

City of Olmsted Falls
Minutes of a Council Work Session
Tuesday, January 28, 2020, at Olmsted Falls City Hall
26100 Bagley Road – Council Chambers, 6:45 p.m.

Council President Stibich called the meeting to order at 6:50 p.m. Roll call was conducted. Councilmen Jennifer Jansen, Cornel Munteanu, Yvonne Buchholz, and Brian Chitester were present. Councilwoman Lori Jones was excused.

Others Present: James Graven, Mayor, Andrew D. Bemer, Law Director.

Finance Director Appointment Discussion

Mr. Stibich indicated that there is legislation on tonight's agenda, Ordinance 07-2020, where the Mayor is seeking to appoint Nicholas Vitalone as the Finance Director and Tax Administrator. He indicated that Mr. Vitalone is present this evening. He then introduced Mr. Vitalone.

Mr. Vitalone stated that he has been in public finance for 27 years. Started his career with the Auditor of State in 1992 and spent several years with them. He moved on and worked for Lake County for several years and after that municipal governments, including the City of Cleveland Heights and City of Middleburg Heights. He spent 12 years in Cleveland Heights and nine years with Middleburg Heights, where he is still employed. Most of his experience has revolved around finance department duties, bank reconciliations, financial reporting, debt, cash management, etc. In Cleveland Heights he put into place a payment system for utilities and income tax billings, which at the time was cutting edge. He stated that Cleveland Heights is a large city with 50,000 people and a budget of \$80 to \$90 million dollars; Middleburg Heights is smaller but does have a sizeable budget of \$40 million dollars.

He stated that personally, he has three daughters, one out of college, one in college and one in high school and they are a challenge. He thanked Council for the opportunity, should he be appointed. He also completes tax preparations outside of his employment. Mr. Stibich indicated that he is knowledgeable of RITA. Mr. Vitalone replied yes. As a city service Middleburg Heights prepares residents RITA taxes, which can be a challenge depending on how many come in for this service.

Mr. Stibich stated that Mr. Vitalone lives in Willoughby and asked if the drive would be a problem. Mr. Vitalone replied yes, he does and it is a drive but he has been doing it for years now, he loves to drive. Mr. Stibich stated that he mentioned utility payments and setting up a system for that and we have discussed setting up a system for auto paying and asked what he did setting up that system. Mr. Vitalone stated that at the time, government is slower to change than everyone else, but in the earlier 2000 you had to pay everything by cash and check. So, we met with various vendors who could set the system up, we uploaded all of our accounts, we billed for the sewer district and local water. In conjunction with working with the vendors and ourselves we got the accounts set up online, set up a payment function, but this is only a portion of the system. We had to determine how to get the payments into the city, then we had to reconcile the payments received daily, set up a file system that would update the accounts and then post to the general ledger.

Mr. Stibich stated that he does not mention on his resume bonds, handling of the municipal bond issues and asked if he was involved with that at Middleburg Heights. Mr. Vitalone replied yes. He has attended meetings, usually via telephone. He has been familiar with this process and then the maintaining of them each year by paying the interest. Mr. Stibich replied that one of the issues our previous finance director had with our bond issues was some of them were issued to pay off improvements that were done to resident homes, sewer projects, and we are finding that at the end of some of these projects that we didn't collect enough money from the residents to pay off the debt and he was looking into making sure we collected from everyone and asked if he has ever run across this type of issue. Mr. Vitalone indicated that these are special assessments he has never run into that issue. Ms. Jones replied that she is familiar with that. A long time ago some of that money was borrowed and they were going to put back but they didn't, for our favorite park land up the street to put in sewers. Mr. Stibich asked if that information was verified. Ms. Jones replied that Mr. Hennessey had information regarding that. Mr. Vitalone indicated that there had to be some sort of map with all the parcels laid out so you may need to use that map and make sure that the funds were collected.

Mr. Munteanu stated that he assumes there is more than one accounting system and asked if he was familiar with the system that Olmsted Falls utilizes. Mr. Vitalone replied that he is and is the same system he uses in Middleburg Heights, SSI, which is the egov product, their older version, they have a newer version that has been out for several years.

