

City of Olmsted Falls
Minutes of a Finance Committee Meeting
Tuesday, June 28, 2016, at Olmsted Falls City Hall
26100 Bagley Road – Council Chambers, 6:45 p.m.

Chairman Bob Sculac called the meeting to order at 6:45 p.m. Roll call was conducted. Councilmen Jay Linn, Linda Garrity, Jim Haviland, Paul Stibich, Terry Duncan and Kyle Miller.

Also Present: Gregory Sponseller, Law Director, Ann Marie Donegan, Mayor, Steve Presley, Finance Director and Mike DeSan, Asst. Finance Director. Audience: 1

New Business:

1. Quarterly Reports

Mr. Sculac requested that the quarterly report dated June 30, 2016 be distributed once the month of June is closed. Mr. Presley indicated that payroll dated June 30th has been included in the reports distributed but will have some other revenues and/or expenditures that may get posted prior to closing the month of June. He stated that in reviewing the second quarter of 2016 compared to 2015 the city looks good at this point. They are looking even better when you consider that municipal income tax has increased almost 9% in comparison to the prior year. He stated that as a member of the Regional Income Tax Agency Board almost every city has increased year to-date which is positive as you look over Ohio and the Greater Cleveland area. He stated that Olmsted Falls shows not only the company withdrawing the tax but also the net profits of businesses have increased as well as the residents that live in the City who pay income tax directly has also increased. When all three segments have increased it is a positive sign moving forward.

Mr. Presley indicated that there will be some line items that will need supplemental appropriations. Mr. Sculac thanked Mr. DeSan for the financial information and keeping track on whom is not paying their taxes. Mr. Presley stated that he is a believer in running the annual subpoena program for municipal income taxes, in addition to that the Regional Income Tax Agency has had a federal income tax program which allows them to download information from the IRS. They are one of the few tax entities that have qualified to be able to share IRS information. For example, this allows RITA to compare his federal tax income claimed on his 1040 as compared to what is claimed on his municipal tax form. This allows RITA to get information regarding individuals who have filed a federal return with an Olmsted Falls zip code and determine if they filed city income taxes, if not, is it based on the type of income, i.e., retirement income only or income subject to municipal income tax i.e., 1040 or 1099.

Mr. Presley stated that the law department addition is due to outside litigation and legal fees. An increase is needed in Civil Service due to additional meetings because of all the testing that is happening. The line item denoted as dispatch covers the police department clerk and an increase is needed for this particular individual. The office on aging is increased due to the office that is now on the administration floor and its operations, this was not included in the budget. The building department needs an increase due to the fact that he omitted budgeting for a full time employee.

The general fund will increase \$170,500 in total. He stated that the Jenkins Fund (132) there is \$11,500 budgeted for the renovations of the Jenkins Place; Mapleway Drive (307) and the Main Street parking lot (308) are the capital improvement projects that the city received grants for and were unknown and not budgeted at the end of the last year. A lot of money in total but when you consider the grants received some issues we face with litigation he does not believe it is anything that will be a continuing expense in 2017.

Mr. Sculac asked if Mapleway would be completely redone where the water line was put in. Mayor Donegan indicated that she has placed a call to Dave Marquard who is supervising that project in order to make certain that Mapleway gets paved as promised this year.

Mr. Presley stated that as we continue with any supplemental's he will add an additional column in order to keep a running total to show where the supplemental appropriations are being added. This will give Council an understanding where the additions occur and what has caused those additions.

Mr. Presley stated that he is comfortable where the city stands financially. Mayor Donegan stated that the city is continuing to aggressively seek grants.

Ms. Garrity stated that the general comparison for economic development its actual in June 2015 was zero and in June 2016 it is \$6,500. Mr. Presley indicated that in 2015 this was not a separate budget item. Mayor Donegan stated that she budgeted \$7,500 and most of that was spent for Flags of Honor and architectural renderings. During this years during budget discussions and the direction of branding/way findings this could be increased.

Ms. Garrity stated that ABR was at \$1,748 as of 2015 but only \$399 for 2016. Mr. Presley indicated that his figures are \$907 versus \$684. Mr. Presley indicated that he has the incorrect numbers. Mr. Sculac stated that Mr. VanPetten has quite a large invoice this pay ordinance. Mayor Donegan stated that Mr. VanPetten had agreed to not charge the city for parking or mileage and then went back to charging for both. She has spoken with Chairman Tomasch and indicated that was not the agreement, Mr. VanPetten then send a letter to her indicating that this was passed in 2014. She stated that in August the city will go out for an RFI for an historic architect.

