FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE

JULY 24, 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 City Administrator Bridgette Kabat, Finance Director Dave Creps, Law Director Karlene Henderson, Deputy Finance Director Tim Fisher, and Tax Commissioner Steve Bronder.

FINANCE DIRECTOR'S REPORT

The Committee reviewed the expenditures greater than $5,000 for June. The committee asked about payments involving Voya, the YMCA, the relocation of power on Second Street, court renovations and the retrofitting of lights at certain ball diamonds, all of which were satisfactorily addressed by the Administration.

Mr. Creps reported that the balance in the Health Insurance Fund as of June 30, 2017 was $253,392.79. The June balance had decreased from what had been reported to the committee in recent months. Mr. Creps explained that the city has had some large claims and anticipates more to come. There was brief discussion regarding self-insurance and the possibility, if any, of additional costs to the city.

TAX COMMISSIONER'S REPORT

Mr. Bronder reported that income tax collections for June were $1.5 million, which is up 4% from the same month last year. The city had a strong second quarter and year-to-date collections through June were $11 million, which is an increase of 0.7% over the same period last year.

OTHER BUSINESS

Mr. Matuszak opened discussion regarding the proposed legislation the committee had been working on pertaining to mobile food vehicles operating within the boundaries of the city. Mr. Matuszak passed out updated versions of the draft legislation, which included the four changes that were discussed at a previous public meeting. The four changes would: (1) limit the proposed regulations to mobile food vehicles operating in the city right of way, (2) reduce the registration fee from $250 to $100, (3) provide an exception to the general rule that mobile food vehicles would be required to register with the city for those mobile food vehicles that would only be stopped, standing or otherwise parked in the public right of way for 15 minutes or less at a time, and (4) waive the annual permit fee for mobile food vehicles and mobile food vehicle operators with a food establishment currently operating within the boundaries of the city.

Mr. Matuszak also informed the committee that it is the Ms. Henderson's opinion that proposed Regulation 813.04(e) should be eliminated. He expressed his opposition to her opinion, explaining that he had requested documents and/or further information from her on which her opinion was based, but had yet to receive any. Mr. Bronder admitted that he made that recommendation to the administration. He said that the Ohio Revised Code allows for agreements between an employer and the city regarding withholding, and although *it is allowed*, he is *not sure* in this instance that it is appropriate (*emphasis* added). He said that in his opinion, it is a “heavy handed” way to force nonresident employers to withhold income taxes while other non-resident businesses operating within the boundaries of the city might not be required to do so. He further explained that it was his understanding said that the intent of House Bill 5, which includes the rules being discussed) was to streamline collections, simplify filing, and to ease the burden of compliance with the change to the occasional entrant rule. Mr. Bronder suggested that the proposed regulation would be setting up rules for one class of business and treating that type of business in a different manner than other businesses. Mr. Matuszak countered by acknowledging that the proposed regulation 813.04(e) would, in fact, streamline collections, simplify filings and ease the burden of compliance. He again requested further documents and information from the administration in support of its position. Mr. Matuszak said that he has been researching this and that he has yet to find anything to support the administration’s position. He added that he has people in Columbus working on it with him.

Mr. Creps said that the language in the House Bill 5 allows negotiations between an employer and a municipality; it is not a hammer. Mr. Bronder further explained House Bill 5’s language on collecting income taxes based on preponderance of a day. Mr. Matuszak said that he did not understand why there has been so much resistance from the administration concerning this provision. Mr. Matuszak said that he wants to ensure that there is a clear reflection of income subject to tax in the City of Perrysburg. The administration suggested that it could subject taxpayers to income tax in more than one municipality, but Mr. Matuszak explained that, all other things being equal, that would not be the case given the other provisions contained in House Bill 5.

Mr. Creps said that through conversations at GFOA, OML, other tax administrators and finance directors, he does not feel that this was the intent of language contained in House Bill 5 regarding the employer and municipality reaching an agreement because there is no negotiation.

Mr. Evans said that he was comfortable with the four changes that were made to the proposed ordinance, but that he needed additional time to think about the more recent change brought up by Ms. Henderson. Nonetheless, a committee vote was taken. The committee agreed 2-1 to recommend approval of the ordinance, inclusive of Regulation 813.04(e). Mr. Matuszak and Mr. McCarthy voted in favor of recommending approval of the ordinance.

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

Respectfully submitted,

Jim Matuszak, Chairman
Finance and Economic Dev. Comm.

Next meeting: Monday, August 28, 2017 at 5:00 p.m.