Ms. Jansen asked what was his relationship or history with Olmsted Falls. Mr. Vitalone replied that he does not have a relationship with Olmsted Falls. He has been in the German Club for public safety meetings, but he does not have knowledge or history of Olmsted Falls. Ms. Jansen asked in addition to the six hours weekly that he will be putting in would he also be attending our Council meetings twice a month. Mr. Vitalone replied yes. Ms. Jansen asked if he was familiar with the online Ohio Checkbook. Mr. Vitalone replied somewhat. Ms. Jansen indicated that the City's has not been updated since April but is a tool that she believes the City should continue to utilize, if he was able to. Mr. Vitalone stated that for transparency purposes the City uploads the file of all their data. Ms. Jansen replied yes so everyone can see everything and use the search engines. She also asked what his current support staff was. Mr. Vitalone replied in Middleburg Heights there are four. Ms. Jansen asked if that include himself. Mr. Vitalone replied yes, which is typical of a local government. You end up outsourcing at certain times of the year with vacations or illnesses. Generally, you one individual for accounts payable and payroll, then a finance director. If there are any projects or self-reporting you need individuals but if you outsource then you can cut back. Ms. Jansen asked if he was familiar with how many are on staff here and if that would be suitable. Mr. Vitalone replied that he believes there is enough as the assistant finance director is full time and a part time payroll individual but payroll is outsourced. Ms. Jansen indicated that she wants to make sure the staff is sufficient for him working six hours a week. Mr. Vitalone replied that he will work more than that each week as he will be on call and can come in fairly quickly is something is needed. Mr. Stibich indicated that the six hours is the minimum, he will be present on certain days during certain hours. Mayor Graven replied that he also works on his laptop at home. Mr. Vitalone replied that some things can be handled off site, but he is not far away if needed. Mr. Stibich replied that at certain times of the year, like now during year end reporting there will be more of a time commitment. Mr. Vitalone indicated that he will adjust his schedule to handle whatever needs to be done.

Ms. Jones stated that since Mr. Vitalone is still working full time in Middleburg what if both budgets are at the same time would he be able to get ours done. Mr. Vitalone replied yes. He stated that he does not know if it is common every year but a full year budget was not completed at the end of 2019 Olmsted Falls only passed a temporary budget which will need to be completed by the end of March. In Middleburg the whole budget and was done in December and was approved for the whole year. Ms. Jones stated that we have done that before but this time Council was not given enough material so we didn't approve for the whole year. Mr. Stibich replied that we had everything we needed if we wanted to do a full year, but agrees that we could have done a full year but it would have had to revise it. Ms. Jones stated that Council typically reviews the budget mid-year to see if any adjustments are needed. Her other question is when we get the reports, we just get four accounts and she has asked for two years for them to be broken down more, especially at budget time. There is a difference between reporting and budgeting because you want to budget down to more detail than the general budget. She has never received one that went down to the detail for budgeting purposes. But, our previous finance director did not like the system and did not want to expand because he wanted to get a new system. Since Mr. Vitalone is familiar with this system does he see a problem with adding sub accounts to track more items. Mr. Vitalone replied he can add accounts, but is unsure how many accounts the city has. Mr. Stibich replied it just had personnel and miscellaneous for each department. Mr. Vitalone replied two for each department. Mr. Stibich stated that Council was looking for more detail especially on the non-personnel side in certain departments and asked Ms. Jones if he was correct. Ms. Jones replied on the non-personnel side yes. She wants to see where our expenses are. Mr. Stibich replied that it is not obvious from the reports what some of the expenses are. Mr. Vitalone replied that you can't use those to do anything because it's just a lump amount and is like saying its miscellaneous supplies but you can't ask why they went up because you don't know the detail. Ms. Jones replied that Mr. Nogalo had to explain a lot all the time so she is asking if it could be broken out more because Mr. Nogalo had stated that when he was in Walton Hills, he had hundreds and hundreds of accounts. Mr. Vitalone replied that would be overkill and thinks that for each department you should have about 10 or 12 accounts, office supplies, communications, etc. Mr. Stibich asked if this system was capable of providing that information. Mr. Vitalone replied yes, you would add the accounts and budget for those. Ms. Jones asked Mr. Vitalone if he had some enhanced reports that we have never seen before that might be beneficial. Mr. Vitalone replied indicated that he can give Council the reports directly out of SSI, this is what we do in Middleburg, will take the expenditure, revenue, and cash report along with a summary of comparisons to the previous three years. He will not be able to do a three-year comparison on any new sub accounts created because there will nothing to compare but at the very least we can take those reports out of SSI and PDF them and send them right to Council.

Ms. Jones stated that the other issue is someone from Shade Tree mentioned it to her that they don't get any reports of their budget or where they stand. For example, previous the Parks board use to know about their levy funds, what was being spent and knew what funds they had for their events. They have not gotten any reports like that since Mayor Blomquist left and they have been asking for them so she is wondering if Mr. Vitalone could provide them to the different commissions on a monthly basis. Mr. Vitalone replied yes, it would be the same thing that Council would get at the end of the month. Ms. Jones replied that there are a bunch of different boards and commissions. Mr. Stibich indicated that there are departments that are various boards and commissions. Mayor Graven replied these are citizen boards with civilian volunteers. Mr. Vitalone replied that as long as they are set up as a department he can print it like any other department and is assuming that they are all in the General Fund. Ms. Jones replied that it various. Ms. Jansen replied some are levies. Mr. Vitalone replied that doesn't matter, we can give them whatever they need that pertains to their budget.

