

FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE

APRIL 24, 2017

The meeting was called to order at 5:04 p.m. by Chairman Jim Matuszak. Committee members present were Nelson Evans, Jim Matuszak and Tim McCarthy. Also present were Finance Director Dave Creps, Deputy Finance Director Tim Fisher and Tax Commissioner Steve Bronder.

QUARTERLY INVESTMENT REPORT

Mr. Fisher presented the Committee with the quarterly investment report. He stated that a couple of bonds and cd's came due and they were reinvested. He said there is nothing material to report. Mr. Matuszak asked what the balance was a year ago. Mr. Fisher said that he would send that to the Committee because he didn't have the information with him. Mr. Matuszak asked if it is up or down from a year ago. Mr. Creps said that the balance is gradually moving up.

FINANCE DIRECTOR'S REPORT

The Committee reviewed expenses over \$5,000 for March. Mr. Evans asked about a check to the Toledo Department of Public Utilities and a check for OPERS.

Mr. Creps reported that the balance in the Health and Welfare Fund as of March 31, 2017 was \$344,647.83. He noted that the balance is down a bit and that it reflects what would probably be a more realistic expectation for the fund balance than what the most recent balances have been.

Mr. Creps reported that he received a court order from the Judge which cites the Ohio Revised Code regarding the creation of a new fund to account for a charge that will be added on to speeding tickets and used to cover court costs. Mr. Matuszak asked if Mr. Creps could send out the ORC section to the Committee. The Committee agreed 3-0 to recommend approval of the creation of the new fund per the Judge's order.

Mr. Creps reminded the committee of the refuse levy previously addressed by the committee and apprised the committee of the next step to be taken to place the levy on the ballot. The first step was the resolution of necessity which was passed by council in March. The second step is to pass an ordinance putting the levy on the ballot. Mr. McCarthy asked how often the levy is voted on. Mr. Creps said that it is on the ballot every two years. Mr. Matuszak pointed out what appeared to be an error on the document that we received from the Wood County Auditor in response to the resolution of necessity. He suggested it be corrected if it was in fact an error. The Committee agreed 3-0 to recommend approval of the ordinance.

TAX COMMISSIONER'S REPORT

Mr. Bronder reported that collections for March were \$1.7 million which was a 14% increase over the same period a year ago. He said that the biggest component was withholding taxes. Mr. Bronder also reported that year-to-date collections for the first quarter of 2017 were just shy of \$4.6 million, which was a decrease of 4.7% from the same period last year. It was generally agreed that the year-to-date decrease was attributable, at least in significant part, to the absence of a quarterly due date for estimated income tax payments.

ECONOMIC DEVELOPMENT

Glenn Grisdale, the City's economic development consultant, presented a jobs grant application from Mercy North. According to Mr. Grisdale, Mercy is proposing an 115,000 square foot medical office facility adjacent to the existing cancer center. The project will be phased in over the next three years. Mercy claims they will hit the \$2 million threshold in payroll by December 2018 and will be at full capacity by 2021. The project is projected to create 221 full time positions with an anticipated payroll of \$42 million. Mr. Grisdale said Mercy is also considering another location. Matt Sapara, Vice-President of Economic Development and Real Estate for Mercy said that the three story building will have 28 short stay hospital rooms, several operating rooms and medical offices. He said that they have not previously requested any tax incentives from the City of Perrysburg, but the business climate within their industry has changed and is expected to continue to deteriorate in the foreseeable future, particularly with respect to Medicaid and Medicare reimbursements. He also reminded the committee of the additional 80 to 100 construction jobs in the city while it is being built. Mr. Matuszak acknowledged all of the reasons Mr. Sapara had given during his explanation as to why Perrysburg is the ideal location for Mercy's expansion. Given all of those reasons, Mr. Matuszak asked the committee why city council should agree to give Mercy yet another incentive when it appeared as though the project was going to move forward with or without the tax incentives. In response, Mr. Sapara said that they are also requesting tax incentives from the second place finisher. Mr. Creps noted that Mercy contributed to the intersection improvements at SR25 and Eckel Junction Road, and the additional income tax withholdings will represent an income stream that we do not have today. He said that the jobs credit is only for five years and Mercy will be around long after that. Mr. Bronder added that there is a minimum threshold that has to be met before there is any credit given. Mr. Evans stated that in his opinion, Mercy's expansion in Perrysburg is a win-win situation. He further said that Mercy has been a good neighbor and has done a lot for the community including the schools. Mr. Matuszak further stated that because of the \$2 million minimum threshold associated with the tax incentives, this is a giveaway, particularly in this case, that small business owners can't qualify for. In response, it was suggested that lowering the threshold would be administratively burdensome.

Mr. Matuszak informed the committee that his wife is in management at St. Luke's Hospital and given the proximity of the Mercy expansion to St. Luke's Hospital he thinks it would be best if he abstained from the committee's vote. Mr. Sapara denied that

Mercy would be competing with St. Luke's Hospital. The Committee agreed 2-0 to recommend approval of the jobs grant application.

OTHER BUSINESS

The Committee discussed a draft, proposed ordinance that would add language regarding food trucks to the section of the code dealing with business regulations. The draft document includes proposed rules regarding, among other things, the time for applying for permits, the procedures for applying for permits and the penalties for not complying with the proposed rules. The draft document does not propose limiting where food trucks can or cannot set up for business. Mr. Matuszak suggested any such limitations could be addressed by the planning and zoning committee if they think it is necessary. He further explained that he does not want to propose too restrictive rules or regulations out of concern for proposing legislation that will not pass. The Committee discussed some changes they would like to see to the draft language and scheduled a special meeting for Tuesday, May 16, 2017 at 6:00 p.m. to further discuss and finalize the proposed ordinance and to make a recommendation to council.

Becky Williams said, as a citizen, that the NFPA has a safety checklist regarding food trucks including that there needs to be at least ten feet between trucks. She said that Columbus has a \$180 license fee and a parking permit fee to reserve a parking space. She said that Covington, Kentucky does not allow food trucks on the streets, only on private property. She said that her concern is with the safety aspect of the trucks drawing people into the city streets. As an example, she said if you are trying to cross Fifth Street and there is a food truck parked there, it is hard to see traffic. She added that the city put in so much money on Second Street for the additional parking and she would hate to see food trucks parked there.

Rick Ruffner said that a food truck has to fit in a parking space and because there is no designated parking spaces in front of his restaurant (although parking is permitted), a food truck could pull up in front of his building without having to worry about staying within a single parking space. He asked how that is fair to him as a local food establishment invested in the community. He questioned whether or not we will soon be seeing funnel cake trucks or elephant ear trucks coming to town if we start allowing food trucks. Mr. Matuszak reminded everyone that absent legislation, we have always "allowed" food trucks.

Jim Hagen said that he finds it interesting that some people don't seem to want to regulate food trucks but seem to be in favor of regulating the dispensing of medical marijuana. He asked if someone could setup a truck to sell medical marijuana. Mr. Evans briefly addressed/dismissed the reference to Medical Marijuana. Mr. Matuszak added that the draft proposed ordinance regarding food trucks defines the term "food truck."

There being no further business, the meeting adjourned at 6:09 p.m.

Respectfully submitted,

Jim Matuszak, Chairman
Finance and Economic Dev. Comm.

Special meeting: Tuesday, May 16, 2017 at 6:00 p.m. to discuss Food Truck Legislation

Next regular meeting: Monday, May 22, 2017 at 5:00 p.m.