FINANCE COMMITTEE

MARCH 10, 2015

The meeting was called to order at 5:03 p.m. by Chairman Tom Mackin. Committee members present were Jim Matuszak, Tom Mackin, and Todd Grayson. Also present were Bridgette Kabat, City Administrator, Mathew Beredo, Law Director, David Creps, Finance Director, Tim Fisher, Deputy Finance Director, Steve Bronder, Tax Commissioner, and Dan Paez, Police Chief.

ANNUAL MAINTENANCE AGREEMENT-PROPHOENIX-POLICE DIVISION

Dan Paez, Police Chief, was present to update the Committee on his intent to continue a contract with Prophoenix again for next year. The cost of $29,789.66 is an increase of 3% from the previous year. He feels they do a good job in spite of the increased cost. Mr. Grayson asked about the consequences of non-renewal. Chief Paez said there was no shut-down cost involved with this company. There was a discussion about whether other options are available and potential costs involved if they switched to a different company and then returned to Prophoenix again in the future. If they returned to a contract in the future after a non-renewal, they would have to pay an additional cost of the period they weren't under contract. Also, if they chose to go with another company there would be a transfer cost of approximately $100,000 to $300,000 to cover the cost to transfer information to a new system. The reason for discussion in this meeting is the March 29 expiration date that they need to renew by. Mr. Mackin asked if Mr. Matuszak, the Service-Safety Committee Chair, approved of this action, he said yes. The Committee agreed 3-0 to recommend approval.

FINANCE DIRECTOR'S REPORT

The committee reviewed expenditures over $5,000 for the month of February. Mr. Matuszak asked about Fort Meig's Road project, and why there were 2 different bills for appraisal services. Ms. Kabat replied that they were getting the required 2nd appraisals done and were planning to meet with homeowners to discuss the project with them.
Mr. Creps reported that the balance on the health insurance fund is up as is normal for this time of year.

BUDGET UPDATE

Mr. Mackin noted there were no funds in reserve for a new fire station. He suggested a portion of the expenditures that were set aside for Riverside Park, could be put aside for either a new fire station or improvements to the existing fire station. He indicated that he and Ms. Kabat had met and agreed that of the 2.2 million set aside that perhaps an amount of $700,000 could be taken and set aside for future fire station needs.
Mr. Grayson said that if we considered the cost of a new fire station to be 2-3 million each, so about 5 million to put in 2 fire stations, that wasn't a big deal. He doesn't think that money needs to be set aside for this. Mr. Mackin replied that 5 million is a lot of money and that it's better to plan ahead to avoid long term debt. It is reasonable to assume that this need is on the horizon. Mr. Grayson said he wasn't worried as much about saving for this now, but the operational costs of a new fire station could be prohibitive. Mr. Mackin stated that he prefers to balance this new station cost with the Riverfront project so as to not have to come up with both the new station and operating cost at the same time. He said that administration would like to proceed with it as they have presented it. Mr. Matuszak said although we don't know 2 stations are a given to begin with, that the right level of Fire and Police coverage are among his key concerns. He proposed the entire 2.2 million to be reserved for Fire and, if it wasn't used, the remaining amount to be used for the Riverfront project. Mr. Mackin moved the 2.2 million to be split, with 1.5 million for Riverside Park and $700,000 for a new fire station. Seconded by Mr. Matuszak. Ayes: Mackin, Matuszak (2). Nays: Grayson (1)
Mr. Mackin asked if there were additional budget questions. Mr. Grayson said concerning the Carronade Roundabout, that he questioned the value of using our own money to chase after grant money. Ms. Kabat responded that we had about $65,000 remaining to pay the design group, Poggemeyer for the original design. Another $16,000 was for improvements that were required by ODOT. While the estimated cost for the Roundabout was $700,000 we could expect to receive about $150,000 to $160,000 if we were awarded the grant, which looked favorable. Mr. Grayson said he was willing to let his argument die if no other council members had issue with it. Mr. Mackin moved to accept the 2015 Budget as proposed. Seconded by Mr. Matuszak: Ayes: Mackin, Matuszak (2). Nays: Grayson (1).

TAX COMMISSIONER'S REPORT

Steve Bronder reported that for the month of February the Tax Division collected $1.1 million dollars, up 6% from the same period last year. Mr. Matuszak asked if it was expected that January revenues would exceed February revenues. Mr. Bronder said that was normal because January was one of 4 quarterly reporting months and people had a January 31 deadline to make 4th quarter estimated payments.

Mr. Mackin made a motion to go into Executive Session to discuss the possible purchase of real property. Mr. Grayson seconded and at 5:37 p.m., the Committee went into Executive Session.

The Committee returned from Executive Session at 5:52 p.m. and there being no further business, the meeting adjourned.

Respectfully submitted,

Thomas G. Mackin

Tom Mackin, Chairman
Finance Committee

Next regular meeting: Tuesday, April 14, 2015 at 5:00 p.m.