

**BEACHWOOD CITY COUNCIL  
FINANCE AND INSURANCE COMMITTEE MEETING AGENDA  
MONDAY, MAY 4, 2020, 6:00 PM**

*\* Please note, this meeting will be held by video conference via Zoom and  
livestreamed on the City of Beachwood [website at www.beachwoodohio.com](http://www.beachwoodohio.com) and can be  
viewed on Spectrum Channel 1020 and AT&T U-Verse Channel 99.*

*This Finance and Insurance Committee Meeting has been duly noticed  
and is being held in accordance with Ohio Revised Code Section 121.22 specific to  
recent Amendments made in light of the current  
COVID-19 declared emergency.*

Eric Synenberg  
Barbara Bellin Janovitz  
June E. Taylor

Agenda Items

1. Mayor's Report
2. Discussion regarding City of Beachwood Finances in light of the current COVID-19 Emergency
3. Any other matters coming before the Finance and Insurance Committee

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**CITY OF BEACHWOOD  
FINANCE DEPARTMENT  
INTER-OFFICE COMMUNICATION**

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**TO:** Mayor Martin S. Horwitz, Finance Chair Eric Synenberg  
**FROM:** Larry Heiser, Finance Director  
**DATE:** April 29, 2020  
**SUBJECT:** Budget Changes/Possible amendments.

Personnel : As we discuss possible budget cuts – the reality is that with 65% of the City Budget being wages/benefits the only way to reduce expenditures on-going will be with a reduction in staffing. Some departments, wages and benefits Police and Fire 89% and 91 % respectively, it is clear that for those safety forces to reduce their budgets their options are limited. Therefore, it would be unfair to dictate that each department should reduce staffing by say 15%.

Currently cost savings will negate revenue loss

I have updated the cash flows as that is what Council often wants to review.

Please let me know if you have any questions.

### City of Beachwood Seven Year Cash Flow Projection

Assumption total loss of income tax revenue over 3 years at 10.5 million; Loss of other taxes \$800,000 Other losses such as Recreation/ EMS / Fines 1 year loss 1.3 million Local Govt loss ongoing

