FINANCE COMMITTEE

OCTOBER 13, 2015

The meeting was called to order at 5:00 p.m. by Chairman Tom Mackin. Committee members present were Todd Grayson, Tom Mackin and Jim Matuszak. Also present were Dave Creps, Finance Director, Steve Bronder, Income Tax Commissioner, and Karlene Henderson, Law Director.

QUARTERLY BANKING REPORT

Mr. Creps distributed the quarterly banking report. He said the investment account is up slightly and the overall balance is also up slightly. He said there is nothing material or substantive to report.

FINANCE DIRECTOR'S REPORT

The Committee reviewed expenditures over $5,000 for the month of September. There were a few questions that Mr. Creps said he would check on and email the Committee.

Mr. Creps reported that the balance in the Health Insurance Fund at September 30, 2015 was $313,172.56.

Mr. Creps requested approval of an ordinance accepting the updated Code Book by the codifier. He said that he reviewed it as did the Law Director, Police Chief and Planning and Zoning Administrator. He said that this is a housekeeping measure that we do every year. The Committee agreed 3-0 to recommend approval of the ordinance.

Mr. Creps informed the Committee that Fifth-Third Bank will be restructuring the TIF bonds for Levis Commons so as the taxing authority it may be coming to us some time in the near future to enter into an agreement. He said that the Wood County Port Authority has agreed to underwrite the bonds. Once we receive the agreement, we will have outside counsel verify that our role is only as the taxing authority.

TAX COMMISSIONER'S REPORT

Mr. Bronder reported that tax collections for September 2015 were $1.2 million dollars which is a 6% decrease from the same month last year. Collections for August were up 16% so this could be a timing issue. Year to date collections are over $13.5 million dollars which is an increase of 2.6% from last year.

TAX ORDINANCES

Mr. Bronder reported that we are mandated by state law to incorporate changes from House Bill 5 into our tax ordinance for tax years beginning in 2016 and after. He said that since the old rules would be in effect for tax years 2015 and earlier, it was decided to keep chapter 890 for tax years 2015 and earlier and create a new chapter, 891, for tax years beginning in 2016 and after. The only change to chapter 890 is to reflect that it is for 2015 and earlier, and chapter 891 is a total rewrite. He said that the Ohio Municipal League distributed model ordinance language which was prepared by a consortium of people. He said no additional changes other than those mandated by the state were made. Mr. Mackin asked about the impact of these changes to the city. Mr. Bronder said that there will be some increases and some decreases, but overall we will probably see reduced tax revenue. He said that most of the changes affect businesses, not individual returns. Mr. Bronder added that these changes need to be in effect by January 1, 2016. The Committee agreed 3-0 to recommend approval of the ordinance enacting these changes and since it does not have to be in effect until January 1st, there is time to do three readings of the ordinance.

2016 BUDGET

Mr. Mackin said that he has a couple of items in the budget that he would like to discuss. The first is the $17,000 for the PR person. He said that he was troubled by this at the time it was approved and he is troubled by it now. He said that he has no idea what is being done by this person and he has talked to several Council members and this person has never talked to them. He said he feels the position should be accountable to City Council. The second item is the contracts line item for the Planning and Zoning Division. He said that this line item has increased over two and half times since 2013. Brody Walters, Planning and Zoning Administrator, explained that this line item is used for survey work and for examining potential projects. Mr. Matuszak asked if the money has been spent on projects that have come to fruition. Mr. Walters said that some projects have, some have not. Mr. Matuszak said that although people feel we're wasting money, he understands the need to do some exploratory work to find out how much a project will cost. He said that he has no problem with the amount in the budget as long as City Council has some control. He said if it is not an immediate need, it should come to City Council first. Mr. Mackin said that he thinks funds for the retaining wall and improvements to parking should be separate line items in Hood Park improvements. He said that it should be determined if this is a want or need and if it is a priority over other projects like the roads or a second fire station. He questioned the purpose for building a community center and he's not sure why the Boat Club should be a long term tenant. He said that he thinks we should avoid debt whenever possible. Mr. Grayson asked if this is a debt project and Mr. Creps said it is. Mr. Grayson said that he has no problem with leaving it in because it would have to come back to City Council to vote on and it prolongs the discussion without tying up any cash. Mr. Matuszak said that the same reasons would apply to putting money in the budget for a second fire station. He asked why further discussion can't happen if it is taken out of the budget. He said that we've gone years with that building being a liability and he feels we can go a year or two with nothing there.

There being no further business, the meeting adjourned at 6:05 p.m.

Respectfully submitted,

Thomas G. Mackin

Tom Mackin, Chairman
Finance Committee

Next meeting: Tuesday, November 10, 2015 at 5:00 p.m.