

**City of Richmond Heights  
Special Council Meeting  
February 16, 2023**

President of Council, Bobby Jordan called the meeting to order at 6:32 PM

**PLEDGE ALLEGIANCE TO THE FLAG**

***Roll Call: Alexander, Bell, Jordan, Lentine, Lewis, Nelson, Ursu***

Excused: Ursu, Lentine

Motion was made by Lewis to excuse Lentine, seconded by Alexander; passed 5-0

Motion was made by Nelson to excuse Ursu, seconded by Bell; passed 5-0

Council President Jordan moved the meeting to executive session at 6:32 PM.

Special Council Meeting resumed at 7:40 PM.

- Jordan moved to discuss the budget appropriations.
- Alexander said they were supposed to be receiving 11 leased trucks. They only gave him half of the ones we leased. The budget shows 5 trucks. Tiedman said we are getting rid of the lease program. Mayor said this was discussed in the budget meeting, Alexander was not in attendance. We are purchasing the trucks and not leasing them. Alexander asked after we receive the 5 trucks will we be done with Enterprise? Tiedman said yes.
- Nelson asked were those dollars allocated in the budget. Tiedman said Yes.
- Tiedman, once the trucks are paid for through Enterprise we are done with our contract. We are going to buy the trucks and in 3-4 years get rid of them when the value is still high,
- Alexander asked if the salt bin has a concrete bottom structure with a fabric top? Tiedman said it will be 4-6 inches of concrete with 8–10-foot concrete walls and an ODOT salt building tarp with a 20-year warranty. Alexander asked will any of that be cross connected and impact the sewer stormwater supply? Where they are proposing it, we would have to wait for the City Architect to come in and put it over at 9 acres across the street where there is no catch basin and will be completely EPA and stormwater compliant.
- Alexander said his biggest concern about the budget is we will take in \$2.5M more than we did last year. He doesn't know where it's coming from, we're heading into a recession and companies are laying off and we lost one of our biggest income tax producers when the hospital closed. There's over \$1M that we will not receive with ARPA funding. He doesn't see how we will take in over \$M more than we did last year.
- Mayor said that we are taking in \$1.6M monthly. The budget is 21M and that includes everything we have put into the budget. Alexander asked if the \$4.8 million came from the savings. Harmon says yes.
- Annette said that part of the \$22M that comes in is that when we do the transfers which come from GF in order to do the transfers it has to be put in the budget.
  - The expend budget dollars are expenditures from the GF. Look at GF object 7150

on Transfer Budget Year 2023. This gives a snapshot of how this works. When you look at the transfer budget it is crucial to understand that when you look at the expense fund the 4.8M is coming from the GF. The GF is Fund 100. When we transfer those dollars from the GF it's going to funnel into the revenue categories, for instance Payroll Stabilization that was created so that when individuals from the city retire, we have a guestimate as to how much money must be paid out. In the initial budget there was nothing there but they realized they had a Lieutenant retiring and the Police Chief retiring so they had to put some dollars there.

- When you look at Fund 203, which is the Fire Dept. on a yearly basis, we transfer money into the 203 account. That's standard and RH has done this year after year.
- The difference this year is a lot of Capital Improvement projects that need to be done including the service department which makes up \$1,182,000 which includes the salt bin that is \$350k and the vehicles.. Also, the police department makes up \$925,000. The street improvement fund is for the road projects. The city engineer said the Road Project was to cost the city \$1.8M. Their dollars are funneled in through the GF yearly.
- This year what is done differently is that she doesn't anticipate any change orders unless there is an extreme circumstance. But the budget that the engineers put together, she worked diligently with them to outlined the 3 categories including construction, engineering and legal expenses. Those categories make up the cost for each road project that the city has agreed to do for Fiscal year 2023. Harmon said will send everyone the road projects. The engineers must stick to that budget. The difference this year is that we have a lot of Capital Improvement expenditures and that's what's driving the cost
- Harmon said we have to understand we have a salt bin that collapsed, we have trucks in disrepair and we have to spend some money. We must think of the liability that if employees or residents are hurt the liability will be more than the expenses, we have in the budget so the money will be well spent.
- Mayor said we will spend this money on the front or back end, it just has never been spent on the front end so now it looks like we are spending all this money. These are all expenses that needed to be taken care of 10-15 years ago. Now we are doing what should have been done in the past and it drives our capital budget up. Our employees working in this condition are a liability for the city. This should have been done a long time ago.
- Harmon said we must consider the liability if someone is hurt.
- Alexander said he still wants to know where the \$4.8M comes from. He asked if we take it out of the GF which means we are taking it out of our savings account. Harmon and Mayor said yes that's correct, each month money goes into the savings account. If we don't we have to spend it. If we don't, Tiedman will be stuck in the same predicament. The funds are there because they are tax payors dollars and not meant to sit there. It is to be spent on the resources that we need to spend them on for our residents. Alexander asked what we finished out last year before. Harmon said they get a monthly cash statement report outlines where the city is every month at the end of the month. Alexander asked does the cash statement include the encumbrances. Harmon said yes, the encumbrances from 2022 does carry over to 2023.
- Harmon said the encumbrances that carry over are for the bills we didn't pay from the previous year that we are expecting an invoice for.

