

FINANCE COMMITTEE MINUTES

January 21, 2016

The meeting was called to order by Chairman Berbee at 5:00 p.m.

Members Present: Nevin Taylor, Henk Berbee, Mark Reams

Others Present: Taylor Evans with Journal Tribune, Katie Hensel, Mike Andrako, Marc Dilsaver, Terry Emery, Jenny Hutchinson, Tim Aslaner

Mr. Taylor moved to affirm the Mayor's recommendation of Mr. Berbee to chair the Finance Committee. Mr. Berbee accepted the position.

Consent items:

1. The lease of 33 farm acres next to the WRF
2. The sale of a 0.2 acre tract on Dunham Street.

Mr. Taylor and Mr. Reams were in agreement to add the items to the consent items.

Approval of Minutes: The minutes for the meeting on December 10, 2015 were approved as presented.

AGENDA:

Citizen Comments:

Monthly Financial Update & Accept December Financials: Mrs. Hutchinson said everyone should have received the year-end report, which is a little more in-depth than normal. Our 2015 General Income Revenues were just under \$19.5 million, which is a little more than \$900,000 more than what we anticipated for our amended budget. She said that was in part because of the Income Tax, we are most at \$16 million, which is \$500,050 more than our amended budget.

Expenditures were \$20 million, we had about \$400,000 that we encumbered that will carry over into 2016. Total we had approximately \$20.4 million in expenditures, which is about \$300,000 less than what we had budgeted.

Sewer charges were just under \$10million, which was \$160,000 more than 2014. It is still down from 2014 about 2%. The expenditures were what we expected.

Water service charges were about 6.5million, which was well over what we had in 2014. The overall usage is up 11% when compared to 2014. She said most of this is because of Jerome Village being added as residential users.

Mrs. Hutchinson said expenditures are about 6% lower than what was budgeted. There was about \$500,000 more we did not expend. It will go in the reserve for the water.

Mr. Berbee said we did spend a little bit of money on updating the lines. What is the current status, is that something that we will have to do again. Mr. Andrako said he did not think we will see any more projects like the 4th/5th street waterline project.

Mrs. Hutchinson said the year to date fund report. The town run fund does currently have a negative balance, which is because we have not submitted for final grant reimbursement. The holdup is an issue with PNC bank and the easement. Mr. Aslaner said we are currently making process on this, he is hoping to have the deed signed within the next 10 days.

Mr. Reams asked about the stormwater, if we are now seeing an increase in the unencumbered balance. Will we be online for the project that we are anticipating? Mr. Andrako explained yes, we have some projects that are almost ready to go.

Mr. Taylor moved to approve the financial statements, Mr. Reams seconded. All voted in favor of approval.

Additional Funds for Paving Maintenance: Mrs. Hutchinson said she did mention in her report that General Fund expenditures were less. Resulting in 1.2 million available, there are a couple other funds that the general fund supports that the balances were greater and we can use for the possibility of paving maintenance. She said there are funds available.

Mr. Andrako handed out the list of streets that was handed out during the Public Service Committee meeting and discussed which streets are in need of paving and the streets that could be added to the paving with additional funds. He explained the blue area is going to be paid with water funds as they are waterline repairs. (See attached)

Mr. Andrako said the average street last 25 years. If we keep up with paving 4% of the streets, in twenty years we will have paved all the streets. The annual cost assuming the annual cost per street is 1.5 million. The streets he has proposed that we pave this year is at 4.3%, which is mainly because Industrial Parkway is a long stretch of road. He is looking at this as a chance to catch up on the paving a little. Mr. Emery said the decision rest on what we are comfortable spending.

Mr. Berbee asked with gas prices the way they are, how that factor in with the price of paving does. Mr. Andrako said we will have to see when bids come in. Mr. Berbee asked if \$600,000 would be a do able amount for paving. Mrs. Hutchinson said she would be comfortable with appropriating the \$600,000 to the paving program. She said with the additional \$600,000 it will be close to \$2.4 million. Mr. Reams asked what happens if we use the money for paving, what would if have been used for. Mrs. Hutchinson said that she would have just put it in one of the reserve. Mr. Andrako said depending on what the bids are is how many more streets we can add to the paving program this year.

Mr. Taylor asked where Fifth Street fits on the agenda this year. They discussed the impact of truck traffic on Fifth Street, Mr. Emery said they will have the Police Department look into this and report back.

Mr. Berbee said that everyone on the Finance Committee is in agreement with the addition of the \$600,000.

Income Tax Administrator's Position: Mrs. Hutchinson said currently we have a finance specialty position, that over sees the income tax. She does not have the title of Income Tax Administrator. That title is with our Assistant Finance Director. We have found the Finance Specialist has all the knowledge because she has been here five plus years, she is very familiar with the income tax and with the changes HB5 has brought. She did interview for the Assistant Finance Director position and did very well. What we needed was a person with Ms. Hensel's talents.

Mrs. Hutchinson said what she proposed is to take the Finance Specialist position and assign it back to the Income Tax Administrator position. She said if you will remember we did have an Income Tax Administrator before our last Assistant Finance Director. When she was here we just combined those positions because we did not have anyone with Income Tax knowledge. Mrs. Hutchinson went through and detailed the job descriptions for both positions in a handout.

Mr. Emery said the next steps would be for Mrs. Hutchinson to get with HR to break out the exact job descriptions. Mr. Aslaner said it is not just attending Court but she works the cases up too by send notices out, case comes to him and he drafts a complaint, and she goes to court with him. She also comes to Court with him for the collection proceedings.

Mr. Taylor asked if Mrs. Hoover does not go to Court, who then goes? Mrs. Hutchinson answered one of the Income Tax Clerks. He also asked what are we talking about with salary changes. Mrs. Hutchinson said not much Income Tax Administrator starts at \$45,000 and the Finance Specialist position is at \$42,000.

Mr. Taylor said he supports the position change.

Consent Items:

1. The lease of 33 farm acres next to the WRF: This property has been in a lease the last few years, however, the lease terminated last year. Last fall, Mr. Emery, Mayor Gore and myself talked about what we would like to do with the property. We decided that it would be best to put it up for bid, there are some local farmers that wanted to lease it but we have to bid it out just like we have to do the sale of real estate. We have prepared the advertisement and he has a draft of the lease. We are thinking about doing a two year farm lease with the option of two one year renewal able lease terms. We are required to advertise the property for five consecutive weeks to lease the property. Around February 23, 2016 will be the sale date. For the next two years, the City does not have any public use for this land. Mr. Reams asked if that was the property across the street from WRF. Mr. Emery answered yes. The committee was in agreement with this lease idea.

2. The sale of a 0.2 acre tract on Dunham Street: Mr. Aslaner said this property is right out in front of Bob Vanhooose's business. Mr. Vanhooose met with Mr. Emery. Mr. Emery said he is just interested in securing the area, he is parking vehicles in the easement area. The property only really has value to Mr. Vanhooose, but it is City owned and we have to bid it out. Mr. Aslaner said he has talked with Mr. Vanhooose and he got an appraisal done. The appraisal comes back at \$500.00. Mr. Aslaner said we will advertise it for five consecutive weeks, and then bid the land out.

Mr. Reams asked about the appraised value. Mr. Aslaner said we will use it as more of a guide. Mr. Reams asked if that would be the minimum bid. Mr. Aslaner said we can do that. Mr. Taylor said he was all for the sale of the property.

The next meeting will be February 18th at 5pm.

The meeting was adjourned at 6:10 pm.