

MINUTES OF THE FINANCE COMMITTEE
December 7, 2020
Meeting held virtually

Present: Councilmembers Bullock, Neff, & Litten

Also Present: Human Resources Director Dillinger, Human Resources staff Kia Wourms & Diana Cameli, Finance Director Rancatore and Finance staff Keith Schuster & Jessica Eddy, Mayor George, Human Services Director Gelsomino, Councilmembers O'Malley, Rader & Shachner, Fire Chief Dunphy, Planning Director Leininger, Public Works Director Ducu, Clerk Bach & Deputy Clerk Lascu taking minutes

Call to Order: 6:00 p.m.

Human Resources Department

Human Resources Dillinger delivered the attached presentation which is summarized here:

Director Dillinger discussed the department's 2020 accomplishments listed in the presentation. She spoke about delivering savings to the City by renegotiating contracts without cutting services for the Employee Assistance Program, the life insurance program and the annual flu shot clinic. She highlighted the Shared Work Ohio Program which allowed employees to take voluntary furloughs. At its peak, 180 employees were participating in the program. Currently, 7 employees are still participating.

Director Dillinger discussed the department's plans for 2021 and beyond which include injury prevention, in-depth review of medical benefits and plan design and a compensation study of all non-union and public works positions.

Director Dillinger reviewed the City's Workers Compensation expenses. Workers compensation has been self-funded by the City for many years. Annually the City contracts with KKSG to analyze whether self-funded or state-funded is more beneficial to the City. She shared the most recent analysis which concluded that the City should remain self-funded. She shared the City's history of workers compensation expenses and concluded that the City is projected to pay \$418,000 in 2021.

Director Dillinger explained the City's costs and approach to health insurance. She presented the City's health care costs which also include the Employee Assistance Program, dental, vision and other benefits. She presented the City's current insurance rates and renewal rates. She expressed a goal of educating employees to become better healthcare consumers, noting that analysis pointed to inappropriate use of the Emergency Room. During open enrollment this year, Human Resources pushed to educate employees on the High Deductible Health Plan and the Health Savings Account and will continue to do so.

Director Dillinger discussed the salary ordinance which raises the salary bands to include a 2.25% cost of living increase for 2021. She again noted that the department will evaluate non-

union positions and labor trade professions in a study to be conducted this year. The study is included the budget under professional services. The department will go out to bid for this.

Finally, she touched on the merit bonuses as authorized by Ord. 43-09. The merit bonus system will be reviewed in 2021 to ensure fairness. This year the administration provided a straight percentage bonus to all who qualified given the excellent dedication and perseverance due to COVID.

A committee member referenced the Building Department's budget presentation, in which they discussed the challenges of hiring building inspectors. He asked Director Dillinger if she had any ideas for how the City could be more competitive and attract applicants to this position.

Director Dillinger explained that the City offers very robust benefits but that young professionals are showing to be more motivated by salary than benefits. She also suggested partnering with schools to highlight these careers.

Councilmember Neff suggested that the City try to monetize the benefit package and include that amount in job postings.

In response to a councilmember question, Director Dillinger explained that the budget for materials and supplies had increased in 2021 in order to provide new desks. She stated that hers was the last office within City Hall to get this attention and the desks were much needed.

In response to a councilmember question, Director Dillinger reviewed the City's trends in health care costs. She explained the 2020 figure is only through October and so the 2020 and projected 2021 will not actually be that far apart. She explained that the increase in costs from 2018 to 2019 could have been the result of one or two high-cost claimants.

Councilmember Litten asked for a further breakdown of the 2021 healthcare costs, noting that they are quite a bit higher than in years' past. Director Dillinger replied that the City will always budget for more because it is self-insured and that hopefully that full amount will not be needed. She suggested that inappropriate use of medical resources is partly driving up costs. Mayor George added that the 2021 figure is provided by the Medical Mutual underwriters.

Chairman Bullock remarked on several topics in Director Dillinger's presentation. In response to a councilmember inquiry, Director Dillinger remarked further on her department's plans to implement a wellness initiative. She acknowledged some of the initiatives of the past but emphasized that she is seeking to construct a comprehensive strategy for wellness that improves health and lowers claims.

Ordinance 22-2020 – AN ORDINANCE to take effect on January 1, 2021, provided it receives the affirmative vote of at least two thirds of the members of Council, or otherwise take effect and be in force after the earliest period allowed by law, to provide for creating positions and rates of pay for full-time and certain part-time annual salaried employees...

