FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE

FEBRUARY 27, 2017

The meeting was called to order at 5:00 p.m. by Chairman Jim Matuszak. Committee members present were Nelson Evans, Jim Matuszak and Tim McCarthy. Also present were City Administrator Bridgette Kabat, Law Director Karlene Henderson, Finance Director Dave Creps, Deputy Finance Director Tim Fisher and Tax Commissioner Steve Bronder.

REAL ESTATE

The Committee went into Executive Session at 5:02 p.m. to discuss real estate. The Committee returned from Executive Session at 5:19 p.m.

FINANCE DIRECTOR'S REPORT

The Committee reviewed expenses over $5,000 for January. There were questions regarding the city credit card, specifically, whether there were any transactions paid with the credit cards that the committee should be aware of. Questions were also asked regarding court building improvements and leaf disposal. Mr. McCarthy said there were $210,000 in court building improvements in 2016 and another $200,000 is budgeted for 2017. Mr. Creps said that he's not sure what remains to be done. He said that nothing was done to the building for years and they are painting, carpeting and replacing ceiling tiles. Ms. Kabat added that there are internal and external security measures dictated by the Ohio Supreme Court some of which have been done, but others that have not been completed. She said that she would get a list of those improvements and send it to the Committee. Mr. Matuszak asked about the nature of the work that was done by Tetra Tech for Hood Park. Ms. Kabat explained that it was for a preliminary cost estimate and draft layout for the item in the proposed budget amendment. There was discussion regarding the philosophy of spending money on such matters prior to proposing projects and their estimated costs to complete. Mr. Matuszak also asked about the sewer work at Riverside Park. He asked if there would be any more bills associated with work and he requested a total cost for those repairs. Mr. Matuszak asked about a payment for the Carronade Drive/Eckel Junction Road roundabout. Ms. Kabat said there are still payments to come on that project because the punch-list has not been completed yet by the State.

Mr. Creps reported that the balance in the Health and Welfare Fund as of January 31, 2017 was $438,816.38. He said the fund balance has remained somewhat steady and as of March 1, employees' share of the insurance will increase.

RESOLUTION OPPOSING CENTRALIZED COLLECTION OF MUNICIPAL INCOME TAXES

Mr. Bronder called attention to a draft resolution sent to the Committee. He explained that the Governor of Ohio has o out with his two-year proposed budget, which includes a proposal to alleviate the compliance burden for businesses operating in Ohio by having them file all municipal income tax returns and pay the related income taxes on their net profits with the Ohio Department of Taxation (now being referred to as "centralized collection"). The draft resolution strongly opposes this proposal. Mr. Bronder said that if this measure is approved, the City has a potential loss of revenue because the State would keep a 1% administrative fee. Mr. Bronder said the City would also have a loss of control on that revenue stream and if we start down this road, there could be further consequences to the City of Perrysburg. Per the Governor's fact sheet that was distributed to the Committee, filing would be completed through the Ohio Business Gateway. The Ohio Business Gateway has been in use for several years for filing various types of Ohio tax returns and for paying the related taxes online. He questioned why centralized collection should be mandatory when the Ohio Business Gateway is already available and its use is in-part, voluntary. Mr. Creps claimed that the Ohio Business Gateway is currently underutilized because it has not proven to be a good product. Mr. Matuszak added that the Ohio Business Gateway does not alleviate the taxpayers' burdens of accumulating and compiling the data needed to file net profits returns anyway. It simply provides another means of transmitting the information and arranging payment. Mr. Bronder admitted that some of the compliance complexities that existed in Ohio for taxpayers filing returns with Ohio municipalities were eliminated with the enactment of House Bill 5, which provided a greater level of uniformity among the municipalities. Mr. Creps added that if filing and collection is centralized in Columbus, then the City of Perrysburg would lose all control of the process and would not, for example, have the ability to check or audit returns. Mr. Matuszak predicted that centralized filing and collection would cost the City of Perrysburg more than 1% of collections because compliance would almost certainly go down. The Committee agreed 3-0 to recommend approval of the Resolution opposing centralized collection of municipal income taxes.

TAX COMMISSIONER'S REPORT

Mr. Bronder reported that collections for January were $1.7 million which is an 11% decrease from January 2016. He said that this decrease was not unexpected since we dealt with timing issues throughout 2016 because of the change in due dates and the threshold for monthly versus quarterly withholding payments.

2017 BUDGET DISCUSSION

Mr. McCarthy said that they talked about the Land Use Plan update at the Planning and Zoning Committee meeting and he already touched on court building improvements. Mr. Matuszak requested conformation that the ending balance in the 404 fund is projected at $500,000 after taking into consideration the proposed additional $935,000 in park expenditures. Rick Rettig, speaking from the podium, said that he expressed his concerns to the Administration about moving forward with Hood Park improvements without first completing Riverside Park. He said that we need to get feedback from citizens on what they like or don't like about Riverside Park after it is finished. Mr. Evans said that he doesn't necessarily disagree with Mr. Rettig's comments, but he thinks we should continue to look at the parking at Hood Park notwithstanding the status of the current Riverside Park project. Mr. Evans asked when Riverside Park is expected to be finished. Ms. Kabat said that according to the contract it should be done by the end of May. Mr. Matuszak noted that even if the $935,000 proposed for Hood Park is struck from the budget, it would remain in the general fund as a component of the ending unappropriated balance. Mr. Creps confirmed as much and said that an amendment to the budget could be made at any time during the year with respect to those or any other funds if that is what City Council chooses to do. Ms. Kabat asked the Committee to email her if they have any other questions.

OTHER BUSINESS

Ms. Henderson said that she tightened up the language regarding food truck vendors and will send it out to the committee.

There being no further business, the meeting adjourned at 6:05 p.m.

Respectfully submitted,

Jim Matuszak, Chairman
Finance and Economic Dev. Comm.

Next meeting: Thursday, March 16, 2017 at 5:00 p.m. which is a change from the regular date.