FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE

JANUARY 25, 2016

The meeting was called to order at 5:00 p.m. by Chairman Jim Matuszak. Committee members present were John Kevern, Jim Matuszak and Tim McCarthy. Also present were Dave Creps, Finance Director, Tim Fisher, Deputy Finance Director, and Steve Bronder, Income Tax Commissioner.

REVOLVING LOAN FUND

Mr. Creps began the meeting by sharing his understanding of the Revolving Loan Fund (the "RLF"), including among other things, its inception back in the 1980's when the RLF was initially funded with CDBG money for a business that wanted to build in Perrysburg. At the time, the site where the business owners wanted to build in Perrysburg was not suitable for building and the company chose to move to an alternate site in Maumee. The CDBG money that was awarded to the business was split between the City of Perrysburg's RLF and one that was set up by the City of Maumee. The loans were eventually repaid and have since been available for subsequent applicants. Mr. Creps said that he believes that the RLF has since been funded by three other grants. When asked, he said that the balance as of December 31, 2015 was $761,288 and that there was approximately $67,000 in outstanding loans.

There was discussion regarding the general make-up of the RLF committee and those currently serving on the committee. Mr. Creps further explained that plan documents require that 2/5 of the committee be city officials. Mr. Matuszak asked how the RLF committee members voted on the use of RLF funds for Riverside Park and if there is a prescribed procedure for such votes. There was discussion as to how the vote actually took place and Mr. Creps said he would look to see if there is anything that states how a vote is to be taken. Mr. Matuszak said that he recalled someone saying that if the city doesn't use the RLF funds the State of Ohio can take them back. Mr. Creps confirmed that that is in fact the case. Mr. Creps did acknowledge, however, that the RLF funds have been available for quite a long time and that he has no specific reason to believe that the state has any more reason to reclaim the funds now than they have had in the past.

Mr. Matuszak asked if any effort is being made to let qualifying businesses know that the funds are available. Mr. Creps said that businesses and lenders have been contacted and that both he and Glenn Grisdale, the city's economic development consultant, receive a steady stream of inquiries.

Mr. Matuszak distributed a proposed ordinance that contains language to be added to Section 220.05, Rules of Council, regarding any legislation which requires council approval in connection with the Revolving Loan Fund. Mr. McCarthy suggested that the word "city" be substituted for the word "administration" where it appears in Section 1 of the proposed ordinance. The Committee agreed 3-0 to recommend approval of the ordinance as modified by the committee.

QUARTERLY INVESTMENT SUMMARY

Mr. Fisher distributed a report of the city's investments for the quarter ended December 31, 2015. He noted that we had a couple of CD's that matured and were reinvested. He said there is nothing material to report; we are still collecting less than 1% interest. Mr.

Matuszak noted that according to the report it appeared that the city's expenditures exceeded its revenues by roughly $2 million during the fourth quarter. Mr. Creps said that that was a fair representation. He explained that notes and bonds typically come due at the end of the year requiring the use of additional funds. Mr. Matuszak asked how the balance as of December 31, 2015 compared to the balance as of December 31, 2014. Mr. Creps said that he thinks it is down a little.

FINANCE DIRECTOR'S REPORT

The committee reviewed the list of expenditures over $5,000 for December 2015. The committee had questions regarding the payment for security at the Wastewater Treatment Plant, how the hotel tax is distributed, and the timing of payments to the assistant prosecutor and the disbursements for various resurfacing projects. Mr. Matuszak asked if we necessarily wait until the end of the year to pay for the resurfacing. Mr. Creps said the city pays its bills once the bills and all required information such as the prevailing wage information is received. Mr. Matuszak asked if the payment to the Edge Group was the final payment for preparation of Riverside Park plans. He also asked which line items in the budget will be charged for the payments to Klumm Brothers. He further asked if there were one or more contracts with the Klumm Brothers for the demolition and, if so, the dates of each. Mr. Creps said he would find out answers to those questions.

Mr. Creps reported that the balance in the health insurance fund as of December 31, 2015 was $469,461.12. He said it was a very good year; claims were down.

TAX COMMISSIONER'S REPORT

Mr. Bronder reported that income tax collections for December 2015 were almost $1.2 million dollars which was an increase of 8% from the same period a year ago. Collections for 2015 were $17.4 million which is up 4.1% from 2014. Mr. Kevern asked if that amount is net of refunds. Mr. Bronder said that it represents gross collections and refunds tend to be around $500,000 a year. Mr. Matuszak asked what the 2015 budgeted amount was for tax collections. Mr. Bronder said the budgeted amount was $16,750,000 (so the city's 2015 tax collections exceeded the budgeted amount by approximately $650,000).

Mr. Bronder requested approval of an ordinance amending Section 246.02, Tax Commissioner's General Duties. The section states that the tax commissioner is responsible for receipting and collection of taxes under Chapters 890 and 896. Mr. Bronder explained that Chapter 896 pertains to the Hotel Tax and all references regarding responsibility for such taxes are to the Director of Finance and, therefore, the reference to Chapter 896 should not be included in Section 246.02. Mr. Bronder stated that the other change that needs to be made to Section 246.02 is to add a reference to Chapter 891, which was created last year when the statewide municipal tax code was updated. The committee agreed 3-0 to recommend approval of the ordinance amending Section 246.02 to delete the reference to Chapter 896 and to add the reference to Chapter 891. This is not an emergency measure.

OTHER BUSINESS

Becky Williams said that the recreation committee had referred the issue of using RLF funds for Riverside Park to the finance committee and she wondered if the committee was going to discuss that. Mr. Matuszak said that the finance committee would address the matter after council addresses the proposed ordinance he introduced to the committee earlier in the meeting. Mr. Creps said that at some point legislation might be presented to city council requesting approval of a waiver permitting RLF funds to be used for ADA accessibility at Riverside Park. Mr. McCarthy stated that when and if it does show up on a council agenda it will have to come back to the finance committee.

There being no further business, the meeting adjourned at 5:49 p.m.

Respectfully submitted,

Jim Matuszak, Chairman
Finance Committee

Next meeting: Monday, February 22, 2016 at 5:00 p.m.