

FINANCE COMMITTEE MEETING MINUTES

November 13, 2023

Mr. Stelmaschuk called the **FINANCE COMMITTEE** meeting to order at 6:30 p.m.

Attendance

COUNCILORS PRESENT: Mr. George Stelmaschuk (Ward 3 Councilor, President Pro-Tem)
Mr. Thomas Pavlica (Ward 1 Councilor)
Mr. Glenn Goodwin (Councilor At-Large)
Ms. Jennifer Mahnic (Councilor At-Large)
Mr. Joe Price (Councilor At-Large)
Mr. Robert Boldt (Ward 4 Councilor, President)
Mr. Brian Wolf (Ward 2 Councilor)

OFFICER(S) PRESENT: Mr. Samuel J. Alai (Mayor)
Mr. Dave Pfaff (Finance Director)
Ms. Amanda Hutcheson (Parks & Recreation Director)
Chief Jeffrey Hajek (Fire Chief)
Mrs. Helen Dunlap (Clerk of Council)

OFFICER(S) ABSENT: Mr. Vince Ruffa (Law Director)
Mrs. Kathy Parsson (Human Services Director)
Mr. Joe Mandato (Chief Building Official)
Chief Steven Raiff (Police Chief)
Mr. David Schroedel (Service Director)
Mr. Eugene Esser (Interim City Engineer)

NEW BUSINESS

Mr. Price moved to approval of Law Director (Vince Ruffa) invoice in the amount of \$3,508.00 and Asst. Law Director (Joe Grandinetti) invoice in the amount of \$428.00 for October; seconded by Mr. Stelmaschuk. All voted in favor. The Law Director and Asst. Law Director invoices are approved.

2024 Appropriations

Mr. Pfaff stated that he sent out the proposed appropriations along with a summary of those appropriations. He will touch on some of the highlights and if there are any questions, we will go through those. With revenue we have been doing really good the last couple of years. Income tax was up 10%. He believes that the reason for that mostly is because of the people working from home. We have a couple taxpayers, specifically Key Bank and Progressive are

paying us withholding taxes and they don't have a presence in the city so you can figure from that that people are working from home. We are looking good there but he doesn't think that is going to continue to rise and he thinks that it is going to level off. You are starting to have people that are starting to go back into the office. The other wild card with that is that we don't know what the state is going to do with income taxes because you are having the larger cities that are losing employees and are complaining that they are losing revenue. The other big item that we have is the interest income. We are bringing in less than 1% and occasionally he was able to buy treasuries as 2%-3% and then all of a sudden Star Ohio was paying 5%. We have everything in Star Investments now but they are starting to talk about dropping rates so he will try and go out now and get some 2 year treasuries in the 4.5%-5% range. This would give us a good revenue of interest income for the next couple of years. Based on that his revenue is still conservative and we are looking at \$23.4 million in revenue and the proposed appropriations is about \$23.2 million so we are looking at about a \$200,000 surplus.

Mr. Pfaff continues with the appropriations and stated that the largest amount is wages and they are in negotiations with everybody right now so he estimated where we are going to end up. That number is not a firm number and it could change but he is probably on the high side hopefully.

Mr. Stelmaschuk asked if that varies from department to department.

Mr. Pfaff stated no because he pretty much started with a 5%.

(With internet/wifi issues, the recording stopped and the following minutes are from the Clerks notes).

Mr. Pfaff stated that he has estimated the increase to healthcare at about a 10% increase. This also accounts for some employees going from opting out of healthcare and now opting in and some employees going from single coverage to family coverage.

Mr. Goodwin asked about the increase in income tax which has been about \$3 million over the past 3 years.

Mr. Boldt stated that the increase is because you pay where you are working and with so many working from home that has increased our income tax.

Mr. Pfaff continued with the departments and talked about the increase in cost for equipment purchases.

Mayor Alai stated that the General Fund is high right now.

Mr. Pfaff stated that they are going to try for a better Bond rating.

Mayor Alai asked about sweeping accounts which we used to have when Linda Pertz was the Finance Director.