Director Dillinger reviewed the salary ordinance and explained that it provides a cost of living increase that is on par with the bargaining unit employees. The 2021 increase is for 2.25% and is scheduled to go into effect January 1, 2021. She explained a proposed substitute which amends Section 3 to reflect a high enough wage to match those within the AFSCME unions. She noted that this has been in practice but that the salary ordinance has not been updated to reflect this.

Council President O'Malley expressed concerns that the salary ordinance essentially nullifies the City's fair employment wage policy. He acknowledged that in the past, this issue was rectified administratively but he would like to see that reflected in the ordinance.

The committee decided that this could be addressed and brought back to the committee before final passage of the ordinance.

Ordinance 22-2020 – AN ORDINANCE to take effect on January 1, 2021, provided it receives the affirmative vote of at least two thirds of the members of Council, or otherwise take effect and be in force after the earliest period allowed by law, amending Section 149.08 (a)(1), Vacations...

Director Dillinger explained that the ordinance addresses the issue of part-time employees who move on to become full-time employees without any break in service and the way in which their vacation is accrued. This policy change would benefit five employees who have gone from part-time to full-time in recent years.

Approval of the Minutes of the November 30, 2020 Finance Committee Meeting

A motion was made and seconded to approve the minutes of the November 30, 2020 Finance Committee meeting. A vote was conducted as follows:

Yeas: Bullock, Litten, Neff
Nays: none

Motion adopted. Minutes approved

Human Services Department

Director Gelsomino delivered a presentation reviewing the Human Services Department's operations over the past year and gave insight into the department's budget and future. She noted that Human Services staff did a lot of remote work and also furloughed. The addition of a web-based client management system has been huge for the department. The department also strengthened partnerships with the Westerly, Lakewood Community Services Center, the Healthy Lakewood Foundation, and Parkside Church.

Director Gelsomino stated that Human Services delivered 34,000 meals with the help of 154 volunteers. Staff have fielded 2400 social service calls, while continuing to do wellness check calls. Staff also served over 250 families, coordinated an 8-week parenting program, and gave 4 home alone presentations before the pandemic.

Looking at the 2021 budget, Director Gelsomino stated that the goal is to maintain safety services for at risk people. She noted that the department is looking to recruit younger volunteers for Monday food deliveries. She added that this year is critical for the planning of Cove Church. Human Services will look to explore partnerships with a health agency and Tri-C Adult Learning.

Director Gelsomino identified the department's funding sources, adding that there are no significant changes to the department from past budgets.

Chairman Bullock noted that the division of youth budget appeared reduced and the department of aging increased. Director Gelsomino noted a significant carry forward in 2020 from 2019 for the division of youth, and that there was no real budgeting decrease.

Councilmember Rader inquired about \$250,000 that was previously allotted for a Live Well Lakewood Plan and how the plan is coming along. Director Gelsomino indicated that the money has not been spent and the plan was put on hold due to COVID. It is in the process of coordination with the Planning Department and the city has reached out to Community Solutions Inc. to potentially expedite completing a community health needs assessment.

Councilmember Litten sought confirmation that there would be no cuts in services, which was verified.

Director Gelsomino noted two separate grants of \$25,000 and \$60,000 that were used to directly respond to nutrition needs during the pandemic and purchase bags for frozen meals. The department had to adjust from delivery about 80 meals to 1000. It also coordinated the distribution of \$25 Giant Eagle gift cards to families referred through the school district.

Chairman Bullock stated that the Finance Department's presentation would be held next Finance Committee meeting.

Chairman Bullock adjourned the meeting without objection.

The meeting was adjourned at 7:26 p.m.

Human Resources Department

Budget Overview

12.07.2020

2020 Accomplishments

- Decreased our Employee Assistance Program (EAP) by approximately \$5,000 by seeking new contracts.
- Negotiated and settled all union contracts with minimal economic increases.
- Created & implemented the COVID-19 playbook.
- Managed the Shared Work Ohio (SWO) program and created a savings of over \$200,000.
- Offered an on-site flu clinic at a reduced price.
- Partnered with Upshot Health & St. Vincent to offer COVID-19 testing

AGENDA

- 2020 Accomplishments
- 2021 & Beyond Strategic Plan
- Worker's Compensation
- Health Insurance
- Salary Ordinance

2021 & Beyond Strategic Plan

- Safety initiatives and education to reduce workplace injuries.
- Introducing a SAVEonSP retail pharmacy program through MMO for an expected savings of almost \$100,000 annually.
- Create an expanded wellness program that incentivizes employee participation.
- In depth review of medical benefits and plan design to create additional savings while still offering strong plan options for our employees.
- Compensation study for non-union staff and public works positions.

