FINANCE COMMITTEE

NOVEMBER 18, 2014

The meeting was called to order at 5:30 p.m. by Acting Chairman Todd Grayson. Committee members present were Todd Grayson and Jim Matuszak. Tom Mackin arrived at 5:34 p.m. Also present were Bridgette Kabat, City Administrator, Dave Creps, Finance Director, Jon Eckel, Service Director, Tim Fisher, Deputy Finance Director, and Steve Bronder, Income Tax Commissioner.

FINANCE DIRECTOR'S REPORT

Mr. Creps stated that the list of expenditures over $5,000 for the month of October was sent to Committee members electronically. He pointed out that the library notes were paid off. The Committee had no questions about the list.

Mr. Creps reported that the balance in the health insurance fund as of October 31, 2014 was $292,941.74. He said that the balance is down a little, but it's doing what it is supposed to and claims have been steady.

CONTRACT FOR GAAP CONVERSION ACCOUNTING SERVICES

Mr. Creps reported that the contract for our conversion from cash basis to modified accrual comes up every three years. Schonhardt Associates has done it for awhile and they have given us a price of $16,000 a year for the next three years. Mr. Creps said he contacted Gilmore, Jasion and Mahler who did our audit prior to the State auditors. Their firm is not interested in doing the work, but they recommended two firms, one of which was Schonhardt Associates. Mr. Creps said that he checked old records and in 1992 we paid Ernst and Young $21,000 a year for these services so he believes Schonhardt Associates has offered a fair price. The Administration recommended staying with Schonhardt Associates. The Committee agreed 3-0 to recommend approval of the contract.

PRELIMINARY REPORT ON HEALTH INSURANCE RENEWAL

Mr. Creps stated that Matt Holzemer will be at the December meeting to discuss health insurance renewal, but it will require immediate action because of the timing. He said that we are looking at a 2.1% increase in fixed costs and somewhere between a .8% increase to a .3% decrease in aggregate costs.

UPDATES TO CODIFIED ORDINANCES

Mr. Creps stated that an ordinance is needed to accept the updates to the Codified Ordinances. He said this is a housekeeping measure to include ordinances that were approved by City Council, and changes made to the Ohio Revised Code, in our Codified Ordinances. The Committee agreed 3-0 to recommend approval of the ordinance. (The ordinance was approved at the November 18, 2014 City Council meeting.)

TAX COMMISSIONER'S REPORT

Mr. Bronder reported that for the month of October, the Tax Division collected over $1.4 million which is a 1% increase over the same month last year. Year to date collections are over $14.6 million which is an increase of 5% over the same period last year.

DOWNTOWN RESTROOMS

Ms. Kabat reviewed the information distributed to the Committee regarding the two options for downtown restrooms. Option A is to renovate and lease space at 200 Louisiana Avenue for $700 a month. The estimated construction costs are $50,000. Option B is to construct a permanent, free-standing structure where the portable restrooms are currently located on E. Second Street in a City owned parking lot. The estimated construction cost is $170,000. Mr. Mackin asked if the estimate for Option B is conservative. Mr. Eckel said that it is conservative on the high side. He said that Jeff Normand provided the estimate and he was recently involved with putting in restrooms at the Toledo Zoo. Mr. Grayson said that he feels Option A is best because it gives us the flexibility should something better come along in the future. Mr. Matuszak asked about the useful life of each option. With Option A the useful life is as long as we pay the rent. Option B has a long useful life. Mr. Matuszak said that he prefers to have control over it and if we don't own it, we don't have control. Mr. Mackin noted that at fifteen years the two options are a wash. Mr. Grayson said he is 100% in favor of the restrooms, but he wonders if this parking lot is the right location. Mr. Matuszak said that you don't necessarily want them to be seen. The Committee agreed 2-1 to recommend Option B as the way to proceed with downtown restrooms.

GENERAL BUDGET QUESTIONS

The Committee had a brief discussion about either creating a capital reserve fund or putting money in the general reserve fund for a future safety structure/building. Ms. Kabat said that would be part of the budget amendment process because at this point they don't know what funds will be available.

There being no further business, the meeting adjourned at 6:18 p.m.

Respectfully submitted,

Tom Mackin, Chairman
Finance Committee

Next regular meeting: Wednesday, December 10, 2014 at 5:30 p.m. which is a change from the regular date and time.