Mr. Linn moved to **approve** the supplemental appropriations as presented by the Finance Director; Mr. Stibich **seconded**. Voice vote: 7 ayes; 0 nays. **Motion carried**.

Mr. Stibich asked if there was enough appropriated to cover payroll for the rest of the year, including the raises that were given earlier in the year. Mr. Presley indicated that at this point he does not see a reason to make changes and will be waiting until the 4th quarter. The only line items that would need to be revised are those salaried ones and the line items that do not have any flexibility in them. Mr. Stibich asked if there would be another revised appropriation before the end of the year. Mr. Presley replied hopefully just one more time.

Mr. Haviland asked where any expenditure for the JEDD would be located. Mr. Presley indicated that it would only come before council if we had to authorize a transfer over to the JEDD for operating expenses. There has been no activity with regard to the JEDD. Mr. Haviland asked if there was a separate line item for the JEDD. Mr. Presley replied that there was in the past but since there has been nothing transferred or paid over to them it does not show up on the city's report.

Mr. Sculac stated that he spoke with Mr. Presley and Mayor Donegan regarding an administrative sergeant in the police department. Mr. Presley stated that the city previously had an administrative sergeant who would effectively be second in charge when there are no lieutenants. Since the city currently has no lieutenants Chief Traine has assigned Odis Rogers to the position of administrative sergeant. He stated that while he was reviewing the history of this position there is an ordinance, from 2001, that states a sergeant acting as the administrative sergeant would receive a 2% increase as long as the individual maintains the position within the police department. This increase represents \$1,369.00 annualized for the year. It is Chief Traine's request and recommendation that Sgt. Rogers be put into this position and receive the 2% to be effective June 15, 2016. Mr. Sculac asked if the 2% would be for the rest of this year. Mr. Presley indicated that the 2% increase would remain as long as the individual maintains the position of administrative sergeant. Ms. Garrity asked if anyone else in the department received this 2% increase. Mr. Presley replied no due to the fact that the city previously had lieutenants in the department. Mayor Donegan stated that in the old days there was a Chief and an administrative sergeant until the City appointed lieutenants and sergeants. She stated that she is proud that Sgt. Rogers has assumed a leadership role.

Ms. Garrity moved to **approve** a 2% increase for Sgt. Odis Rogers who will be appointed as the administrative sergeant; Mr. Haviland **seconded**. Voice Vote: 7 ayes; 0 nays. **Motion carried**.

2. Update 2016

Miscellaneous:

Mr. Presley stated that there are two issues on third reading tonight. One being the 2017 tax budget which is the first step in beginning the annual budgets for 2017. This document requests the county auditor to impose the property tax rates, included on the form, for collection during 2017. There is no increase in the millage for 2017. All the form does is establish the millage; it does not give us spending or appropriation authority. Mr. Sculac stated that he would like to complete the budget discussion as were completed last year in order to allow the budget to run three readings by the end of December.

Mayor Donegan stated that those hearings will be assertively set in September or October and asked Mr. Sculac to work directly with Mr. Presley. This year we will add in the increases because there is a range set of zero to 3% so we are not coming to Council after the fact.

Mayor Donegan stated that with so many competing priorities the administration needs to get back to the Allied Waste issue and come to a conclusion. She does believe the finance department is working on the e-checkbook, which is through Josh Mandal's office. There are many initiatives the finance department is working on.

Mr. Presley reminded Council that the \$1.7 million dollar bond issuance for the service garage construction will need to be adopted this evening. He stated that there is one net change order which is a reduction, and that is a positive. Mayor Donegan stated that the garage was built on time and under budget.

Mr. Sculac asked if there was a dedication date scheduled. Mayor Donegan stated that there will be an Open House for vendors and Council on July 27th with a public Open House scheduled on July 31st. There will be an antique event downtown on the 31st as well and we are hopeful that

residents will continue the activities and attend the Music on the Green event with the Park and Recreation Board on the 31st as well.

Adjournment

Mr. Sculac moved to **adjourn**; Mr. Stibich **seconded**. Voice Vote: 7 ayes; 0 nays. **Motion carried**.

The meeting adjourned at 7:22 p.m.

Bob Sculac, Chairman

Angela Mancini, Clerk of Council