FINANCE COMMITTEE

MARCH 12, 2013

The meeting was called to order by Chairman Tom Mackin at 5:06 p.m. Committee members present were: John Kevern and Tom Mackin. Maria Ermie was absent. Also present were City Administrator Bridgette Kabat, Law Director Mathew Beredo, Finance Director Dave Creps, Deputy Finance Director Tim Fisher, and Tax Commissioner Steve Bronder.

DISPOSAL OF SURPLUS ITEMS

Ms. Kabat reported that there have been internal discussions regarding disposing of personal property. She said that this was instigated because our contract with LightGov, the company that administers our auction website, is expiring. The Administration is requesting that an ordinance be passed that would delegate the authority to dispose of property that is no longer needed for the public purpose to the Administration. A monthly report would then be given to City Council. Mr. Mackin asked if disposing of assets is a responsibility of City Council. Mr. Beredo stated that the Ohio Revised Code dictates a procedure if there is no ordinance in place. Mr. Mackin said it seems we should have a policy. He asked that the Administration work on it and bring it back to the Committee.

REFUSE COLLECTION LEVY

Mr. Creps requested approval to move forward with the first step in putting a one mill replacement levy for refuse collection on the ballot. This is not a new tax, and we are not increasing the millage. The Committee agreed 2-0 to recommend approval.

SIDEWALK LEASES

Ms. Kabat stated that Stella's and Casa Baron are requesting renewal of their sidewalk leases. The leases would be for a one year period at a rate of $25.00. Mr. Mackin suggested that we may want to consider increasing the fee in subsequent years. He said this is good for business and good for the community, but there are some costs involved with it. Mr. Kevern noted that the better the business does, the better the City does. Ms. Kabat stated that the Administration can make a recommendation for next year. The Committee agreed 2-0 to recommend approval of the one year sidewalk leases with Stella's and Casa Barron at a rate of $25.00.

EXPENDITURES > $5,000

The Committee reviewed expenditures greater than $5,000 for the month of February. Mr. Kevern asked about the payment to Thomas Shelby & Co. Mr. Creps said that the payment is for radio towers. Ms. Kabat said they should be installed this spring. Mr. Mackin questioned the payment to Willard & Kelsey Solar Group. Mr. Creps said the check has been cut for the 2011 Jobs Grant, but it has not been issued. Mr. Bronder said that the company met the qualifications of the Jobs Grant agreement for 2011, but did not for 2012. He had a conversation with them and has a letter prepared regarding termination of the Jobs Grant. There was a discussion regarding whether the check should be sent to Willard Kelsey. Mr. Mackin and Mr. Kevern stated that they want to do whatever the City legally needs to do, but they recommend holding the check until the Administration and legal counsel determine if we have to issue it given the current condition of this entity. Ms. Kabat said that they will meet internally to discuss this issue.

HEALTH INSURANCE FUNDING

Mr. Creps reported that the balance in the Health Insurance Fund as of February 28th was $363,206.96. He said there are a couple of cases that our third party administrator is working on to rein in our costs.

OHIO POLICE AND FIRE PENSION

Mr. Creps stated that the pension contribution rate for members is increasing each year for the next three years. The City withholds this amount and then sends it to the Ohio Police and Fire Pension Fund. The City, as the employer, is designated as “picking up” the pension contributions. This does not mean the City pays for it, it means we pay it on the employees’ behalf which allows the amount to be tax deferred for the employee. Due to the rate increases, we need to pass two resolutions, one for police and one for fire, that encompass the rate increase for all three years. Mr. Mackin asked what effect this will have on taxpayers. Mr. Creps said it has no effect on taxpayers. Mr. Mackin clarified that the City is not changing anything they are doing. Mr. Creps said that is correct. The Committee agreed 2-0 to recommend approval of these resolutions.

RENEWAL OF DENTAL INSURANCE

Mr. Creps said that the City has a self-renewing contract with Delta Dental. They have offered a one year contract with a reduction of 3.8% or a two year contract with a 1.3% reduction in rates guaranteed for both years. The Administration recommends locking in the rate reduction with the two year contract. The Committee agreed 2-0 to recommend approval of the two year contract with Delta Dental given the various potential impacts.

2013 BUDGET – FIRST AMENDMENT

Ms. Kabat called attention to the summary of changes included in the first budget amendment that was distributed to Committee members. Mr. Mackin stated that the policy has been to not push through items that did not go through the budget process, and normally the budget amendment includes only carryovers or new items that cannot wait. Ms. Kabat said that there only two items that she feels do not meet that criteria. The first is the replacement of the back-up medic unit. This item was scheduled for replacement in 2014 but it is out of service and the 2008 medic has been consistently out of service due to break downs. Repair costs are estimated to be $15,000 to $25,000. It will take nine to ten months to get a new medic unit into service. The second item is a digital recorder for the Police Division. The existing system is ten years old and the technology is so old that we cannot upgrade the system. For $12,500 we can put in a security system with the latest technology that will cover the parking garage, the sally ports at the court building and the police division, and a portion of the parking lot by the parking garage. Mr. Creps said that the budget amendment includes putting $818,000 in the Reserve Fund which is the maximum allowed. It projects a balance of almost $2 million in the General Fund after paying off all General Fund debt.

The Committee agreed 2-0 to recommend approval of the first amendment of the 2013 Budget.

TAX COMMISSIONER'S REPORT

Mr. Bronder reported that income tax collections for the month of February are up 1% over the same time last year. He said that year to date we are up 3% from last year. He said the Income Tax office will be having extended hours in April to assist taxpayers with filing their returns.

OTHER BUSINESS

Mr. Mackin stated that there is a link to the Ohio Ethics Committee for the Financial Disclosure Statement. It is https://disclosure.ethics.ohio.gov/file/Account/Login.aspx.

Mr. Beredo said that according to the charter, all contracts need to be authorized by City Council. He said that many of those contracts are zero dollar contracts. Mr. Beredo gave an example of a rebate agreement with First Energy where the City would actually receive money back. He said that the Administration is trying to develop an ordinance that would appropriately give the Mayor and Finance Director the authority to enter into this type of contract. Ms. Kabat noted that some of these issues are time sensitive and the question is how we expedite those types of items. Ms. Kabat said that this will be discussed further internally and will come back to the Committee.

There being no further business, the meeting adjourned at 6:11 p.m.

The next regularly scheduled meeting is Tuesday, April 9, 2013 at 5:00 p.m.

Respectfully submitted,

Tom Mackin
Chairperson, Finance Committee