

City of Olmsted Falls
Minutes of a Finance Committee Meeting
Tuesday, January 24, 2017, at Olmsted Falls City Hall
26100 Bagley Road – Council Chambers, 7:00 p.m.

Chairman Bob Sculac called the meeting to order at 7:02 p.m. Roll call was conducted. Councilmen Linda Garrity, Jim Haviland, Paul Stibich, and Kyle Miller. Jay Linn and Terry Duncan were excused.

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

NEW BUSINESS

2016 – Year in Review – Mr. Presley stated that the estimated revenue versus the actual revenue received the city's revenue increased by \$334,000 which is more than anticipated. The majority of the funds were local income tax (RITA) and some refuse. With the department budgets comparatively the big increase that sticks out was in the law department with a \$230,000 increase compared to what was anticipated and we know what those increases are attributable to. The police and fire departments were under budget due to the fact that a lot of the expenses were moved out of the general fund and into the various operating levy's, which means the \$139,000 and \$477,000 will be reoccurring items because those expenses are moved into the levy funds. As you can see, the city spent \$141,000 less than that what was originally budgeted at the beginning of the year and would be even greater if we did not have the \$216,000 that advanced to other funds. This expense will come back to the general fund once the reimbursements are received.

Mr. Presley indicated that he estimated that the fund balance at the end of the year would be \$1,635,000 instead it is \$1,596,000. The difference is the \$38,353. When you consider the revenues increased by \$334,000 it is a significant swing. At the end of the day, we ended up using \$145,000 of our beginning fund balance through 2016. If we did not have the added \$230,000 from the legal expenses we would have been at the point where our revenues had exceeded our finances for 2016.

Mr. Sculac indicated that the city did not have much control over the increase in legal expenses. Mayor Donegan stated that the city was aware that we would be challenged going into the year. She does want to state that there are some things in the works which makes her hopeful to recover some of the funds.

Mr. Haviland stated that Council knew there would be some heavy expenditures and made some conscience decisions to expend dollars and authorize continuing actions. He has to admit that the results at the end of the year were far more positive with what was done than he thought and believed we would go into this year with the same concerns. He complimented the work that was done. Mayor Donegan stated that when you look at the detail of the legal expenses she would say conservatively speaking 75% were a result of grievances, which is unsettling. She does appreciate the results. Mr. Sculac stated that the results are far better than many of us thought they would be.

Mayor Donegan stated that there were some very heated discussions between the executive team on what is good and what is not and forging ahead and keeping Council involved. She is pleased with the support she has received from Council and is happy the issues are behind us.

Mr. Presley stated that the big increase was the municipal income tax which increased from \$2.68 million to \$2,904,000 which was a 7.61% increase. Mr. Miller asked if this was due to an increase in wages. Mr. Presley stated that for the most part it is actual withholding, which is employers in the City materially increasing their operations. There are three categories, withholding, net profits, or individuals who are making their estimated payments based on the balance due from working outside the city.

Mr. Presley stated that there is a comparison by fund of all the other remaining special revenue and the enterprise funds. These funds are maintaining strong fund balances and he does not believe any will need to be subsidized.

Mayor Donegan asked if these reports satisfied Mr. Stibich's issue regarding negative balances. Mr. Stibich indicated that this is the type of report he likes, the actual compared to an original budget; it also gives Council a good idea were the city stands for 2017.

Mr. Sculac stated that our revenue was greater than anticipated and hopefully that will remain for 2017. Mr. Presley indicated that the first month of 2017 is reflective of what he saw for 2016.

Mayor Donegan stated that Council has indicated that they want to look at the park and recreation levy for 2018. Therefore, she and Ms. Jones met with a company called Qualtrics which is survey monkey tool. The cost is \$1,000 a year and they would pose different questions with different respondents. They want to do a test and she thought this would be a great opportunity to do a test to get some real input on park and rec. She stated that Mr. Presley did weigh in on the millage and we are in the process of constructing a question. This is a good opportunity to see if people are interested in adding recreation language to and if they are willing to pay the same or a little bit more.

She also stated that Asst. Safety Director Traine continues to come across ridiculous things that have been ordered in the police department that we have never used. For example a software program that we pay \$400 a month for but no one knows how to operate it or even uses the program. It is heartwarming from a budgetary perspective to know that these reviews are still going on. He has also researched the cost of vehicle repairs and the fact that the shop currently doing that works seems to be increasing and he will begin utilizing another facility.

Mr. Sculac asked if the bus garage was used for repairs. Asst. Safety Director Traine stated that most of his work has to be subbed out and some of the work that was completed and charged to the City should have been warrantied repairs and the mechanic should have been aware of that fact.

ADJOURNMENT

Mr. Stibich moved to **adjourn**; Mr. Haviland **seconded**. Poll: 6 ayes; 0 nays. **Motion carried**.

The meeting adjourned at 7:22 p.m.