

Finance Committee Meeting of Council City of Richmond Heights February 20, 2018

Chairman Ursu called the meeting to order at 8:20pm

Roll Call:

Present: Ursu, Hurst, Lentine, Lewis

Council also present: Alexander, Henry, Kumin

Approval of minutes from January 16, January 20 and February 10, 2018, Jan 16th---O'Toole---correct

Jan 20th—adjourned at 6pm

Accept as corrected---Lentine, Lewis---4-0

Reports:

Mayor David H. Roche: Comment as we go along.

Tax Administrator, Anthony Miceli: -excused-

Finance Director, Jim Teknipp:

- STAR Ohio—new account in January, and shows interest we earned at \$3,784 this month.

City Engineer's son, Chris Courtney:

OLD BUSINESS: -none-

NEW BUSINESS:

MOTION to pass on to Council---to purchase 18 Kenwood radios 800 MHz public safety portable radios and for FD not to exceed \$43,000 to come from 233 Fund (Ambulance Billing Fund) Lentine, Lewis---4-0

FINANCE BUDGET WORK SESSION—Admin, Capital and Revenue Enhancement

- Budget Fund Balances—discussed.
- Budgeting \$13 million in budgeted receipts.
- Need to look at revenue enhancements –losing more than gaining.
- Fund 100—General Fund total revenue \$8,789,520
- Fund 200—Special Revenue (Road Programs, Engineering)...\$700K excess deficiency
- Estimate will get taxes of \$6,400,000 (85%) of Gen Fund. Rely heavily on Income Tax.
- Property Values are going down. In 2018, we will be doing a full re-evaluation. Includes commercial values. Stable or declining property values.
- Property Taxes---62% to schools, 20% to County, 15% to City, 3% to Library
- General Assumptions--3rd year off Union contracts, 2.5% increase
- Prepaid 2018 Workman's compensation in 2017; potential prepay of 2019 not in current budget plan (\$150,000)
- Revenue Assumptions—Elimination of State local govt funds, income tax reflects 2nd year of revenue from implementation of credit limit reduction, real estate collections at county schedule A estimates, all other receipts flat or less than 2017 levels.
- Police Dept: 1 new fulltime patrolman, 2 new half time patrolmen, dispatchers transition to regional dispatch center—budgeted \$295,000 in contractual dispatch service (10 mos) and related expenses, full year of outsourcing to regional jail and elimination of correction officers, 2 full time record clerks to replace dispatch clerk and front desk.

- Recreation Dept: Same staff as 2017, improvement to rec programs and parks included in Capital Improvement Fund and Rec Improvement Fund.
- Building Dept: Incumbent Building Commissioner retiring and promotion of Assistant, Fire Safety Inspector part time 1st quarter of year, plan to transition to full time in 2nd quarter of 2018.
- Service Dept: 1 part time laborer, 4 part time seasonal laborers
- Fire Dept: Replace one 1st class firefighter with one probationary firefighter due to retirement, \$80K grant for exhaust capture system with grants fully funded, \$43,200 on portable radios from 233 Fund.
- Capital Expenses: Budgeted \$394,000 capital expense, estimated \$160,500 of grant receipts, possible increase in Road Program (including engineering) with sale of bond anticipation notes, proposed 2018 road program \$300,000 versus \$400,000 in 2017; 2018 expenses allocated in 201 and 410 funds, engineering expenses split between 410 Fund, 201, and 202 funds in 2018 budget.
- Looked at Safety Personnel and average costs---Police \$118,943 and Fire/EMS--\$126,763

Potential Revenue Enhancements:

- Looked at Street lighting assessment, \$120,000 street light costs—all 4 bordering communities assess for street lighting, possible costs of additional lighting.
- Garbage pick up---increase residential assessment on tonnage, estimated cost per residential parcel is \$10 to raise to \$33,000. Fee added to rubbish/recycling fee.
- Other types of assessments: Lyndhurst and Shaker assess for shade trees.
- Road Levy: road program (est. \$400,000 for 2018 including Engineering Costs) and levy necessary to pay cost of Road Program 2.1 mills.
- Storm Water Assessment: 50% of city currently covered NEORS, 25% of funds held by NEORS and drawn down by city as requested. Annual amount raised \$69,000 from city.

Fees for Service:

- Increase license and permit charges.
- Increase fees for a home security system and charges for false alarms.

General Fund Balance History—moving in an upward trend.

General Fund will cover 4 months of expenses.

Debt Service Profile: General Obligation Debts are coming down through 2022.

Questions/Comments:

- Budget legislation to be prepared for next Tuesday and will go 3 readings, said Ursu.
- Getting 92% of what we could be getting from property taxes (about \$300,000 not getting), Ursu wondered if we can utilize this to get more. Paul Ellis discussed tax liens on properties, abandoned properties with banks, ..very difficult and skewed towards who owns the properties. Kumin said we actually collected a higher rate than the 92%, but county using conservative # for budgeting purposes.
- Alexander commented on Tony Miceli and the subpoena program---successful for us.
- Caden Campoletti, from St. Ignatius hs---student—Council and Dept Heads introduced themselves
- Henry said we should look at cutting, and then do revenue enhancement. If we are concerned on budget, we should not be adding all these things. Adding lots of resources and employees when we are strapped for money.
- Lentine said if we are going to assess all these programs---street lighting---if being assessed—not happy if I don't have one in front of my house. Payroll—with police and fire—dictates what we pay. At lower end—asst dept heads—we need to compensate those we have.
- Alexander agreed with Henry---looking at spending \$890K more than taking in. We won't last too long in doing this.
- Mayor Roche said for this year (next year more income tax coming in) the \$3,364,530 ending balance in Gen Fund at end of year is normal and healthy. Grants—budget and appropriate to get \$\$ back.
- Ursu said we are in a healthier are with the bonds now. Commented on 2008 and the financial troubles.
- Hurst said we should not spend more than we are taking in.
- Kumin asked to get the Capital Expenditures slide from Teknipp. Addressed the Building Dept budget—why a full time Safety Inspector? We hired him part time. Why is this a benefit to have him full time? Mayor Roche said he is now available full time, although hired part time. Phil Seyboldt is leaving and

keeping him on as a part time consultant. We felt he is good to keep on. This is a good time to assist the new Building Commissioner.

- Ursu said there is always something that people in the Building Dept can do. Mayor added that the Building Dept is the money maker for the city.
- Kumin commented on the police dept and new vehicle---several vehicles sit idle and wonder if we need another vehicle. Rec Dept—we made promises and should be following through.
- Alexander said 85% of budget is payroll and with 4 months of operation, see a trend that we are spending almost a million more than taking in. The odds of going back to voters for an increase in taxes is not a good idea. Will be adding more on garbage assessment too.
- Mall is dead—Cube Smart will only have a couple employees---restaurant on the plan, said Mayor.
- Kumin—will push hard to keep Rec in the budget for the residents. We are already doing the minimum for the pool this year. Tie with a bond issue? Decide collectively what to do with the pool.
- Ursu asked Teknipp to send Council the Capital expenses sheet.
- Next Finance Budget Work Session---Tuesday, March 6th for Capital budget discussion—Ursu, but Henry and Lentine commented on doing another Saturday session.
- Will discuss possible meeting dates next Tuesday said Ursu.

AUDIENCE: -none-

Chairman Ursu adjourned this meeting at 10:01 pm

Meeting Minutes taken by Betsy Traben, Clerk of Council