Worker's Compensation



How We Budget Self-Funded Worker's Compensation:

KKSG & Associates, Inc.		Workers Comp Budget Projection: 2021	
City of Lakewood Policy # 20005471 Date: 10.27.20 Prepared By: Art Stehlik			
Assumptions:		1. Payroll: \$26,000,000	
		2. 6 Year Average Comp and Med Paid	
		3. Inc Comp Med 10% due to Significant 2014, 2018, 2019 Claims	
		4. Includes Wage Continuation	
Self Insured Cost			
Medical & Comp	\$275,000		
Excess Loss Ins	\$73,000		
Assessments	\$42,000		
DIVRF	\$28,000		
Total	\$418,000		

Self Funded vs Fully Funded Projections

KKSG & Associates, Inc.		Assumptions:			
City of Lakewood Policy # 20005471 Date: 4.26.20 Prepared By: Art Stehlik		1. Payroll: \$26,000,000			
		2. Annual Payroll Increase: 3%			
		3. Annual Benefit Increase: 3%			
		4. Benefits: 5 Yr. Avg.			
		Less Annual Wage Continuation: \$35,000			
Transition to State Fund		State Fund Cost vs Self Insurance			
State Fund Cost	2021	2022	2023	2024	
SF Premium	\$621,140	\$639,774	\$658,967	\$678,736	
SI Tail Claims	\$151,617	\$98,551	\$49,276	\$24,638	
SI Assessments	\$15,701	\$10,991	\$7,694	\$5,288	
Total	\$788,458	\$749,316	\$715,937	\$708,760	
Self Insured Cost	2021	2022	2023	2024	
Medical & Comp	\$207,116	\$217,472	\$228,345	\$239,763	
Excess Loss Ins	\$73,346	\$75,546	\$77,813	\$80,147	
Assessments	\$24,156	\$24,881	\$25,627	\$26,396	
DIVRF	\$27,971	\$28,810	\$29,674	\$30,565	
Total	\$332,589	\$346,709	\$361,460	\$376,870	
SI Savings	\$455,869	\$402,607	\$354,477	\$331,889	
Accumulative Sav	\$858,477	\$1,212,954	\$1,544,843		
** SF - 2023		City would become eligible for BWC Rebates if continued			
** SF - 2024		City would become eligible for Group Retro Rebates if enrolled in Group Retire in 2022			

Health Insurance

- City of Lakewood remains self-funded and uses Medical Mutual of Ohio (MMO) to administer claims and supply a network of doctors.
- Health care costs:
 - 2018 - \$6,693,515.00 (\$557,792/mnth)
 - 2019 - \$7,447,570.00 (\$620,630/month)
 - 2020 (YTD through 10/31/2020) - \$6,297,171.00 (\$629,717/month)
 - 2021 (expected) - \$8,410,408 (\$700,867/month)

Questions



DEPARTMENT OF HUMAN SERVICES

HUMAN SERVICES

- Implemented COVID-19 safety protocols for all programs and activities while ensuring that contract deliverables were met
- Assistant Director of Human Services, using the web-based client management system, MySeniorCenter, designed a method to order and route weekly meals for delivery
- Established Zoom access, trained all Division staff
- Strengthened partnerships with Westerly, Lakewood Community Services, Parkside Church and Healthy Lakewood Foundation
- Initial discussions related to the COVE Intergenerational Community Center

*"Alone, we can do so little;
together we can do so much." Helen Keller*

- The Department of Human Services provides a continuum of responsive programs, services and partnerships that enhance and promote the health and well-being of individuals, families and the community.
- We remain committed to the role of advocate, convener, monitor, provider and collaborator.