Mr. Pfaff stated that they don't use them now. He continued with the Police Department stating that they purchased vehicles this year but they won't be paid for until next year and they will also be purchasing computers, body armor, Tasers, body shields and other emergency response items.

Discussion continued with the Recreation Levy Fund and that they need to start putting money aside for when the Operating Levy expires especially if we are taking from the General Fund to add to this department budget.

Mr. Pfaff continued with the Building Department and that they will be looking to purchase a vehicle next year along with hiring a part-time Certified Building Inspector.

Mayor Alai stated that the Medical Coverage is under budget this year.

Mr. Pfaff stated that in the City Council there are no major changes and are projecting an increase in wages and in the Mayor's Office they are projecting an increase because the Resident Services Coordinator is requesting to hire a full time assistant.

Mr. Pfaff continued with the Finance Department stating that some of the changes have to do with one of the employees previously being paid from other funds and now those funds will continue in the Sewer Maintenance Fund since that employee was spending less than 50% of the time with sewer billing. Computer upgrades come out of this department budget and we are looking at server upgrades and updates to computers. Our Property and Casualty insurance is also going to be increasing. Mr. Wolf mentioned to look into VM Wear and that pinsurance covers cloud based solutions.

Mr. Pfaff continued with the Human Services Department. There is a projected increase due to the purchase of a new van but it will only be purchased if we receive a grant.

Mr. Pfaff stated that the Law Department has an increase for wages and extra billings and Engineering is projecting an overall increase of approximately 5%.

Mr. Pfaff continued with the Service Department stating that their general operations are accounted for from the General Fund, Sewer Maintenance Fund, Storm Sewer Fund and partly in the SCMR Fund and the State Highway Fund. He is projecting an increase in Health Coverage and maintenance on equipment, land and building expenses being higher. They are anticipating equipment purchases and upgrades to different things in the building. The Circle Buildings are also in need of some renovations.

Mr. Stelmaschuk asked about the cost of the Wallings Road Project.

Mr. Pfaff stated that it is presently \$868,000 above the estimate.

Mayor Alai stated that they will be talking with ODOT tomorrow about how to lower the cost and possibly do it in phases and instead of maintaining traffic over the bridge throughout the project that perhaps a detour so that they can work on the bridge and get the timeline down so that funds could be saved.

Mr. Pfaff stated that the Street Construction Fund which includes the Road Program does not include the income from the gas tax which is about \$100,000 for the roads.

Mr. Pfaff continued with Recreation where they are looking to increase the number of lifeguards so wages will increase. They are looking to purchase some equipment and replace the fitness center flooring, maintenance on the pool pumps and do some splash park upgrades.

Mr. Boldt asked how long the operating levy funds will still be coming in and how much do we receive from that.

Mr. Pfaff stated that they receive approximately \$470,000 per year from the operating levy.

Ms. Hutcheson stated that we are in year 5 of a 15 year levy.

Mr. Boldt stated that they better begin to set some of those funds aside because he doesn't think that the residents will support continuing to pay for this.

Mr. Pfaff continued with the Fire Department stating that the Charter mileage for the Fire Department is not enough and that that we will be transferring funds to cover expenses. They will also be ordering another chassis for the squad because it takes approximately 2 years to get it complete but before it can be ordered the funds have to be in the account.

Mr. Pfaff continued the discussion regarding the TIF Funds. As of right now we are receiving funds for the Royalton Road traffic light by Aldi's.

Mr. Stelmaschuk stated that they can do a first reading next week and if council has any questions they can give Mr. Pfaff a call during the week.

MISCELLANEOUS

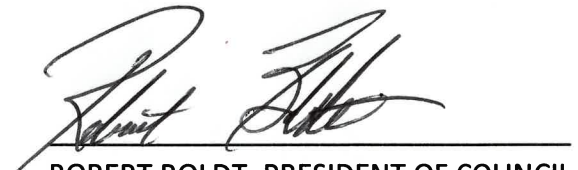
None this evening.

ADJOURN

Mr. Stelmaschuk stated with no further business to come before the committee, this meeting is adjourned.

The time was 7:26 p.m.


HELEN DUNLAP, CLERK OF COUNCIL


ROBERT BOLDT, PRESIDENT OF COUNCIL