

FINANCE COMMITTEE MINUTES

November 17, 2016

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

Members Present: Henk Berbee, Nevin Taylor, Mark Reams

Others Present: Terry Emery, Tim Aslaner, Jackie Ward, Will Channel, Mike Andrako, Sandy Hoover, Justin Nahvi

Approval of Minutes: The minutes for the meeting on September 15, 2016 were approved as presented.

AGENDA:

Citizen Comments:

Discuss Income Tax Amnesty Program: Ms. Ward gave a presentation on a new program that they would like to start in the income tax department to help get people to start paying unfiled returns. A copy of the presentation is attached. Mrs. Hoover stated that this might help us to clean up the files. Mr. Aslaner stated we are barred by the statute of limitations in which we can file against. If we can get them to file the statute of limitations starts over and gives us three years to file.

Mr. Berbee asked how we got the 2,500 unfiled cases. Ms. Ward explained that number is generated from our tax software. Mr. Berbee asked if the software is kept up-to-date. Mrs. Hoover stated yes, it is as much as we can add when someone moves in and remove when they notify us they are moving.

Mr. Reams stated that he would love to see these files cleaned up because those are cases that we will not need to take to Court.

Mrs. Hoover stated we are trying to work on the 2010 cases because of the limitations. Mr. Taylor said if he is one of those 2010, then he's probably a 2011, 2012, etc. Mrs. Hoover stated correct that is what they are trying to work on.

Mr. Aslaner stated that he thinks it is a good idea. If you get people caught up, they normally stay caught up, and it is just getting them to come in to take care of the issue.

Mr. Taylor asked if they were looking at these figures for December only or for an ongoing program or ninety day period. What is the request for? Mr. Aslaner stated this is for cases not going to court. Mr. Taylor asked if they were going to bring legislation to Council. Mr. Aslaner stated they are planning to bring legislation to the Council on the December 12th agenda. Mrs. Hoover stated they will like to start the program for a thirty day period to see if it works. She stated that they are not sure if it would be an ongoing program every year. Mr. Taylor stated if this would be a one-time program, why not run it for sixty days and not thirty, because you may not get a true measure. Mr. Taylor stated that in sixty days you might be able to make a dent in the unfiled cases. Mr. Reams stated

his problem with thirty days is that if they want to extend the time for the program. It takes Council longer to act on it. Mr. Aslaner suggested kept it the thirty days and give the City Manager the authority to extend it for up to an additional sixty days.

Mr. Nahvi stated that we were thinking with legislation going before Council in December and the advertisements, facebook ads, we would initially start up the program in January. Mrs. Hoover stated the dates were January 15th to February 15th. The thoughts on this were they are getting in the mindset to file taxes and to their tax documents again. Mrs. Hoover stated they would like the program over prior to tax season starting. Mr. Aslaner stated why specify tax year 2010. Mrs. Hoover stated we are not specifying 2010, we are going to do 2010-2015.

Mr. Reams stated if they would like to start the program in January, they need to pass an emergency clause and waive third reading, so it would be good to go by January.

Mr. Taylor suggested that we only make them pay 1/3 of the portion due, if they would pay if off within 30 days.

Mr. Aslaner summarized the discussion for legislation, this would be a one-time program for thirty days, with the City Manager having the authority to extend the program for sixty days.

Mr. Taylor asked Mr. Nahvi what his expectations on starting the program would be. Mr. Nahvi stated with contacting the public and advertisements, would be the most important, he was looking at 2-3 weeks. Mr. Taylor asked if stating the program ends by March 1, 2017 is acceptable. Mr. Taylor stated he would rather not have the thirty days and then it roll into sixty days, he would much rather have the legislation stated we are going from one date to another. Mrs. Hoover asked if we are going to accept payments thirty days after they file the paperwork or are they going to have to have it paid in full. Mr. Taylor stated as long as the paperwork is completed by March 1, 2017, he would be ok with giving the extra time for payments.

Mr. Aslaner asked if we are going to have the program run from January 15th to March 1, 2017. Mr. Berbee stated that January 15th is a Sunday, so it would be Monday, January 16th. Mr. Taylor stated that is a holiday, so start it January 17th. Mr. Berbee stated end it until February 28th. Mrs. Hoover asked about payment plans. Mr. Taylor stated that he would up the interest they are going to have to pay if they enter into a payment plan. Mr. Aslaner asked about not having a start date just use the date it was effective to February 28th.

Monthly Financial Update & Accept September and October Financials: Mr. Nahvi stated that property tax and intergovernmental receipts were collected all the way up through September. Income tax receipts are up 8% since this time last year. He went through the September Financial reports that was distributed. He stated he is working with Chief Riley to talk about the variances in the EMS billing.

Mr. Reams move to pass the September Financials as corrected, which was unanimously passed.

Mr. Nahvi went through the October Financial report. Income tax receipts are up 7% higher than this time last year. He will work with Mrs. Hoover and Ms. Ward to get better estimates to what is driving those increases in income tax.

The General Fund, year-to-date we have collected 90.4% of the budgeted revenue which is an excellent target to be hitting. We are currently at 69% of budgeted expenditures throughout the year, this will increase by two million dollars when we put Innovation Park in the books.

Mr. Berbee mentioned the 2.6 million from the General Fund for Innovation Park, which is not reflected in October because it has not taken place yet, so it will be in the November report. Mr. Nahvi stated he is going to look at that again, because some time when you issue new debt you do not pay on it for six months, which might not hit until 2017.

Mr. Taylor moved to pass the October Financials as corrected, which was unanimously passed.

Discuss Five Year General Fund Forecast: Mr. Berbee stated he talked with Mr. Nahvi, and predicting three to five years can sometimes be a stretch. Mr. Nahvi stated they talked about getting the five year forecast to the Committee in January. He said if the Committee would like and after he gets the first one done and has a better grasp on other funds that he knows are highlights he can incorporate those into the five year forecast.

In the January meeting, he will have the five year forecast for the General Fund and proposes to have a forecast done for all the funds in the February's packet. Mr. Berbee stated that would be great.

Discuss Street Tree Development Fee: Mr. Andrako handed out a draft of language to add to the code regarding Street tree maintenance. Mr. Andrako stated this will be helping to develop a balance in the Street Tree Fund. He said the replacements are already in the budget for 2017. Depending on how quickly the fund builds and it gets to a comfortable point, he would like to continue pursuing a position for an Urban Forester. This fee will help to protect our investment. He gave the committee samples of what the fund could generate.

Mr. Berbee asked Mr. Nahvi where he sees this fund being in its own fund or with the Parkland Development fund. Mr. Nahvi stated there are two options. First being using accounting codes to track it or second we could establish a new fund. It is whatever the preference of the Committee would be. Mr. Taylor asked which option was the best. Mr. Nahvi stated for transparency it is better for everyone to see it is flowing through one fund.

Mr. Andrako stated that the \$7.00 a foot is done in other cities, and this program will continue to grow. Mr. Andrako explained that we would be maintaining the street trees not installing them. The developer will be required to install all the landscaping and trees within the tree line, the City will just maintain the trees in the right-of-way/frontage.

Mr. Reams is in support of the fee, we have needed a program like this for a long time. Mr. Taylor stated it has been needed and he supports it as well. Mr. Nahvi asked about a new fund or account items. Mr. Reams stated he would like to see it as a new fund.

Mr. Nahvi stated he met with Redtree to go over the portfolio and they would like to come in to the December meeting to do a presentation, if that is acceptable to the Committee. Mr. Berbee stated that they would love to hear from them.

The next committee meeting will be December 15, 2016 at 5pm.

The meeting was adjourned at 6:21 pm.