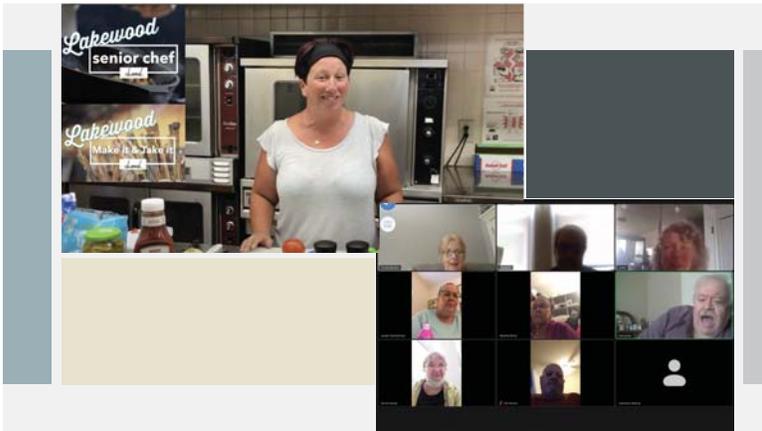
AGING

- Number of meals delivered: 33,481 YTD
- Number of volunteers: 154
- Number of HS staff helping pack meals weekly: 9-11
- Number of supportive service social work calls (from seniors, neighbors, family members and friends): 2,400
- Number of activity and make it take it bags delivered: 1,160
- Number of senior chef and make it take it you tube videos: 48
- Lbs. of produce delivered to seniors: 23,100 lbs.
- Number of masks delivered: 500
- Number of weekly well checks: 702 seniors on call list, approximately 6,500 call



YOUTH AND EARLY CHILDHOOD

- Community Based Staff served 250 families, via Zoom, texts, emails and phone
- Coordinated an 8-week parenting program, parent "drop-in", and monthly kinship support program via Zoom
- Provided 4 HOME ALONE presentations before the pandemic, 221 youth participating and at least one parent present with each youth
- Adapted summer camp to a video conference format using Zoom involving 90 middle school youth through service-learning projects
- Introduced intergenerational programming into the summer experience
- Moved to virtual meetings with families and Early Care and Education Professionals
- Using existing protocol, implemented an assistance programs for families affected by cost of care associated with remote learning childcare funded by the Healthy Lakewood Foundation





Division	Grantor Agency	Source	Date		Service Funded	Amount	Council action	Reporting Required	Report Due Date	Comments
			Start	End						
Aging	Western Reserve Area Agency on Aging (WRSAA)	Title II	1/1/2020 - 12/31/2020	Transportation	35,900.00	Legislation	Monthly	15th of the Month	Reimbursements sent to the City on a monthly basis.	
				Congregate Meals	10,900.00					
				Home Delivered Meals	20,900.00					
				Nutrition Education-Congregate	50.00					
				Nutrition Education-Home Del	50.00					
Aging	Catabach Charitable Trust	Catabach Charitable Trust	1/1/2020 - 12/31/2020	Medical Transportation	11,131.40	Included as revenue source in City budget request.	Annual	October	Deposited to TLF then sent to the City	
Aging	Dept. of Housing & Urban Development (HUD)	CCBO	1/1/2020 - 12/31/2020	Case Management	33,951.00		Monthly		Salaries charged directly to this account.	
Aging	Cuyahoga County Department of Senior and Adult Services (OSAS)	CSPS	1/1/2020 - 12/31/2020	Transportation	6,166.88				Reimbursements sent to the City on a monthly basis.	
				Congregate Meals East	6,600.00					
				Ad&L Development	11,800.00					
Aging	Shore Realty	Shore Realty	Open	Social Work services	3,600.00	Included as revenue source in City budget request.			Finance Department bills and receives reimbursement directly	
Aging	South Westlery	South Westlery	Open	Social Work services	2,900.04	Included as revenue source in City budget request.			Finance Department bills and receives reimbursement directly	
Aging	Grant Eagle	Grant Eagle	Open	Grocery Shopping Program	5,000.00				Deposited to TLF then sent to the City	
Youth	Cuyahoga County & Juvenile Court	Cuyahoga County Juvenile Court	1/1/2020 - 12/31/2020	Juvenile Diversion Program	12,113.96		Monthly	15th of the Month	Reimbursements sent to the City on a monthly basis.	
Youth	Cuyahoga County Children & Family Services	Community Based Services (CFS)	4/1/2020 - 3/31/2021	Community Based Services	472,883.78		Yes	Monthly	15th of the Month	Reimbursements sent to the City on a monthly basis.
Dept. of Housing & Early Childhood	Urban Development (HUD)	CCBG	Open	Scholarship Program	82,720.00		Monthly		Salaries charged directly to this account.	

2021

- Maintain safety net services
- Return to in person service provision when safe
- Human Service Summit 2021

Finalize partnerships and collaborative opportunities to be included in Cove Intergenerational Community Center informed by community conversations, recommendations of Live Well Lakewood Task Force and community needs assessments. These may include:

- Medical partner
- Health, wellness and nutrition partner
- Adult Learning Le. Tri-C Encore
- Intergenerational volunteer opportunities
- Tech training and support for older and low-income residents
- Inclusive multigenerational programming