

City of Olmsted Falls
Minutes of a Finance Committee Meeting
Tuesday, June 27, 2017, at Olmsted Falls City Hall
26100 Bagley Road – Council Chambers, 7:00 p.m.

Chairman Bob Sculac called the meeting to order at 7:05 p.m. Roll call was conducted. Councilmen Linda Garrity, Jim Haviland, Ed Gorski, and Paul Stibich were present. Terry Duncan and Kyle Miller were excused.

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

NEW BUSINESS

2018 Tax Budget – Mr. Presley indicated that the tax budget begins the city’s 2018 fiscal year. The first step is forwarding to the County a tax budget showing the city’s need for the county to levy the property taxes that the residents of Olmsted Falls voted to collect for example, general operations, police/fire pension and the fire and police levies. This does not give the city any permission for appropriations of the expenditure of funds. Due to Council taking summer recess he would ask that this resolution be adopted this evening. He stated that the rates of taxation are the same as 2017, 2016 and 2015.

Finance Department Projection – 2nd Quarter – Mr. Presley indicated that city is lagging in municipal income taxes from 6% to 8% depending on the timing, primarily because of the change relative to HB 5 in 2016 which expedited collections that would have been received in January of 2017 but were actually received in December of 2016. He stated that the city will be behind approximately 6% for the entire year because of this. Otherwise, property tax revenues are on target. Some of the charges for the building department are catching up due to the season.

Republic Update – Mr. Presley stated that as we continue with these process additional questions arise. We have decided to go back to when Allied Waste amended the contract which brought the delinquent billings to the city for the collection, which he believes was in 2011. At that point, the monthly charges were lowered in exchange for the city taking over the delinquent billing for those residents who did not pay the previous quarter. If the resident still did not pay the quarterly bill the plan was to certify the amount for collection through the county auditor on their property tax the subsequent year. The challenge has been whether or not the city had been following through on that and whether or not there were uncollected refuse bills. At this point it is a matter of not necessarily attempting to collect those but performing testing of the practices and the receipts that came in to see if in fact it can be identified as to if there are delinquent refuse bills that were not collected. If so, what kind of range on a quarterly or annual basis can we reasonably identify? At this point, in reviewing all those items and re-creating some of the information it doesn’t appear if there were delinquent bills outstanding that the numbers add up to what was reported. This does not make sense to him as he does not understand why someone would report, as the previous finance director did, accounts receivable of \$40,000 when he cannot tie back to those figures. We continue to work on this

issue with two ladies from a forensic accounting group that Council authorized up to \$5,000 to assist us and as we get some summary of a report we will come back to Council and make that available.

Ms. Garrity asked when the next update would be given. Mr. Presley indicated that he is aware that the ladies do have vacation scheduled but he will contact them and see when they can meet. Any meeting that is set up he will contact Ms. Garrity to see if she is available.

Approval of bill payment during summer recess - Mr. Sculac stated that this is typically the last meeting prior to summer recess. He indicated that Council will meet in special session twice during the summer, if necessary, and is presuming that the Council President will ask for a motion to recess for the months of July and August.

Mr. Sculac moved to **recommend** that Council authorize the finance department to continue to pay bills during the months of July and August; Ms. Garrity **seconded**. Voice Vote: 5 ayes; 0 nays. **Motion carried.**

MISCELLANEOUS – Mr. Stibich indicated that distributed tonight was an alternative tax budget information and he would like to have some additional information. Mr. Presley indicated that is the 2018 tax budget that will need to be filed with the county, it shows all of the city funds. The county is primarily interested in the funds that have a property tax.

ADJOURNMENT

Mr. Stibich moved to **adjourn**; Ms. Gorski **seconded**. Poll: 5 ayes; 0 nays. **Motion carried.**

The meeting adjourned at 7:17 p.m.

Bob Sculac, Chairman Finance Committee

Angela Mancini, Clerk of Council