

Minutes of Perrysburg Finance and Economic Development Committee

Meeting Held January 9, 2024

CALL TO ORDER - 5:30 PM

The meeting was called to order at 5:31 p.m. by Chairman Mark Weber.

ROLL CALL

Committee members present were Cory Kuhlman, Tim McCarthy, and Mark Weber. Also present were City Administrator Joe Fawcett, Finance Director Amber Rathburn, and Income Tax Commissioner Steve Bronder.

APPROVAL OF 12/12/2023 AND 12/19/2023 MEETING MINUTES

There being no objections, the minutes of the December 12 and December 19 committee meetings were approved.

INCOME TAX COLLECTIONS REVIEW - TAX COMMISSIONER

Mr. Weber asked Mr. Bronder to give some history regarding the anomaly in tax collections that has been referred to at numerous meetings over the last couple of years. Mr. Bronder explained that businesses are able to opt into the State of Ohio's centralized filing system through the Ohio Business Gateway. He stated that for companies that operate in multiple cities, it provides an alternative to having to file with each community. Mr. Bronder explained that the City does not receive a return for the businesses filing this way, the State just passes the funds along to the City. He said that in February of 2022, the City received a payment of \$1.2 million dollars. Based on prior history for that particular business, Mr. Bronder cautioned that we would probably have to refund a large portion of the payment. In November of 2022, the City refunded \$835,000 to the State. However, the payment skewed collections for comparison purposes. Mr. Bronder reviewed tax collections for the month of December, 2023. He said that they collected \$1.8 million for the month, which is up 17% over December of 2022. He said that collections for the year ended December 31 were \$26.6 million which is up 2.3% over 2022 including the large payment discussed earlier. Mr. Bronder said moving forward the year to year comparisons should smooth out.

Mr. Kuhlman asked about the State administrative fee. Mr. Bronder said the fee was challenged, and the courts said the State could not charge the cities an administrative fee so that ended after about eight months.

REQUEST OF 2024 BUDGET ADJUSTMENTS

Ms. Rathburn explained that the three budget adjustments requested have already gone to the Public Utilities Committee and they have recommended approval, but according to the Code, the Finance Committee has to review the budget amendments. She said the \$1.3 million for the Fifth and Sixth Street water main replacement was in

the 2023 budget, but the bid opening was not done in time to do a purchase order in 2023, so the funds need to be reallocated in 2024. Ms. Rathburn explained that the proposed trench box was not included in the budget, and this is part of a reimbursable grant from the Bureau of Workers' Compensation. We have to pay for the trench box and then we will be reimbursed. The third budget amendment is for the purchase of a 2023 Jeep. This is to replace a vehicle that was totaled, and we received over \$26,000 from the insurance company. Mr. Weber asked if the trench box will be split between the water and sewer funds, and Ms. Rathburn said that it will be, as will the vehicle purchase. The Committee unanimously recommended approval of the budget amendments.

THEN AND NOW PURCHASES

The Committee reviewed the list of Then and Now purchases. Ms. Rathburn explained that purchases over \$3,000 that are made before a purchase order is approved need to be approved by City Council. The Committee unanimously agreed to recommend approval of the Then and Now purchases in the amount of \$13,283.63.

FINANCE DIRECTOR'S REPORT

Expenditures > \$5,000

The Committee reviewed the list of expenditures over \$5,000 for the month of December. Mr. Weber asked if the payment made to TMACOG for dues is an annual amount, and Ms. Rathburn said that it is. Mr. McCarthy asked about the payment to Zashin & Rich. He asked what kind of work they are doing for the City since Ms. Chalfant told him they are not doing negotiations. Mr. Kuhlman said that he believes they are handling other personnel matters that City Council has been briefed on. There were no other questions.

Health Insurance Fund

Ms. Rathburn said that the Health Insurance fund had just over \$1.9 million at the end of 2023. She said that having this balance allowed the majority of the rate increase to be absorbed.

Quarterly Investment Update

Ms. Rathburn reported that the City had investment income of \$831,208 for the fourth quarter of 2023. She said that for 2023, interest income was over \$2.5 million dollars. The Committee thanked Ms. Rathburn for providing this update.

Quarterly Public Purpose Expenses

Ms. Rathburn explained that she did not distribute a separate report for public purpose expenses because the items were all included in the credit card reports. She said that the only items were two lunches for \$88 and \$89 dollars during arbitration, the service awards which was \$1,923.56, and holiday tree decorating expenses of \$82.50.

OTHER BUSINESS

Ms. Rathburn gave an update regarding hotel tax for short term rentals (STR's). She said that the Law Director, Deputy Finance Director, and herself did some research on software to track STR's. She stated that based on this research, it would not be financially feasible to purchase software to track them. She said that she looked today and there were only 13 STR's listed on VRBO and Airbnb in Perrysburg. She explained that one of the companies that made a presentation regarding software said that if the properties they saw listed for Perrysburg were occupied 59% of the time at \$156 a night, it would generate an estimated \$25,000 in hotel tax. The City's portion of that would be \$10,000 and the fee for the software would be \$8,000 which does not include any staff time. There was a brief discussion regarding the zoning issues of STR's, and Mr. McCarthy said the Planning and Zoning Committee could discuss it again.

ADJOURNMENT

There being no further business, the meeting adjourned at 5:52 p.m.

Respectfully submitted,

Mark Weber
Chairman, Finance and Economic Development Committee

The next meeting is scheduled for Tuesday, February 13, 2024 at 5:30 p.m.