar to us who have the same approach. The Finance Director pulled some numbers from State – some Cities are billing \$1,100 to \$1,200. We are in that ballpark as far as generating revenues. I wish you had a copy of my plan...

Mr. D'Ambrosio: So do we.

Chief Whittington: This is a way to generate revenue. Other people are doing it and for us to sit back and not take advantage of it at least at this point where we are in such dire straits – and not have it be a burden to our community – I think it would be foolish for us not to take advantage of it. It is a little bit more aggressive. I have talked to all the Lake County Chiefs to let them know I was going to do an aggressive approach. Obviously, they will follow their communities lead but they realize we are going to be a little outside. The closest we would come to would be Painesville which is billing \$905. There are a couple of cities billing \$850. We would be \$1,100 across the board. It is aggressive and is a way for me to keep people working and not burden our community. At this point if anyone has any better ideas how I would be able to do that without increasing these rates I would be more than happy to hear what you have.

Mr. D'Ambrosio: There is no impact on the resident, correct? It is the insurance companies that pay for this?

Chief Whittington: It is the insurance companies. My plan shows exactly the burden on each – Medicaid, Medicare – they are set rates – so we don't see much of an increase. Even though we increase rates they are set. The only thing we adjust for is mileage. Where we have an advantage is the personal primary insurance companies and secondary insurance companies. Other people are using it as a way to generate revenue and I think we are at that point.

Mr. D'Ambrosio: I think that is thinking outside the box. We need to do something like that. Do you have an estimate of how much additional this will bring in?

Chief Whittington: In the formula he gave me the initial projection of new revenue is \$115,000. He still believes we will see that but it may not happen right away. I think once he realized this revenue generation was to try to help me save jobs - he went very conservative so we went from \$115,000 down to \$57,000. That is the number Mr. Slocum is using and that is the number MedAccount is giving them. It was hard for me to swallow the difference. It is a conservative

number and I will make the adjustments around it. \$57,000 is the conservative approach. But, I think we should see much more. Even his email to me was that he expected us to be at about \$70,000 but on a conservative level he was going to stay at \$57,000.

Mr. Slocum: I am in concurrence with the Chief on this. If you do not approve this and we have to maintain the same billing we have today then he will have to identify another \$57,000 in cuts. I think this is a way we can pass some of the cost on. The only people who will be affected will be the outside insurers. The only caveat I would put out there would be in the event that someday we want to go away from this soft billing as we are doing then we would adjust this rate. This rate is an insurance company rate – it is the full rack and if we were going to eventually end up doing it – which some communities do hard billing – then I think we would have to explore the rate. But, I do support the rate the Chief has recommended. From a finance perspective I would recommend you approve this.

Mr. Knuchel: I have about a million questions because this was thrown at us at the last minute and I am sure I will have more questions. I would like to see the spreadsheets you have – see how this will work. I am a nuts and bolts kind of guy. I would like to see the spreadsheet you received and how it was arranged - are there going to be more delinquencies because of issues with Medicare and Medicaid? I want to see how all of that works out.

Chief Whittington: That is part of my plan but obviously you people are not allowed to have a copy of my plan so...

Mr. Knuchel: But we are allowed to have a copy of...

Mr. Slocum: I have no problem with this section. It is basically a fairly simplified spreadsheet that MedAccount uses in evaluating rates. We are relying on their expertise on how much these increases will generate. Here we are increasing our rates 80% and we are talking an increase of 12%.

Mr. Knuchel: My point is we just raised our rates in 2009. Have we realized the revenue we projected on those?

Chief Whittington: Our monthly billings have increased at least 5% over the last two years. This is affected a lot by run volume too – it is not always consistent. A lot of the numbers he was working from are actually 2010 because 2011 is not done yet. So, our run volume is up and we are projecting it be up another 12% this year. There is some speculation that between the increased cost and increased run volume we will see the difference. He is conservatively saying we will see \$57,000 difference in 2012 than this year. We are projecting to collect \$400,000 or \$410,000 this year.

Mr. Slocum: Last year we had \$385,000. We will go well over the \$400,000. We are \$25,000 short and are projecting around \$410,000. That is about a 5% increase over last year. We have seen increases but I cannot tell you how much is rate and how much is volume.

Mr. Knuchel: As this is part of the package you presented to Mr. Slocum to include your reductions what happens if we don't hit those numbers?

Chief Whittington: I have to come up with \$110,000 by tomorrow so I will be up to \$170,000.

Mr. Slocum: If your question is if we don't generate those types of increased revenues next year – if that is the question we will be monitoring revenues across the board. I think this is a viable plan that should work. If it does not and the Governor changes something that screws us again then we can be out more money - we are always monitoring the revenue. It is always a worry.

Mr. D'Ambrosio: Are there any further questions? Mr. Hoefle, move this forward?

Mr. Hoefle: Move it forward.

Mr. D'Ambrosio: We will move this item forward.

There were no further questions or comments.

RECOGNITION OF PUBLIC

There was no one who wished to speak.

The meeting was adjourned at 6:22 p.m.

dac

APPROVED: _____

DATE: _____