	Actual			Projected								
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
<b>1 General Fund</b>												
<b>2 Local Taxes</b>												
3 Property Taxes	\$ 2,564,499	\$ 2,550,043	\$ 2,792,450	\$ 3,065,200	\$ 3,068,265	\$ 3,071,333	\$ 3,086,690	\$ 3,089,777	\$ 3,092,867	\$ 3,108,331	\$ 3,123,873	
4 Municipal Income Tax	\$ 30,549,274	\$ 32,160,000	\$ 34,688,301	\$ 29,910,000	\$ 31,657,750	\$ 33,449,194	\$ 34,285,424	\$ 35,142,560	\$ 36,021,124	\$ 36,921,652	\$ 37,844,693	
5 Other Local Taxes	\$ 1,568,026	\$ 1,539,982	\$ 1,469,722	\$ 936,932	\$ 1,355,671	\$ 1,362,784	\$ 1,410,440	\$ 1,436,649	\$ 1,467,422	\$ 1,496,770	\$ 1,526,705	
<b>6 Total Local Taxes</b>	<b>\$ 34,681,799</b>	<b>\$ 36,183,825</b>	<b>\$ 38,970,474</b>	<b>\$ 33,912,132</b>	<b>\$ 36,081,686</b>	<b>\$ 37,903,311</b>	<b>\$ 38,782,554</b>	<b>\$ 39,670,986</b>	<b>\$ 40,581,413</b>	<b>\$ 41,526,753</b>	<b>\$ 42,495,271</b>	
<b>7 Intergovernmental Revenues</b>												
8 Local Government Fund	\$ 122,524	\$ 98,395	\$ 146,766	\$ 119,500	\$ 119,500	\$ 119,500	\$ 119,500	\$ 119,500	\$ 119,500	\$ 119,500	\$ 119,500	
9 Estate Tax	\$ 16,795	\$ 1,325	\$ 4,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10 Other Intergovernmental	\$ 21,895	\$ 23,116	\$ 22,176	\$ 28,200	\$ 28,764	\$ 29,339	\$ 29,926	\$ 30,525	\$ 31,136	\$ 31,759	\$ 32,394	
11 Rollbacks/Homestead	\$ 184,380	\$ 183,970	\$ 199,916	\$ 186,700	\$ 187,634	\$ 188,572	\$ 189,515	\$ 190,463	\$ 191,415	\$ 192,372	\$ 193,334	
12 Miscellaneous	\$ 576,984	\$ 15,458	\$ 19,767	\$ 7,500	\$ 7,725	\$ 7,957	\$ 8,195	\$ 8,441	\$ 8,695	\$ 8,955	\$ 9,224	
<b>13 Total Intergovernmental</b>	<b>\$ 922,578</b>	<b>\$ 322,264</b>	<b>\$ 392,879</b>	<b>\$ 341,900</b>	<b>\$ 343,623</b>	<b>\$ 345,368</b>	<b>\$ 347,136</b>	<b>\$ 348,929</b>	<b>\$ 350,746</b>	<b>\$ 352,586</b>	<b>\$ 354,452</b>	
<b>14 Charges for Services</b>												
15 General Government	\$ 1,700,039	\$ 2,023,379	\$ 2,031,973	\$ 1,779,855	\$ 2,031,973	\$ 2,092,932	\$ 2,155,720	\$ 2,220,392	\$ 2,287,004	\$ 2,355,614	\$ 2,426,282	
16 Recreation Programs	\$ 1,053,113	\$ 1,102,454	\$ 1,141,131	\$ 46,242	\$ 1,141,131	\$ 1,175,365	\$ 1,210,626	\$ 1,246,945	\$ 1,284,353	\$ 1,322,884	\$ 1,362,571	
17 Miscellaneous	\$ 12,515	\$ 11,515	\$ 4,268	\$ 9,400	\$ 9,588	\$ 9,780	\$ 9,976	\$ 10,176	\$ 10,380	\$ 10,588	\$ 10,800	
<b>18 Total Charges for Services</b>	<b>\$ 2,765,667</b>	<b>\$ 3,137,348</b>	<b>\$ 3,177,371</b>	<b>\$ 1,835,497</b>	<b>\$ 3,182,692</b>	<b>\$ 3,278,077</b>	<b>\$ 3,376,322</b>	<b>\$ 3,477,513</b>	<b>\$ 3,581,737</b>	<b>\$ 3,689,086</b>	<b>\$ 3,799,653</b>	
<b>19 Fines, Permits, and Licenses</b>												
20 Fines and Forfeitures	\$ 258,074	\$ 194,925	\$ 262,033	\$ 120,534	\$ 245,000	\$ 252,350	\$ 259,921	\$ 267,718	\$ 275,750	\$ 284,022	\$ 292,543	
21 Permits and Licenses	\$ 1,009,278	\$ 891,666	\$ 803,468	\$ 1,100,000	\$ 1,122,000	\$ 1,144,440	\$ 1,167,329	\$ 1,190,676	\$ 1,214,490	\$ 1,238,780	\$ 1,263,556	
<b>22 Total Fines, Permits and Licenses</b>	<b>\$ 1,267,352</b>	<b>\$ 1,086,591</b>	<b>\$ 1,065,501</b>	<b>\$ 1,220,534</b>	<b>\$ 1,367,000</b>	<b>\$ 1,396,790</b>	<b>\$ 1,427,250</b>	<b>\$ 1,458,394</b>	<b>\$ 1,490,240</b>	<b>\$ 1,522,802</b>	<b>\$ 1,556,099</b>	
<b>23 Other Revenue</b>												
24 Miscellaneous Revenue	\$ 531,439	\$ 834,385	\$ 1,120,616	\$ 934,000	\$ 952,680	\$ 971,734	\$ 991,168	\$ 1,010,992	\$ 1,031,211	\$ 1,051,836	\$ 1,072,872	
25 Sale of Assets	\$ 4,658	\$ 650,041	\$ 18,635	\$ 49,250	\$ 50,728	\$ 52,249	\$ 53,817	\$ 55,431	\$ 57,094	\$ 58,807	\$ 60,571	
26 Reimbursements	\$ 693,562	\$ 849,597	\$ 1,072,530	\$ 1,082,000	\$ 1,103,640	\$ 1,125,713	\$ 1,148,227	\$ 1,171,192	\$ 1,194,615	\$ 1,218,508	\$ 1,242,878	
27 Refunds	\$ 20,357	\$ 58,895	\$ 19,728	\$ 16,000	\$ 16,000	\$ 16,974	\$ 17,484	\$ 18,008	\$ 18,548	\$ 19,105	\$ 19,678	
28 Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>29 Total Other Revenue</b>	<b>\$ 1,250,016</b>	<b>\$ 2,392,918</b>	<b>\$ 2,231,509</b>	<b>\$ 2,081,250</b>	<b>\$ 2,123,528</b>	<b>\$ 2,166,670</b>	<b>\$ 2,210,696</b>	<b>\$ 2,255,623</b>	<b>\$ 2,301,470</b>	<b>\$ 2,348,255</b>	<b>\$ 2,396,000</b>	
