FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE

AUGUST 28, 2017

The meeting was called to order at 5:00 p.m. by Chairman Jim Matuszak. Committee members present were Nelson Evans, Jim Matuszak and Tim McCarthy. Also present were Bridgette Kabat, City Administrator, Dave Creps, Finance Director, and Steve Bronder, Income Tax Commissioner.

CRA REQUEST

Glenn Grisdale, Economic Development Consultant, presented a CRA request from Ridge Stone Builders and St. Luke's Hospital. Brian Gruber of Ridge Stone Builders and John Stout of St. Luke's Hospital were also present. The request is for 75%, ten-year CRA abatement on $2.7 million in new real property investment in Harbor Town Place. The property will consist of two 15,000 square foot medical office buildings that will house their residency programs. It is anticipated that it will create at least 50 jobs with payroll ranging from $3.2 to $4.2 million dollars. The buildings will be built by Ridge Stone Builders and will be leased to a third-party entity that has not yet been established. Mr. Grisdale said that the schools have been notified. Construction is scheduled to start in October and should be finished in July, 2018 with the abatement beginning in 2019. Mr. Evans asked about the time frame of the jobs creation. Mr. Grisdale said there will be forty jobs in year one and an additional ten jobs in year two. There was discussion regarding the value of the property relative to the agreement with the schools. Mr. Grisdale said that the agreement provides for a reassessment and it is up to the schools on whether they choose to request it. Mr. Creps said that in his experience that does not normally occur, but the schools are aware of their role in the process. The Committee agreed 3-0 to recommend approval of the CRA abatement request.

FINANCE DIRECTOR'S REPORT

The Committee reviewed the list of expenditures greater than $5,000 for the month of July. Mr. Matuszak asked about payments to Craun-Liebing for the Brookhaven Lift Station and the Gorman View Pump Station. He asked if that was the same project. Ms. Kabat said that they are two separate projects. At the Brookhaven Lift Station one of the two pumps went out so they are operating on a back-up pump. At the Gorman View Pump Station, it was replacement of a pump with valves that are about forty years old. Mr. Matuszak asked if the payment to Hylant Administrative Services for insurance is once a year and if it includes the new fire station location and Riverside Park. Mr. Creps said that it is once a year and Hylant is aware of both projects but it did not increase the premium. Mr. Matuszak asked about the payments for Riverside Park on the list. Ms. Kabat said that those were included in the amount sent to City Council and they will probably see at least one more payment because of retainage. Mr. Matuszak asked about the payment to Finley Fire Equipment for a thermal imager. Ms. Kabat explained that it is a handheld unit that the Fire Division takes into a structure and it allows them to see through walls. Mr. Matuszak asked where we are with the new fire truck, and Ms. Kabat said that it arrived at the Fire Station that day. Mr. McCarthy asked about the income tax refunds on the list. Mr. Bronder explained that we rarely have any over $5,000 and those amounts represent multiple years lumped together.

Mr. Creps reported that the Health Insurance Fund has a balance of $193,262.45 as of July 31. He said that we have a couple of big, ongoing issues. Mr. Evans asked if the contributions to the fund have been reduced. Mr. Creps explained that he budgets for maximum exposure less the fund ending balance and because the ending balance was high, it reduced the contribution amount.

ORDINANCE ACCEPTING CODIFIED ORDINANCES

Mr. Creps requested approval of an ordinance accepting the codified ordinances for the last twelve months. He said that this is a housekeeping item and it is a reflection of the ordinances that City Council has approved. He said that he has reviewed it along with Ms. Kabat, Alice Godsey and Brody Walters. The Committee agreed 3-0 to recommend approval of the ordinance.

INCOME TAX COMMISSIONER'S REPORT

Mr. Bronder reported that income tax collections for the month of July were a little over $1.2 million dollars which represents an 11% increase from the same month last year. He said that it was a strong month, mainly for withholding taxes. He said that he was not able to identify a specific cause for the increase. Year to date collections are $12.3 million which is up 1.7% over the first seven months of last year. He said that the year started out slow, but tax collections have rebounded.

There was a brief discussion regarding changes to filing municipal income tax returns for businesses. Mr. Bronder said that the State passed a bill that would allow businesses to opt in and have the State collect the municipal income tax if the business chooses to do so. Mr. Bronder added that there has been some action taken by some municipalities questioning the legality because they say the State does not have the jurisdiction to collect municipal income taxes. Mr. Matuszak asked if we are a part of this action and Mr. Bronder said that we are not. Ms. Kabat said she will have the Law Director look into it.

OTHER BUSINESS

Mr. Creps reported that a change request for Social's liquor license has been received. Their business is going through an ownership reorganization and the City has the opportunity to have a hearing with the State Liquor Board if there are issues. Ms. Kabat said that she spoke with Chief Paez and Deputy Chief Rose and they are okay with not having a hearing. The Committee agreed 3-0 to not request a hearing regarding this change.

There being no further business, the meeting adjourned at 5:37 p.m.

Respectfully submitted,

Jim Matuszak, Chairman
Finance and Economic Dev. Committee

Next meeting: Monday, September 25, 2017 at 5:00 p.m.