FINANCE COMMITTEE

JUNE 10, 2014

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 Bridgette Kabat, City Administrator, Mathew Beredo, Law Director, Dave Creps, Finance Director, Doug Dariano, City Engineer, Tim Fisher, Deputy Finance Director, and Steve Bronder, Income Tax Commissioner.

REQUEST FOR FUNDING FOR ACADEMIC CAMP

Chris Amato, Kadee Anstadt of Perrysburg Schools, and Jason Craig of the Perrysburg Heights Community Center gave a presentation regarding a summer academic camp and requested $10,000 from the City to help fund it. The camp will be held at the Perrysburg Heights Community Center for eight weeks, five days a week, all day. The camp is for Perrysburg School students in grades K-3 who qualify for free, reduced lunch and are reading intervention students. About half of the students that will be involved in the program are from the City. The State now has a Third Grade Reading Guarantee and third grade students have to pass the Ohio Achievement Test for reading or they can't go on to the fourth grade. Studies show that retention is not a good thing as it is associated with a high dropout rate. This request is for this year only as they plan on applying for Federal funding for subsequent years. Mr. Amato said that they have received private gifts, have requests into several foundations and have received funds from the Township Trustees. Mr. Grayson said he likes the program, but does not think this is the City's business. Mr. Mackin said that this is a service that the community does not provide, and it is for the holistic need of the community. He said there is $5,000 available in City Council's special fund. The Committee agreed 2-1 to recommend that the City Council special fund of $5,000 be donated for this program and recommended that the Administration see if it can find the other $5,000 requested.

VERIZON TOWER LEASE

Mr. Beredo stated that Verizon would like to upgrade their tower located at the Municipal Building. Verizon will pay for construction and when the tower is completed, it will become property of the City. In return, the City will abate the monthly rent of $1,500 for a period of time equal to 40% of the cost of construction. The exact construction costs will not be known until construction is completed, but it is estimated that the rent will be abated for approximately 56 months. Mr. Mackin asked if the City gets any benefit from the upgrade. Mr. Beredo said that all the police vehicles are on Verizon and we have experienced some service interruptions. Ms. Kabat added that the tower will help with the reception in general. Mr. Beredo said that this is a collaborative proposal from our IT and Police Divisions and Verizon. The Committee agreed 3-0 to recommend approval of the lease.

CMAQ APPLICATIONS FOR DDI AND SR25/INDIANA AVE. PROJECTS

Ms. Kabat said that the Administration is requesting permission to submit applications for two Congestion Mitigation Air Quality (CMAQ) grants. These are funded by the Federal gas tax and are administered by TMACOG. The City was approached by ODOT because of a shortage in funding for the Divergent Diamond Interchange on SR25 at I-475. This is an opportunity for us to partner with ODOT and request the balance of the funds for the DDI. If we are successful, ODOT will take over the project and the City will not have to contribute our 20% of the project. Ms. Kabat said that this is a conduit to funding and there is no financial obligation on the City's part. The second project would be intersection improvements at West Indiana Avenue and SR25. The plan is to widen the radius of the intersection and add dedicated turn lanes. The utilities are located close to that corner and trucks go through the intersection because of Master Chemical and Maumee Equipment. The City would be responsible for 20% of these construction costs. Mr. Matuszak asked if the City would be sacrificing any control of the DDI project. Ms. Kabat said that since the majority of the work would be within State right-of-way, they would have the ultimate say on the design anyway. Mr. Grayson asked about upgrades to the project since this is a gateway to the City. Ms. Kabat said if we are approved we can discuss this with ODOT, but the City would probably be responsible for that type of improvement, similar to the City paying for curb repair in other ODOT projects. Ms. Kabat explained that this item is coming through the Finance Committee instead of Service-Safety due to the timing of the meetings and the application due date. The Committee agreed 2-1 to recommend approval of the grant applications. Mr. Grayson said he is not opposed to the use of Federal gas tax dollars, but he feels that the dollars should be allocated to communities based on the amount of roads within the community.

FINANCE DIRECTOR'S REPORT

The Committee reviewed expenditures over $5,000 for the month of May. There was a question about the payment for GIS services. Ms. Kabat said she will check with IT and will follow up with the Committee. Mr. Creps said that he thinks it was a specific project for utilities.

Mr. Creps reported that the balance in the Health Insurance Fund as of May 31st was $333,431.59.

Mr. Creps stated that one issue to come out of our current audit is that we have been asked to update our Capitalization Policy. There are two changes to the policy. The first is an increase in the capitalization amount from $1,000 to $5,000 for machinery and equipment. The second change is a chart with the useful life of assets. This not a change in policy, it just puts what we do in writing. The Committee agreed 3-0 to recommend approval of these changes.

Mr. Creps said that he had been asked to look at the funding of the police and fire pension funds and determine what the proper funding should be. He stated that given the current estimated revenues and payments, the millage needs to be increased a little. Mr. Creps said that the Charter dictates how these are funded. He recommended an increase in the total millage from 1.6 to 1.7. It previously was allocated 1.0 for police and .6 for fire, but to more accurately reflect the actual amounts, Mr. Creps recommended that it be allocated .8 mil for police and .9 mil for fire. He added that the Police and Fire Pension Fund still owes the General Fund $150,000 and he would like to begin repaying that loan. The Committee agreed 3-0 to recommend approval of this request. Mr. Grayson added that he feels that funding for the Police and Fire Pension Funds should be on the list for Charter Review.

Mr. Creps reported that only one bid was received for the City's property and liability insurance and it was from our current carrier, the Ohio Plan. The bid came in at $192,253 which is within the budgeted amount but is up from last year's premium. Mr. Creps said that this is the first year that they looked at our budget, and we have experienced growth in our budget over the last ten years. The Committee agreed 3-0 to recommend approval of a contract with Ohio Plan in the amount of $192,253.

Mr. Creps stated that under the Ohio Revised Code, the City is required to submit a Certificate of Estimated Revenues to the County Auditor prior to July 20th. Mr. Creps noted that the two biggest things are that Homestead and Rollbacks are segregated from other property taxes at the request of the auditors, and income tax revenues are increased by half a million dollars. He said this is a housekeeping item and these amounts will all be reviewed during the budget process. The Committee agreed 3-0 to recommend approval of the Certificate of Estimated Revenues.

<u>TAX COMMISSIONER'S REPORT</u>

Mr. Bronder reported that the Income Tax Division collected $788,000 in May which is down 9% from May of 2013. Year to date they have collected $8.5 million which is up 4.1% from 2013.

There being no further business, the meeting adjourned at 6:25 p.m.

Respectfully submitted,

Tom Mackin, Chairman
Finance Committee

Next meeting date: Tuesday, July 8, 2014 at 5:00 p.m.