<b>30 Total General Fund Revenue</b>	<b>\$ 40,887,412</b>	<b>\$ 43,122,945</b>	<b>\$ 45,837,733</b>	<b>\$ 39,391,313</b>	<b>\$ 43,098,529</b>	<b>\$ 45,090,216</b>	<b>\$ 46,143,958</b>	<b>\$ 47,211,445</b>	<b>\$ 48,305,605</b>	<b>\$ 49,439,483</b>	<b>\$ 50,601,474</b>	
32 Percentage Increase/Decrease	-3.154%	5.468%	6.295%	-14.064%	9.411%	4.621%	2.337%	2.313%	2.318%	2.347%	2.350%	
<b>35 Expenditures</b>												
36 Council	\$ 199,529	\$ 214,346	\$ 165,208	\$ 162,012	\$ 167,682	\$ 173,551	\$ 179,625	\$ 185,912	\$ 192,419	\$ 199,154	\$ 206,124	
37 Mayor's Office	\$ 613,883	\$ 553,797	\$ 592,732	\$ 662,400	\$ 685,584	\$ 709,579	\$ 734,414	\$ 760,118	\$ 786,722	\$ 814,257	\$ 842,756	
38 Economic Development	\$ 278,449	\$ 212,696	\$ 130,856	\$ 199,364	\$ 206,342	\$ 213,564	\$ 221,039	\$ 228,775	\$ 236,782	\$ 245,069	\$ 253,646	
39 Economic Dev. Incentives	\$ 293,309	\$ 258,778	\$ 294,514	\$ 378,000	\$ 391,230	\$ 404,923	\$ 419,095	\$ 433,763	\$ 448,945	\$ 464,658	\$ 480,921	
40 Finance Department	\$ 2,861,770	\$ 2,999,066	\$ 2,861,823	\$ 3,376,344	\$ 3,494,516	\$ 3,616,824	\$ 3,743,413	\$ 3,874,432	\$ 4,010,037	\$ 4,150,388	\$ 4,295,652	
Human Resources Department	\$ -	\$ -	\$ 198,662	\$ 228,712	\$ 236,717	\$ 245,002	\$ 253,577	\$ 262,452	\$ 271,638	\$ 281,145	\$ 290,985	
41 Law Department	\$ 507,010	\$ 567,645	\$ 541,573	\$ 608,396	\$ 629,690	\$ 651,729	\$ 674,540	\$ 698,149	\$ 722,584	\$ 747,874	\$ 774,050	
42 Police Department	\$ 9,312,680	\$ 9,752,408	\$ 9,935,966	\$ 9,945,200	\$ 10,293,282	\$ 10,653,547	\$ 11,026,421	\$ 11,412,346	\$ 11,811,778	\$ 12,225,190	\$ 12,653,072	
43 Fire Department	\$ 7,517,447	\$ 7,740,587	\$ 8,867,127	\$ 7,569,116	\$ 7,834,035	\$ 8,108,226	\$ 8,392,014	\$ 8,685,734	\$ 8,989,735	\$ 9,304,376	\$ 9,630,029	
44 Service Department	\$ 9,208,701	\$ 9,433,918	\$ 8,963,082	\$ 10,472,600	\$ 10,839,141	\$ 11,218,511	\$ 11,611,159	\$ 12,017,550	\$ 12,438,164	\$ 12,873,500	\$ 13,324,073	
45 Human Services Department	\$ 588,977	\$ 609,710	\$ 623,472	\$ 680,340	\$ 704,152	\$ 728,797	\$ 754,305	\$ 780,706	\$ 808,031	\$ 836,312	\$ 865,583	
46 Recreation Department	\$ 2,493,497	\$ 2,415,005	\$ 2,493,767	\$ 1,563,356	\$ 1,618,073	\$ 1,674,706	\$ 1,733,321	\$ 1,793,987	\$ 1,856,777	\$ 1,921,764	\$ 1,989,026	
47 Property and Equipment	\$ 1,311,594	\$ 1,013,727	\$ 1,049,607	\$ 1,761,930	\$ 1,823,598	\$ 1,887,424	\$ 1,953,484	\$ 2,021,856	\$ 2,092,621	\$ 2,165,863	\$ 2,241,668	
49 Building Department	\$ 1,129,695	\$ 1,172,025	\$ 1,168,549	\$ 1,354,148	\$ 1,401,543	\$ 1,450,597	\$ 1,501,368	\$ 1,553,916	\$ 1,608,303	\$ 1,664,594	\$ 1,722,855	
50 One-Time Transfer to Self Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>51 Total General Fund Expenditures</b>	<b>\$ 36,316,540</b>	<b>\$ 36,943,708</b>	<b>\$ 37,886,932</b>	<b>\$ 38,961,918</b>	<b>\$ 40,325,585</b>	<b>\$ 41,736,980</b>	<b>\$ 43,197,775</b>	<b>\$ 44,709,696</b>	<b>\$ 46,274,536</b>	<b>\$ 47,894,144</b>	<b>\$ 49,570,440</b>	
53 Percentage Increase/Decrease	1.630%	1.727%	2.553%	2.837%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	
<b>54 Excess Revenue over Expenditures</b>	<b>\$ 4,570,872</b>	<b>\$ 6,179,237</b>	<b>\$ 7,950,802</b>	<b>\$ 429,395</b>	<b>\$ 2,772,944</b>	<b>\$ 3,353,236</b>	<b>\$ 2,946,183</b>	<b>\$ 2,501,749</b>	<b>\$ 2,031,069</b>	<b>\$ 1,545,339</b>	<b>\$ 1,031,034</b>	
56 Bond Proceeds	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
57 Transfers Out	\$ (12,761,000)	\$ (4,000,000)	\$ (6,000,000)	\$ (3,300,000)	\$ (4,100,000)	\$ (4,400,000)	\$ (4,400,000)	\$ (4,400,000)	\$ (3,700,000)	\$ (3,650,000)	\$ (3,725,000)	
58 Transfers/Advances In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>59 Beginning Balance</b>	<b>\$ 23,742,976</b>	<b>\$ 24,552,848</b>	<b>\$ 26,749,438</b>	<b>\$ 28,700,239</b>	<b>\$ 25,829,634</b>	<b>\$ 24,502,578</b>	<b>\$ 23,455,814</b>	<b>\$ 22,001,997</b>	<b>\$ 20,103,746</b>	<b>\$ 18,434,814</b>	<b>\$ 16,330,153</b>	
60 Prior Period Adj.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>61 Ending Balance</b>	<b>\$ 24,552,848</b>	<b>\$ 26,749,438</b>	<b>\$ 28,700,239</b>	<b>\$ 25,829,634</b>	<b>\$ 24,502,578</b>	<b>\$ 23,455,814</b>	<b>\$ 22,001,997</b>	<b>\$ 20,103,746</b>	<b>\$ 18,434,814</b>	<b>\$ 16,330,153</b>	<b>\$ 13,636,188</b>	

