

## FINANCE COMMITTEE MINUTES

April 18, 2005

The Finance Committee meeting was held on April 18, 2005, at North Royalton City Hall, 13834 Ridge Road. The meeting was called to order at 6:30 p.m.

**Present:** Committee Members: Chair Don Willey, President of Council Robert Stefanik, Lisa Uffman-Kirsch; Denise Bobulsky, Vincent Gentile, Tom Koch; Finance Director Karen Fegan; Neil Price.

Moved by Mr. Stefanik, seconded by Mrs. Uffman-Kirsch to approve the minutes of March 5, 2005 and March 14, 2005. 3 yeas/0 nays. Motion carried.

### UNFINISHED BUSINESS:

#### 1. **Economic Development Report**

Mr. Kosdrosky is asked to provide an update for the May Finance Committee meeting.

#### 2. **Tax collections: Status as of this date**

Mrs. Fegan said that we are still slightly ahead.

#### 3. **Costs of Master Plan. Review and discussion**

Mr. Kosdrosky is asked to provide information for the implementation portion of the Master Plan for the May Finance Committee meeting.

#### 4. **Monthly Finance Report**

Reports received. No discussion.

#### 5. **Capital Appropriations**

Mrs. Fegan provided an update. Information will be provided on a quarterly basis. The next report will be received in July. The question was posed as to when non-budgeted items might be considered for purchase if the money receipts continue to be favorable. Mrs. Fegan said that she recommends waiting until after the first half of the year or in the third quarter to make decisions of this type.

#### 6. **Bid Process and Purchasing Policy**

The committee is still waiting for the finalized document of the standard procedure regarding bid process and the purchasing policy that Mr. O'Donnell is to supply. Mrs. Fegan said that it has not gone to the department heads for their comment yet.

#### 7. **Police and Fire Levies**

If it is determined to put a levy on the November ballot it must be to the Board of Elections by August 25, 2005, which is 75 days before the election. Final Council action will be needed in July.

Mrs. Fegan provided information and discussion occurred regarding options available, increased expenses in the Police and Fire Pension area, and PERS increases. More demands are being made of the General Fund.

There is a projected deficit for 2007 (approximately \$1.7 million), the state reductions are about 7% of our General Fund (approximately \$200,000), estate taxes are anticipated to be reduced and all cities will be looking to make up for the loss.

The question was to the Economic Development Department regarding the projected income of the city.

There was discussion about a city income tax as follows:

If a city income tax is considered, an itemized plan for the money would be requested before support for this would be given. It was said that the administration should put a plan together and submit it to Council

to support the city income tax. It was said that if Council has ideas of what the plan should be then that could come from Council. The question was posed if that would be crossing the line of administration. When Council goes to budget meetings the requests are not in the budget. Council authorizes to spend the money and it should be restricted as to what would be done with the money.

It was discussed that Council should come up with legislation wording. A comment was made that perhaps an across the board cut in 2005 would have shown that there is need for the money. Council came up with a plan last year that the administration and several Council members did not like that dealt with the pavement management system for roads, infrastructure, curbs, and storm sewers. There are many needs and the administration should come up with a plan as to how the money would be spent. Those that did not like the plan last year are asked to come up with a plan. It was discussed that the administration needs to come up with a plan because if Council determines a plan there may be no enforcement of it. Everyone needs to agree to a plan in order that it is implemented.

Issues of control of the money collected were discussed. There is control in the fact that Council controls the way that the income tax monies are distributed every year through the budget ordinance. The ballot language will control the purposes for which the money can be used. Once Council approves something, as in the budget, it is still up to the administration to implement. The budget is the plan. The administration and department heads execute the plan based on the monies they have. Council cannot decide the staffing needs with money that will be spent on road improvements for the next five years that would be generated by a city income tax. The committee has always decided where the money is going, to roads or other areas of general direction not the staffing needs. It was said that staffing should be part of it. A relationship of personnel and equipment should be included to implementing the plan.

A plan is needed of what will be done with the money the first day it is received. If the electors are to be convinced to vote for it a supporting argument is needed which is the plan. A caution was made about being too detailed in case other outside influences occur requiring that one street has a higher need causing an adjustment to the list. There may be outside funding to assist with a particular improvement. The list should be fluid.

The administration is requested to put together a prospective plan. The Economic Development Department is requested to provide what the economic impact will be within the next 3-5 years.

#### **8. Moral Claims Commission**

The committee discussed the legislation prepared by Mr. O'Donnell. The committee will discuss this at the next meeting.

#### **NEW BUSINESS:**

##### **1. Amended Appropriations Ordinance**

Mrs. Fegan said there may be an amended appropriation ordinance for the next meeting. There is a change order for the Fire Station which is still within budget; the beginning of the year budget was budgeted for the remainder of the large contracts, but the full amount that was borrowed was not included. There is an increase for the CERT Program. The city will purchase shirts for the CERT members who will then purchase their shirts from the city. There will be a minor city subsidy.

Mrs. Uffman-Kirsch moved to adjourn the meeting, seconded by Mr. Stefanik. 3 yeas/0 nays. Meeting adjourned at 7:14 p.m.