

**FINANCE COMMITTEE MINUTES
NOVEMBER 16, 2009**

The Finance Committee meeting was held on November 16, 2009, at North Royalton City Hall, 13834 Ridge Road. Meeting called to order at 6:30 p.m.

PRESENT: Committee: Chairman Mike Farrell, Vice Chair Gary Petrusky, Vince Gentile; Council: John Nickell, Dan Kasaris, Larry Antoskiewicz, Don Willey; Administration: Finance Director Karen Fegan.

APPROVAL OF MINUTES

Moved by Mr. Petrusky, seconded by Mr. Gentile, **to approve the October 19, 2009 Minutes.** Yeas: 3. Nays: 0. **Motion carried.**

UNFINISHED BUSINESS

1. Monthly Finance report including tax collection status/2009 Budget

Mr. Farrell said that Mrs. Fegan emailed to the committee the monthly finance report. He asked Mrs. Fegan if there is any additional information she would like to add. Mrs. Fegan said that we are up from where we were at this time last year. She said this may be because a lot of people kept filing for an extension and their extension time ran out. Mrs. Fegan said it will be very close as to whether or not we meet our budget this year. She said we will see what December holds.

Mrs. Fegan said she will probably have an appropriation amendment for Council at the beginning of December. She said these are basically housekeeping issues to move some monies around. Mrs. Fegan said as she is going through the budget, if she sees anything on the revenue side that indicates we will not make budget she will pull the budgeted numbers on the revenue side down so we do not get a negative variance when the auditors come out.

Mr. Farrell asked about the overtime report. Mrs. Fegan said most of the overtime in the Service Department was due to employees pulling out accumulated time. She said there was only about 15 hours of new overtime in the Service Department. Mrs. Fegan then discussed the overtime in the Wastewater Department. She said that although the Wastewater Department's money is not from tax collections, we still have to cover this for the end of the year to make sure this category is not negative. Mr. Farrell asked if the money comes out of the General Fund if the category is negative. Mrs. Fegan said no. She said as far as the category itself is concerned, she cannot exceed the budget. She said if the fund is in the negative, the auditors pull all of the wastewater funds together. Mrs. Fegan said most of the overtime in the Wastewater Department is due to customer service for maintenance issues. Mr. Farrell asked if there is an adjustment that can be made for this percentage of overtime. Mrs. Fegan said we will make adjustments before the end of the year and that is what Council will see in the appropriation amendment in December.

Mr. Farrell asked Mrs. Fegan if she will be able to allocate differently on the overtime report for the remainder of the year. Mrs. Fegan said she cannot allocate differently, but she will find a way to move money to budgeted columns to ensure we do not have any negatives.

Mr. Farrell asked Mrs. Fegan if she is working on the 2010 budget. Mrs. Fegan said yes. She said the budget request reports have gone out to the departments and she should be receiving those back the week of Thanksgiving. Mrs. Fegan said she is also working on the temporary budget and will have that on the Council agenda the first meeting in December. Mr. Gentile asked Mrs. Fegan if she has a different baseline she is setting for the temporary budget. She said there will be a more than usual hold on capital expenditures for the first quarter. She said she would like to have the entire budget in place before anything is budgeted that way. She said she is open to direction from the Mayor and Council. Mr. Farrell said that based off of the collections this year versus last year, Mrs. Fegan already has a driving percentage factor and said he assumes this will be an automatic multiplier. He said he believes the trend that has to be watched is unemployment. Mr. Farrell said with the cuts that the administration made this year it should make this multiplier a lot more effective going into the first quarter of next year however if the unemployment rates continue to climb it will prolong the problem. Mr. Gentile said the problem is that we do not know the value of the wages lost we only know the number of claims. Mrs. Fegan said she did talk to a representative at ODJFS but he is unable to get to her the unemployment information she requested at

this time. Mr. Gentile said we may have to look at 2008 as a whole and determine what the unemployment was and understand what that equaled in May. He said we can then look at the increase in unemployment in 2009 and try to come up with a number that is relative to understand what our loss in revenue might be. Mr. Farrell said he would recommend using 2009 as the base for the mini budget which will give the committee a good idea in 2010 of how January and February are looking.

2. **Central Purchasing Office (CPO)**

Mrs. Fegan said she does not have any additional information on this subject. She said she and her staff have been busy getting the new system up and running. She said she did send out some emails regarding paper, how much we have purchased and which companies we purchased from, but she has not done much else with this. On a different note, Mrs. Fegan said the Finance Department went live on the new financial system November 1st. She said payroll will begin on the new system on January 1, 2010.

Mrs. Fegan said the training dates for the new system are coming up and she would like to use Council's laptops for the training. She said she would like to get their laptops on Monday, December 14th so she has enough time get them set up for training purposes. She said the training will take place in Mayor's Court.

NEW BUSINESS

1. No New Business.

Mr. Farrell announced that this is his last Finance Committee meeting. He thanked the Finance Committee members, his Council colleagues and Mrs. Fegan. He said she had a tough job to do this year and said he hopes that the Finance Committee was helpful. He said between what the Administration has done, along with Mrs. Fegan's efforts, it was a lot less difficult of a year than it could have been.

ADJOURNMENT

Moved by Mr. Gentile, seconded by Mr. Petrusky to **adjourn the meeting**. Yeas: 3. Nays: 0. **Motion carried.**
Meeting adjourned at 6:44 p.m.