Ms. Jones stated that Mr. Vitalone indicated that he would be in the office six hours a week. Mr. Vitalone replied that is how we are currently set up, Monday and Tuesday mornings but he will see how that works. He indicated that if those need to be adjusted, he will. Ms. Jones asked if he would be available during later hours as well. Mayor Graven stated that the former director did not have set hours he would come and go at all different hours so we are providing set hours. Mr. Stibich asked if Ms. Jones was referring to wanting to meet with him after hours if she had an issue to discuss. Ms. Jones replied or call him. Mr. Vitalone yes and he will give her his number. Ms. Jones indicated that she would call Mr. Nogalo to ask questions as she works full time. Mr. Vitalone replied that she can call. Ms. Jones stated that Mr. Vitalone and Ms. Veloski use to work together. Mr. Vitalone replied yes when he was with the state. Ms. Jones asked if he was a former auditor. Mr. Vitalone replied yes, he started with the Auditor of State. He indicated that if he does not answer any calls to please leave a message and he will return the call as soon as he can.

Mr. Chitester stated that he is the newest member on Council and asked what changes he noticed when he started to automated changes and what could the city would expect if he were to do something of that nature here. Mr. Vitalone replied that Cleveland Heights is a good example, there we had 20 plus people in finance but we had in-house income tax as we did not have RITA at the time. For a City you can't get away with less than two or three when you start getting below that in finance you are just asking for trouble and can't get anything done. What he noticed is that you can handle a lot more when things are automated with less people.

Ms. Jones stated that the city has a requirement that if any purchase is over \$2,500 Council has to approve the purchase. We discussed with the former finance director on numerous occasions about automating the utilities. Mr. Stibich indicated that Mr. Vitalone mentioned that he completed a similar project in Cleveland Heights. Mr. Vitalone asked if the \$2,500 limit included the utilities. Ms. Jones replied not utilities but any purchase over \$2,500. Mr. Vitalone stated that he will follow whatever the process is, we can only go as fast as Council approvals. Ms. Jones stated that if Council approves a purchase for fire equipment then a PO is issued. She is just saying, like we discussed letting like utilities being automated payments. We have had a lot of discussions in the last couple of years and asked if he would like to review and make recommendations on certain purchases. Mayor Graven asked if she was referring to making an exception for utility payments. Mr. Stibich indicated that we would be open to hearing Mr. Vitalone's opinion on what could be streamlined especially regarding automatic payments and other expenses like utilities. Mr. Vitalone responded that he will do what Council wants. Mr. Stibich indicated that Ms. Jones has been interested in getting some of these types of items streamlined. Mr. Vitalone asked if the city accepted credit cards for payments. Mr. Stibich responded that we do not have a merchant account set up with a bank. Ms. Jansen asked if that was something we should do for streamlining. Mr. Vitalone stated that if its worth it; he does not know what all the revenues are that come into the City as of yet. Ms. Jones stated that it could be costly to set up to accept credit cards. Mr. Vitalone stated that it may not be worth it.

Mr. Chitester stated that because of his age he is tech savvy and since we are in the year 2020 is there any sort of implementations he would like to do that could move the city into a more modern time or era that he is currently doing in Middleburg and he realizes that we are smaller than Middleburg. Ms. Jansen stated for example the SSI software. Mr. Vitalone stated that the SSI software works and is fine; sometimes the reports don't give you what you want all the time. Ms. Jones asked if he could write crystal reports with SSI. Mr. Vitalone replied that he did not know. Ms. Jansen asked how old the software is. Mr. Vitalone stated that it is from the 80's, but does work. Ms. Jones stated that you have to understand there is also the RITA software and the state has software; they are about the

same but has limitations. You can purchase the best software but instead of paying a thousand or two a year its going to cost \$30,000 a year, which is not cost effective for us. Mr. Vitalone stated that there are cost benefits of all these decisions and you can get the best software package but it will cost you a lot of money and is it really giving you what you need; maybe we can get what we need with what we have. The first thing is to see if we can do it or if we can do it with a combination of other reports that we can do ourselves and then go from there.

Ms. Jones stated that after reviewing the job description it states operations; it says the finance director will oversee information technology function including the management of hardware and software needs and ensure compliance with document management requirements including the development and administration of document retention and destruction. Now, the question for Mr. Stibich does that mean for just for the finance department or the whole city. She does not know everything about how Olmsted Falls is set up but she does know that there are a lot of documents with only one copy and the legislation committee talked about backups. Mr. Bemer replied that usually the original contracts, labor agreements and any deeds that are recorded are usually housed in the finance department. He believes that statements refer to him being the custodian of those original documents. Ms. Jones replied right, if those are our original documents and we don't do back ups by scanning or whatever are they stored in a fire proof safe or is there a plan to get them to where they can be safeguarded. Mr. Vitalone stated that with records retention you set up a schedule with the state and list out all the types of documents and send that down to the Ohio Historical Society they approve it and send it back to you and after so many years of keeping copies of checks and invoices you can dump them.

Ms. Jansen stated that Council didn't get to review any other applicants resumes so its hard to make a decision on how to vote. Mr. Stibich stated that Council either approves or rejects the Mayor's appointment.

Adjournment

Mr. Chitester moved to **adjourn**; Ms. Buchholz **seconded**. Voice Vote: 6 ayes; 0 nays. **Motion carried.**

The meeting adjourned at 7:24 p.m.

Paul Stibich, Council President

Angela Mancini, Clerk of Council