2020 Cost Savings measures  
2020 Budget changes

Hiring Freeze	6 police positions	\$	635,400
	2 service positions	\$	202,112
	Seasonal Help (Includes camps and pools)	\$	370,268
	Camps and Pools	\$	594,094
Property and Equipment inside the General Fund not purchased at this time		\$	866,000
Expenses relative to camps/senior trips/pool		\$	867,935
Application of ORC 124.393/124.394 (use 10% - which would be cutting pay by 1 day per pay period)		\$	130,616
Unions may agree to reduction of pay/hours to save jobs - 0% over year		\$	342,020
No out of State Travel for the rest of 2020.		\$	7,957
No transfer to Capital Projects Fund		\$	3,000,000
		<u>\$</u>	<u>7,016,402</u>
Known Increases half year		\$	250,000
	Health Insurance	\$	85,000
Increased Unemployment costs BWC 2020		\$	275,000
		<u>\$</u>	<u>610,000</u>
Lost Revenue (Pool/Camps/senior trips)		\$	1,133,758
Lost Hotel Tax 60% decrease		\$	605,622
Local Govt Fund 50% decrease		\$	73,383
EMS 20 % decrease		\$	232,145
Fines	50% decrease	\$	129,716
Income Tax (Net Profit, Withholding, Individual)		\$	4,100,000

\$ 6,274,624

Total losses/increases

\$ 6,884,624

LAH 04 29 20

		Mayor	ED	HR	Finance	Law	Police	Fire
Exempt	2019	188,012	72,665	79,806	726,317	299,378	223,066	231,188
Budget	2020							
Reduction 10 pays 10	2020	6,777	2,756	3,057	27,881	11,477	8,518	9,508
Overtime	2019			116			262,770	743,859
Budget	2020			500	1,000		350,000	400,000
YTD	#####						67,384	92,894
Part-time / Seasonal	2019		2,298			20,582	835,660	9,931
Budget	2020	3,000	15,000			25,000	860,000	70,000
YTD	#####					2,895	240,550	9,166

