February 20, 2020

Finance Committee Meeting

Board Members Present

Board Members Not Present

Jerry Tarolli
Pat Hovis
Gabe Below, Chairman

Guests

Cole Hatfield, Auditor
Lisa Sarty

The meeting was called to order at 0:00 p.m.

Review of minutes: None

Old Business

None

New Business

Cole Hatfield

Municipal Purposes: Majority of this is street lighting, streets, alleys and sidewalks costs

Main Thoroughfare – Majority of this is street resurfacing. Typically the major roadways (Perry, Jefferson, Madison, Sixth and Fourth Street).

State Highway – Perry Street signs and markers.

Second and Laurel Street TIF (Tax Increment Financing) – Created in 2008, 10 year TIF (always behind a year). 2019 was the last year the City received revenue from the TIF. Due to the housing crisis, the City will have to pay $150,000.00 out (estimated).

Street M&R – Street Department – Flat compared to last year. There are some increases due to wage increases and health insurance.

DUI Enforcement – Little to no income.

Madison Street Reconstruction – Project completed.

Industrial Park – $31,000.00 in fund. No revenue to this fund. The purpose of this fund for the industrial park improvements on Park Drive. This fund cannot be used for City owned property. Only for someone who is, looking to do an expansion that is not City owned.

Drug Law Enforcement – Flat comparted to last year.

Law Enforcement – Flat compared to last year.

Harbor Patrol – Flat compared to last year. Receives a grant from ODNR.

FHA HPG Revolving – Loan fund established many years ago. Does receive some revenue. Established to provide low to zero interest loans for properties needing repairs. If individual lived / owned home would receive principal forgiveness on all or portion of the loan. Revenue received has met all obligations – when they go to sell or refinance the home any principal remaining is returned to the City.

City Beautification – Budget is same as last year. Fund is for trees, tree removal and park flowers.

Water Enterprise – Small decrease from last year. We are no longer paying on the water tower. The City will save $50,000 this year due to a decrease paid to Ottawa County Regional Water. Due to less than anticipated, operational cost this year.

Sewer – Small increase from last year.

Security Water Deposits – Currently $5,000.00. This fund is typically $10,000 or $15,000.00. Decrease is due to historical use. Not a lot of new customers.

Jet Express Solar Project – Project completed.

Income Tax – Operations of income tax department. After expenditures are paid - 90% of this fund goes to general funds and 10% goes to municipal purposes.

Unclaimed Funds – majority is income tax returns not claimed. Only used to those that claim their funds.

Total $13,690,301.41 budget for all funds - with a Net Appropriations of $10,988,201.41.

There has not been fund set up for Jefferson Street Project due to waiting for final contractor estimates. Majority is covered by ODOT funding and OPWC funding. The City portion will be about 5%. The City has a bond to pay the share of these costs.

Q & A to Mr. Hatfield

Gabe Below

Personnel Service for income tax. Per Mr. Hatfield this includes Ms. Daft and Mrs. Monak (wages, taxes, fringe benefits contribution to PERS, health insurance).

Other – Office supplies, equipment, E-GOV system

Front office personnel -
Jamie Kennedy is paid out of the Sewer Department
Julie Frattaroli is paid out of the Water Department
Alana Sutherland is paid out of the General Fund

Jerry Tarolli

Police Department vehicle purchases is under the "Other" fund. Yes, per Mr. Hatfield. Are they looking to purchase any additional vehicles? Mr. Hatfield advised that there might be one additional vehicle requested.   The timing is not yet determined.
Are there grants available for vehicle purchases? The only grant available is through the USDA. The grant runs on a federal fiscal calendar. If you get a grant and still need a loan, you are required to get the loan from them. Their rates are typically higher than other opportunities.

Fire Levy is $232,200.00 is this what the City generates each year. Yes, the City also generates another $200,000.00 from contracts from various townships.

Pat Hovis

No questions

Gabe Below

Is there any additional funds that are not appropriated besides the Jefferson Street project? No.

Fund balance estimated for this year. Per Mr. Hatfield $700,000.00

Depending on how Council goes on the infrastructure project the service fee on utility bills, there will be a completely separate fund created to be utilized. Therefore, it is properly accounted for.

Any new equipment purchases or renovations. Per Mr. Hatfield has not made any recommendations to Council at this time. The City needs to have a year to build up their reserves before making any large purchases.

Water / Sewer any new vehicle purchases. There is a water utility truck that is being built currently. Appropriations were made last year for this vehicle.

There may be additional meter purchases. That has been undecided at this time.

What is the infrastructure project today after the USDA meeting? Mr. Hatfield's understanding is the goal is to institute the service fee charge in July this year. Then collaborating with a firm to seek out additional financing. Project has been split into two sections: Plan A (above ground) and Plan B (below ground). Plan B is first then Plan A will follow. Use the service charge to fund the obligation for Plan B. Then seeking out a vote from the people for Plan A. Not sure if that will be on a levy or assessment. The service fee is controlled by Council. Council controls Water and SSD controls the Sewer.

Will the new service fee be split between water and sewer? Per Mr. Hatfield, no, it will be a separate line item.

Cole Hatfield

The City is currently working on walkway project at Waterworks Park. The US Army Corp of Engineers has advised that since we are disturbing the navigable waterway. We may be required to do permit fee. The permit fee can run from $200.00 to $400.00 per linear foot. The City is proposing to do 1000 linear feet. The City may need to find an additional $200,000.00 to $400,000.00 for that project. Mannick & Smith (design and engineer of the project) has reached out to ODOT to increase our funding allocation for this project. ODOT is attempting to work with US Army Corp of Engineers making the argument the City is paying to improve their structure. Therefore, they should waive the permit fee or they pay for it themselves. The City was made aware of this a week or 2 weeks ago.

Wetlands Project – In late 2019, the Corp of Engineers required $192,000.00 for the local share. The funds were wire transferred in December 2019. Soon after that Mr. Hatfield received an email from their representative, thanking for the funds and they would know seek out funding for their portion.

Gabe Below

Infrastructure Project – Will the $700,000.00 fund balance be used for the engineering fees? Per Mr. Hatfield stated yes, in addition to a portion of the service fee funds. The City will need to seek additional finances as well.

Is the Fire Chief requesting any new equipment? No, only turn out gear. Chief Johnson has couple of grants to pay for them

What is the latest estimate for the EMS making money? The Chief's goal is have carry over by the end of this year. Chief Johnson has spoken about doing non-emergent service for Magruder Hospital. This service would generate revenue for the City.

Discussion

Next Meeting: The next scheduled meeting to be determined.

Adjourn

Mr. Tarolli moved to adjourn at 8:52 p.m. - seconded by Ms. Hovis. All agreed.

Minutes submitted by:
Sandye Ostheimer
Council Clerk