The purchase orders make up the encumbrances, such as the utilities. The auditors would like for 2023 that when we get a utility bill that says from 12/12/2022-1/10/2023 the portion that is December's they want us to expend those dollars so that our records are crystal clear. If we don't have an invoice during that time, then that encumbrance will carry over until we receive January's bill. Those dollars are not coming from 2023, those are dollars that were encumbered in 2022 that are being carried forward. At the end of the year, it took us a little longer than it normally takes for us to close out a normal month. We go through all purchase orders to determine if we can close them out. If not, the money goes back into the kitty. Yes, it affects the GF but when you look at the total you must understand that when we get money that comes in doesn't just go to GF they go to other funds as well. The county, state and federal when they send us money monthly, they tell us where those dollars are supposed to go. We don't determine it ourselves. For example, Fund 201 we get dollars for the service department from the county that says a certain amount of dollars go into fund 201. When we look at what we receive and it's higher than what we normally have 90% of the time is because we have transfers. You must put the transfers into the GF and fund 100 into the budget, because we are expected to use those dollars. On the revenue side it tells us where those dollars will be allocated. In the revenue report you will see where those transfer dollars are going.

- Jordan asked when we closed our books for 2022 and opened the books for 2023 what was the starting balance. Nelson said the Statement of Cash and Revenue Expense Page 2 bottom line grand total ending balance is \$14,586,751.73. the unexpended balance 15,997,929.69. Jordan asked how many dollars will we accumulate in 2023 besides the starting balance? Harmon said we will accumulate approx. \$15M or more in 2023.
- Alexander asks can you arbitrarily transfer funds between funds. Harmon said no.
- Harmon said the GF actual revenue was \$11,649,644.97 in 2022 in addition to the carryover from 2021.
- Alexander asked what else comes out of the GF besides transfers. Harmon said review page 8, the General Fund expenses from the were 10,078,218.02 in 2022. These are the actual dollars.
- Alexander said he understands but doesn't think we should be spending that much.
- Harmon said we get local government dollars; state dollars and the bulk of the dollars are from county monthly.
- Jordan said that during 2022 we noticed there were many things the city needed but the city was cutting back on because of 2015 when they could barely make payroll. Harmon said they understand, and she and her team will track and record and make sure everyone stays within their budget. They can't speak for any other years.
- Jordan said this will be a give and take, but looking at the budget we are healthy. Harmon said we have to consider the liability of the crew driving where they can see through the floor, if their foot goes through and they get hurt we could be sued. We were sent a picture where water was coming through the roof onto the floor in the police department. We cannot operate like this.
- Mayor said grants can't be the answer to everything. We have a unique situation where we must take care of the problems. When you have the money you take care of the problems. There will be times when we will need to cut back.
- Jordan said in 5 years we should be in a great position. We are anticipating the income

tax from Bell Oaks employees as well as the residents moving in. It will be a windfall that we don't expect and look at but we must continue to look forward. Unemployment is at 3.4%, the lowest since 1969. He doesn't expect a recession, he expects things to continue to grow.

- Harmon said even if none of that happens, she looks at can we sustain on the fixed income of what we receive from the county, city, and federal government. Everyone must stay within their budget. Regarding the engineering budget, they need to stay within the budget. When she looks at the balance, we are healthy. She is going to make sure everyone stays within their budget. She has worked with cities that have been in fiscal emergency and a school district in fiscal emergency and she brought them out. In the school district she was very instrumental in bringing them out. Unless there is an extreme circumstance everyone is to stay within their budget. We are not going into a fiscal emergency or recession in the city of RH because she allowed individuals to go outside their budget. That's how we will build our GF back up.
- Alexander asked what is the total capital expenses budget for all departments? Neumann said it's on line 54100 for each department. Harmon said that in category 54 for each department, it spells out the Capital Outlay for every department. She will get all those numbers added up for Alexander.
- Nelson said she noticed there were engineering costs and it wasn't just for administration. Harmon asked Council to please review category on page 6 for engineering expenditures 7150 is the mayor's budget, they were putting regular yearly maintenance under the mayor's budget, those dollars should go under the service department because regular maintenance to the roads falls under service and has nothing to do with the administration budget. If you look at the 2023 budget maintenance is now 7800. Page 4 is the service dept budget. If you look from 2020-2022 you see zero, but she created the category and regularly yearly maintenance falls under service. They will know at the end of the year what each charge is. That 111,000 split between each dept is from regular maintenance.

**ORDINANCE NO: 27-2023 INTRODUCED BY: JORDAN; FIRST READING**

AN ORDINANCE TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF RICHMOND HEIGHTS, STATE OF OHIO, DURING THE FISCAL YEAR ENDING DECEMBER 31, 2023; TO REPEAL ORDINANCE NO. 162-2022; AND DECLARING AN EMERGENCY.

A motion was made by Bell to suspend, seconded by Lewis. Nay- Alexander, Yay- Bell, Jordan, Lewis, Nelson; Did not pass 4-1

*Council President Bobby Jordan adjourned the Special Council Meeting at 8:41 p.m.*

*Minutes taken by Donnie Hunter, Clerk of Council*