Service	Human Services	Rec Admin	Rec Camps	Rec Other	Pool/Park	Building	
654,795	141,257	442,673				319,030	3,378,187
25,574	5,492	17,404				12,171	<b>130,616</b> Savings
348,784	498	8,874				110	1,365,010
350,000	8,000	8,000				5,000	1,122,500
143,993		358					304,629
182,892	44,070	30,182	287,123.6	49,616	227,172	30,040	1,432,443
240,000	57,000	45,000	308,000	85,000	250,000	10,000	1,968,000
41,931	12,763	6,490		8,444	3,921	8,951	335,111

**CITY OF BEACHWOOD  
FINANCE DEPARTMENT  
INTER-OFFICE COMMUNICATION**

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**TO:** Mayor Martin S. Horwitz, Finance Chair Eric Synenberg  
**FROM:** Larry Heiser, Finance Director  
**DATE:** February 18, 2020  
**SUBJECT:** Workers Compensation Insurance

HB308 which allows PTSD claims as part of the BWC system was passed 74-22 recently. Although the Senate will need to pass a similar version, this issue is not going to go away as support from Safety forces and their lobbyists have moved this forward. As self-insured for workers compensation, I am recommending that it is time to go back into the “regular BWC system” as the liability moving forward coupled with the already in place cancer presumption leaves the City of Beachwood open to greater liability. We have had excess coverage for claims over \$450,000 and as those premiums have risen from \$60,791 in 2015 to \$68,259 in 2019 and with last year’s claim, I would expect the increase to be more than substantial. There are also potential savings moving forward such as when the BWC “gives back premiums”, safety grants, group rating reductions. I have already obtained projected pricing from Sedgwick which is based upon expected payroll. The City would move effective 7/1/2020.

With your approval I would like to have this on the next available council agenda.

Please let me know if you have any questions.



BWC Self Insured Expenses

	2019	2018	2017	2016	2015
Total	\$ 867,594	claims			
**	\$ 450,000	settlement			
Yearly Claims	\$ 417,594	\$ 137,649	\$ 139,256	\$ 95,746	\$ 62,757
BWC self Insured payments					
TPA fee	\$ 14,656	\$ 14,656	\$ 13,810	\$ 13,200	\$ 13,200
McGowan	\$ 71,914	\$ 68,259	\$ 63,882	\$ 63,882	\$ 60,791
Legal	\$ 19,611	\$ 1,900			
* BWC payments	\$ 34,028	\$ 19,957	\$ 11,256	\$ 24,311	\$ 33,028
	\$ 140,209	\$ 104,772	\$ 88,948	\$ 101,393	\$ 107,019
Total out of Pocket	\$ 557,804	\$ 242,421	\$ 228,204	\$ 197,139	\$ 169,776
Reserves	\$ 223,092	\$ 1,951,999	\$ 91,581	\$ 108,613	\$ 35,660

\* As self insured we still paid a Safety/Hygiene assessment, Admin Cost, Industrial Commission Admin, Surplus Assessment, Guaranty Assessment

\*\* - Final settlement \$680,000 minus excess carrier \$450,000 City responsibility \$230,000

Estimated premiums from Sedgwick based on estimated payroll.	2020	\$ 261,971
	2021	\$ 303,248

Considerations moving forward:

Safety Grant can be applied for every 3 years and each grant can be worth \$40,000 latest was Bullet proof vest grant which Beachwood would have been eligible

In August 2019 BWC announced reducing public entity rates by 10%

Safety Councils offer 2-4 percent rebate on premium Mayor/CEO must attend at least 1 meeting per year

Covid response refunded 100% of 2019 premiums

HB 308 as passed will provide for PTSD compensation through BWC for first responders

Prepared by LAH 02 14 2020 updated 4/15/2020

	Meeting date and time	Location	Cost
NEOSC	2nd Wednesday each month 830 - 10 AM	HI Rockside Road	\$330 includes 12 breakfasts \$150 pay \$18 per attendee per meeting
Cleveland Southwest	Last Wednesday of each month	German American Club Olmsted Twp	\$350 includes all breakfast meetings and CEO event Last year held at Donald Martens Ambulance Service Brookpark Rd
Greater Cleveland Safety Council	Lunch meetings days are different Tues- Thurs 1120 AM to 1 pm 2nd week of each month	Mediterranean Party Center (rockside & 271) Tizzanos Party Center (Euclid) Brennans Party Center(westside)	Based upon employees 100-349 cost is \$287