FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE

AUGUST 10, 2021

The meeting was called to order at 5:30 p.m. by Chairman Mark Weber. Committee members present were Deborah Born, Tim McCarthy, and Mark Weber. Also present were Bridgette Kabat, City Administrator, Kate Sandretto, Law Director, Amber Rathburn, Finance Director, and Steve Bronder, Income Tax Commissioner.

APPROVAL OF MINUTES

There being no objections, the minutes of the June 8, 2021 meeting were approved.

PROMEDICA JOBS GRANT CREDIT

Ms. Kabat stated that Promedica has filed a jobs grant application for an 80,000 square foot medical office building and cancer center they are proposing on Brigham Drive in Levis Commons next to their existing facility. Mark Rose of Promedica stated that on their application they understated the payroll amounts. They are projecting 50 new full time jobs and 14 new part time jobs with a payroll of $7.68 to $14.27 million dollars annually. Mr. Rose stated that there will be approximately 300 employees, but the jobs grant applies only to new jobs created in the City. Mr. Weber asked if Promedica would qualify for a CRA. Mr. Rose explained that they are exempt since they are a non-profit organization. The jobs grant would be for five years, and Mr. Rose said construction should be completed the end of 2022, so they would like to begin it in January of 2023. The Committee agreed 3-0 to recommend approval of the credit and thanked Mr. Rose for their investment in the City.

RECORDS RETENTION SCHEDULE

Ms. Sandretto explained that we are required by Ohio law to have a records retention schedule. She said City Council currently does not have one, and she called attention to the proposed schedule that had been sent to the Committee. She said that it is in line with the other departments. Mr. McCarthy asked if attendance records and voting records are different than the minutes. Ms. Rathburn said that Mr. Creps had a form that he used when he did a roll call, and she has something similar. Mr. Weber asked what the term “until no longer administratively necessary” meant. Ms. Kabat said that it could be an invitation or a thank you note. The Committee agreed 3-0 to forward this to City Council.

STIPULATED DAMAGES IN CONTRACTS

Ms. Sandretto stated that the code section dealing with stipulated damages in contracts was last updated in 1987 and is not in line with the current values of contracts. She said that she believes the best source to use is the ODOT schedule which is what our insurance carrier recommends using. Ms. Sandretto said that this is meant to be a hammer in case we have a real problem. There was discussion regarding contractors being aware of this. Ms. Sandretto stated that our contracts typically have completion dates with allowances for certain issues. Ms. Kabat said that there are normally exceptions for weather delays and allows the contractor to request an extension for unavoidable delays such as delays in receiving materials. Ms. Sandretto said that she can add the clause "or other reasons defined by contract" to the code language as a catch all. The Committee agreed 3-0 to recommend approval of the proposed code language regarding stipulated damages.

FINANCE DIRECTOR'S REPORT

The Committee reviewed expenditures greater than $5,000 for the month of July. Ms. Born asked about the payment to Smiths Detection. Ms. Rathburn said that is for the metal detector and x-ray machine in the atrium. Ms. Born asked why the purchase did not come before City Council even though it was over $25,000. Ms. Kabat explained that those were two separate purchases that were paid for at the same time. She said the Police Chief placed an order for one item and was waiting for pricing from other companies on the second item. Mr. McCarthy asked about the payment to Hylant Administrative Services for $165,000. Ms. Rathburn stated that was the annual payment for property and liability insurance. Mr. McCarthy asked if the payment to the Fort Meigs Y is a monthly payment. Ms. Kabat said that the pool contract is split into three payments. Mr. Weber asked about the water meters we purchased from NECO, and there was a brief discussion regarding the senior center project.

Ms. Rathburn reported that the balance in the health insurance fund as of July 31, 2021 was $155,052.42. She said the balance is up which is good news, but there are some large claims we are expecting soon. Ms. Born asked about the payments to Frontpath, and Ms. Rathburn explained that they are our previous carrier and those are claims from last year that Frontpath has processed.

TAX COMMISSIONER'S REPORT

Mr. Bronder reported that collections for the month of July were $1.6 million which is down 39% from the same month last year. He explained that this year there were no due dates in July, but in July 2020 the first and second quarter estimates and 2019 returns were due. He said that year to date revenues for the first seven months of the year are a little over $14 million dollars which is up 14% from 2020. He said that he compared that to 2019 figures, which are pre-Covid, and we are up 2% from the first seven months of 2019. Mr. Bronder said that he feels there are two areas to watch. The first is the withholding taxes. He said that withholding taxes for the first seven months of this year compared to 2019 are up only .2% and with Ohio starting to see a surge in Covid cases again, it is unknown what affect it will have on businesses. He said the second area to watch is in refunds for employees who are working from home. He explained that as part of the Governor's emergency orders, employers were still to withhold tax based on an employee's principal place of business even if they were working from home. However, the state legislature changed that with the most recent budget bill and effective January 1, 2021, employees will pay tax to wherever they are actually working. For example, if an

O-I employee is working from home in Sylvania, for 2020 they paid Perrysburg 1.5%, but for 2021 Perrysburg will not get any withholding tax for that employee.

<u>OTHER BUSINESS</u>

There was discussion regarding the 2020 audit report. Ms. Rathburn said that the audit report came in on Mr. Creps' last day with the City. She said that the auditors recommend that best practice is to have two people look at the bank reconciliation each month. She said that her goal is to have the Deputy Finance Director complete the reconciliation and forward it to her. She will then double check it against bank statements and computer reports, sign and date it. In the past, she did the bank reconciliation and discussed it with Mr. Creps, but he did not sign off on it. There was also an issue about inter-fund transfers. Ms. Rathburn said that she has a spreadsheet where she keeps track of each fund balance and the transfers and will use it when fund transfers are requested. She will keep this information all together for the auditors to review.

Mr. Weber called attention to an email from Mr. McCarthy about questions regarding the American Rescue Plan money. Mr. McCarthy said that Mr. Smith told him that we still do not know the exact amount or the guidelines on how to spend the funds. Ms. Kabat said that we believe we will receive $2.1 million as opposed to the $4 million we initially thought because it was reduced by 50% to give money to townships. Ms. Rathburn had a webinar the following day regarding the funds. Ms. Kabat said that once we receive final guidance, she will meet with the Mayor, Mr. Smith, and Ms. Rathburn. Ms. Kabat said that the deadline to encumber the funds is December of 2024, so there is plenty of time.

There being no further business, the meeting adjourned at 6:15 p.m.

Respectfully submitted,

Mark Weber, Chairman
Finance & Economic Development Committee

Next meeting: Tuesday, September 14, 2021 at 5:30 p.m.