FINANCE COMMITTEE

JUNE 11, 2013

The meeting was called to order at 5:00 p.m. by Chairman Tom Mackin. Committee members present were John Kevern, Tom Mackin, and Sara Weisenburger. Also present were Bridgette Kabat, City Administrator, Mathew Beredo, Law Director, Dave Creps, Finance Director, Tim Fisher, Deputy Finance Director, and Steve Bronder, Income Tax Commissioner.

WESTLAW CONTRACT – PROSECUTOR'S OFFICE

Mr. Beredo stated that in the past the Prosecutor's Office and the Law Director have had separate contracts with Westlaw for legal research services. He said in reviewing the contract for the Prosecutor's office, he found room for other attorneys, some of which he removed. Mr. Beredo suggested to Westlaw that they let him be included with the Prosecutor's office, and they have allowed them to merge contracts. This will result in less money spent on legal research costs. Mr. Beredo requested authorization to enter into an agreement with Westlaw. The amount of the contract is over $25,000 because it is for three years. A three year contract caps the amount they can increase the rate in subsequent agreements. Mr. Mackin asked if we use all the products that we are purchasing. Mr. Beredo said that either he or Mr. Aubry use all of the products. The Committee agreed 3-0 to recommend approval of the agreement.

FINANCE DIRECTOR'S REPORT

The Committee reviewed the list of expenditures over $5,000 for the month of May. Mr. Creps said there is nothing out of the ordinary; the list contains a couple of large payments for Cherry Street Sewer Separation District 209 and the Perry Drive waterline.

Mr. Creps reported that the balance of the Health Insurance Fund as of May 31, 2013 was $374,991.27. He said it is a down a little bit, but it is doing what it is supposed to do.

Mr. Creps stated that it is time to renew the City's property and liability insurance contract which runs from July 1st to June 30th. We are not changing any coverage. Mr. Creps said he put it out to bid and only received one bid which was from the same company we have been with for over 25 years, except for one year. The bid received was from Ohio Plan Risk Management, Inc. for $164,452.00 which is an increase of over $25,000 from last year. This increase is due to a 3% rate increase plus we added a million dollars in value to the plan. Mr. Creps said that this rate takes us back to where we were in 2011 after having a reduced rate last year. Mr. Mackin asked if we have had a lot of claims. Mr. Creps said that we have not, and he does not believe we have used their legal services lately. Mr. Beredo said that when we get potential claims we always notify the insurance carrier, but he also does not believe we have used their legal services. Ms. Weisenburger asked what the dollar threshold is for capital items. Mr. Fisher said it is $1,000. Mr. Creps said we may increase that amount, and Ms. Kabat stated that most jurisdictions use $5,000. The Committee agreed 3-0 to recommend approval of the contract for property and liability insurance.

Mr. Creps distributed a copy of the budget report. He said that at the July 9th meeting he will be requesting legislation to approve the estimated revenues to submit to the Wood County Budget Commission. After it is submitted, the County will send back a Certificate of Estimated Resources with what we can expect to collect in property taxes. Ms. Kabat stated that the numbers come from the First Budget Amendment for 2013. Mr. Mackin said that the Committee will review the report and make a recommendation at the next meeting for the Council meeting that night.

TAX COMMISSIONER'S REPORT

Mr. Bronder reported that income tax collections for the month of May were up 11% over the same period last year. Year to date collections are up 7% over 2012. Mr. Mackin asked what accounted for the large increase in net profits. Mr. Bronder said that he can't speak to specifics, but that is one of our smallest components so any increase dramatically affects the percentage change. He noted that net profits are up 14% year to date. Mr. Bronder said that they are in the process of replacing a tax clerk who left so they are running a little behind. Ms. Weisenburger said that she has heard comments that our tax form is difficult. Mr. Bronder said that we are required to provide a form, which we do, but we also are required to accept generic forms. There was a brief discussion regarding the threshold for collection which is currently $5.00.

OTHER BUSINESS

Ms. Weisenburger asked if the City has looked into doing a performance audit. Mr. Creps noted that we have been the standard bearer three times for other jurisdictions doing audits. He said he talked to Maumee after they did theirs, and they were disappointed with the results. Ms. Kabat said that everyone she has talked to has been disappointed with the results as the final report was lacking in recommendations and it did not get operations down correctly. Ms. Weisenburger asked about getting a private company to do it. Ms. Kabat said that most are done by the State and run between $20,000 and $40,000. Mr. Mackin said that the City had one done by CEG when he got on City Council and we have addressed most of the recommendations including hiring a City Administrator and having a Law Director on staff. Ms. Weisenburger asked Ms. Kabat if she is comfortable with how things are running. Ms. Kabat said that this budget process will be good for her because she will be involved from ground zero for the first time, and there are always things to look at. Mr. Creps said operationally, when compared to other entities our size, we are lean. Ms. Kabat said that she will be looking at staffing through the budget process especially in Public Service.

There being no further business, the meeting adjourned at 5:51 p.m.

The next meeting is Tuesday, July 9, 2013 at 5:00 p.m.

Respectfully submitted,

Tom Mackin, Chairman
Finance Committee