



CITY OF OLMSTED FALLS  
FINANCE COMMITTEE  
MINUTES  
SEPTEMBER 22, 2020  
6:30 PM  
VIRTUAL MEETING

Council President Paul Stibich called the meeting to order at 6:40 p.m. Roll call was conducted. Councilmen Jay McFadden, Cornel Munteanu, Yvonne Buchholz, and Brian Chitester were present. Lori Jones and Jennifer Jansen were excused.

Also Present: Nick Vitalone, Finance Director. Audience: 1.

## **NEW BUSINESS**

**Review of August Financials** – Mr. Vitalone stated that income tax continues to improve. Our revenues are down and our expenditures are down so this is a trend that hopefully keeps going in the right direction. He is talking about the General Fund; revenues are down about \$230,000 and expenditures for the General Fund are down about \$245,000 so we are keeping pace. Our income tax is up overall 3.42%. The breakdown is withholdings are still down a little bit about 3%, individuals are up now 8% for \$105,000 and that is due to the delayed deadline for filing. He stated that he has mentioned at couple of meetings that the real estate settlements should come in at the end of the month and believes that we will be even with last year's numbers. He was hoping that our paramedic runs and court fees would improve but that doesn't seem to be the case and believes that will be down maybe half for the year from where we were a year ago. The other things on the horizon of course are the sale of property and believes that this will go through at some point either this month or early next month and will help out our revenues. The other item he wanted to mention is the Phase V fund which has been negative for the majority of the year. We are waiting on various grants to come through and believes that will happen in the next week and we should get a couple million dollars for Fund 213 in September which will make that fund even.

Mr. Vitalone stated that there is a supplemental ordinance on for tonight's council agenda, Ordinance 42-2020, for the Coronavirus funds. To-date we have received a little less than \$199,000 from the CARES Act. We are now requesting a supplemental appropriation so we can expend those funds. He expects to spend those on eligible first responder expenditures or salaries as these are employees that are deemed to be substantially dedicated to responding to and mitigating the COVID-19 pandemic. He would appreciate if Council could pass that this evening. Mr. Stibich asked if this was a routine budget submission to the County and if we did this every year or just because we added the fund for the Coronavirus. Mr. Vitalone replied it is due to adding the fund but is a routine thing that can be done during the year in any month. For example, if you get grant funds you wouldn't have appropriated them early in the year because you didn't know you would be receiving them. Mr. Stibich replied that it's an update to the budget. Mr. Vitalone replied yes. Council received the entire budget and the highlighted item is the only thing that is changing from what was passed in March so it's just the \$198,000 that Council is approving tonight. He will send a copy to the county upon its passage.

Mr. Munteanu stated that Council also received a copy of Bailey Communications contract and asked if the city has looked at any other firm. Mr. Vitalone stated that he has not looked into anyone and believes this contract goes to the end of the year. There are several small companies that we can bring in and talk to and then decide. Mr. Munteanu stated that the reason he is asking is because when this came up last year no other firms were asked or submitted any other information, so he is trying to determine who would be looking. Mr. Stibich indicated that this is an annual agreement that automatically renews unless we terminate it 30 days prior to the renewal date so we need to decide by November if we are going with them. He stated that the police department is heavily involved with IT as they are the primary user and primary concern for security and believes that Chief Rogers will be involved in any kind of valuation of competing companies. Mr. Vitalone stated that there are several IT firms out there that deal specifically in local government so we can bring them in and have them evaluated. Obviously, Bailey lost key personnel there so they are not the same as they were. Mr. Stibich stated that the last he heard from the police and finance staff and Ms. Mancini was that there really hasn't been any problems with the service from Bailey, which is good. Mr. Stibich stated that he believes it would be good to request some references from Bailey as to other customers that have renewed with them. Mr. Vitalone stated that we can come up with a few firms and figure out what everybody needs. He knows the police have always needed specialized IT help. Mr. Stibich indicated that Chief Rogers could speak with other local police departments to see who they utilize.

Mr. Chitester stated that he spoke to Representative Greenspan who mentioned passing a second round of disbursements from the state and asked if Mr. Vitalone had heard. Mr. Vitalone replied that the only thing he knows right now is that the Ohio Senate passed a \$6.5 million dollar bill to be disbursed to municipalities and our portion of that was about \$318,000, that was the article he read but the house has to pass it and then the Governor. If this happens, he would assume that we would get the funds before the year end but when he doesn't know. Mr. Chitester stated that he knows they meet Tuesday through Thursday. We are getting close to the end of the year and asked how we look for next year's budget, has Mr. Vitalone heard anything from the administration as to where the budget may be looking for next year. Mr. Vitalone stated that he is not sure what will happen. Like he has stated income tax dollars are our biggest revenue source and the monies we received this year we are maintaining, which is nice, but the 2020 estimates were based on 2019 revenues and income. When those are filed next year, the city could see a reduction because he believes this will hit us so we are going to have to budget conservatively and hopefully not get hit too bad. It just makes sense that with a lot of people that were unemployed for so long we are not going to get the income tax dollars so there is some kind of drop in 2020 what that is for our city he does know. We will be conservative and try get even. We can produce a couple of scenarios and another tool we have is the RITA estimates. Our losses were reduced from the last estimate and we are supposed to get another update before year end so we will use that as a guide as they have the database and can see all the details of those numbers coming in. The first one obviously is income taxes and the second one is property taxes and then you have all the other things like charges for services. Mr. Stibich stated that this year we had the additional monies from the Coronavirus funding but we can't count on that happening next year unless and until it happens so being conservative is the way to go with preparation of the budget for next year. Mr. Vitalone stated that the Coronavirus funds were supposed to be incurred from March 1<sup>st</sup> to December 31<sup>st</sup> so we will keep an eye on the monies that we receive and those monies needed to be spent by year end so hopefully there is some kind of adjustment as to

when we can spend those extra funds, assuming we get them in December. If we get the second round of disbursements and we have to spend it by the end of the year he is not sure how we will handle that unless they extend the time we have to spend it. He stated that we are in the early stages of looking at the budget and we are going to try and come up with some good revenue estimates and then let the budget follow from that.

**ADJOURNMENT**

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

The meeting adjourned at 6:59 p.m.

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***Paul Stibich, Council President***

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***Angela Mancini, Clerk of Council***