

FINANCE COMMITTEE MINUTES

JULY 19, 2016

The Finance Committee meeting was held on July 19, 2016 at North Royalton City Hall, 14600 State Road. The meeting was called to order at 6:14 p.m.

PRESENT: **Committee Members:** Chairman Larry Antoskiewicz, Vice Chair Gary Petrusky, Paul Marnecheck; **Council:** John Nickell, Dan Langshaw, Dan Kasaris; **Administration:** Mayor Robert Stefanik, Law Director Thomas Kelly, Finance Director Eric Dean, Fire Chief Robert Chegan, Safety Director Bruce Campbell, Community Development Director Thomas Jordan; **Other:** Lou Krzepina, Megan Scharrer, John Amato, Cameron Furbeck, Liz Kelly, Emily Krejci.

APPROVAL OF MINUTES

Moved by Mr. Petrusky, seconded by Mr. Marnecheck to **approve the June 21, 2016 Finance Committee minutes.** Yeas: 3. Nays: 0. **Motion carried.**

UNFINISHED BUSINESS

1. Monthly Finance report including tax collections status

Mr. Dean reviewed the report, a copy of which is attached to these minutes. Mr. Dean explained that we are receiving our quarterly collections earlier than in past years due to the change in the tax code. He said that this is the reason that we are seeing the increase. Mr. Marnecheck asked if based on this we expect to see a dip in the collections next month. Mr. Dean said yes. Mr. Kasaris said that this collection was actually higher than the May collection which is supposed to be the bench water collection month. Mr. Dean said that it was very close to May's numbers. He said that next month will be the real indication of whether this is due to a trend or collection timing.

Mr. Jordan wished to discuss Ordinances 16-110 and 16-111. He said that he would start with the roofing issues. He said that the YMCA has an agreement with the city to maintain capital improvements at the structure over \$2,500. He said that two of the roofs that we are having consistent leaking problems with were looked at by a roofing consultant two year ago and our thought was that we would replace the roofs on a section by section basis over a series of years. The roofing consultant recommended that there was a method for repairing all of the roofs at one time and get a 10 year warrant roof by making some significant repairs to the structure. He said that we bid this out and on tonight's Council agenda is a proposal to replace a certain number of roofs. He said that the roofs over the pool and the Parma Hospital section are new and will not be replaced. We are replacing the remaining roofs with two exceptions. The Child Care area will not be replaced and the old Atrium area that runs the width of the building from the exercise area down to the pool area is a sky lighted area and we will be making repairs to this mainly on the gasket areas. We will be replacing all of the remaining flat roofs on the building. He said it is not a complete tear off. They will be removing a layer of the roof and the ballast and replacing it. They are fixing some drains, they are sealing the back wall in the weight room area, and sealing the cement block in this area, as well as sealing it around the air conditioning vents. He said that this proposal is for about \$214,000. He said that the Police Department budgeted about \$50,000 for roof repairs this year. He said that this roof is well past its life expectancy and was not a very quality roof to begin with. He said that there has been an extensive amount of repairs to this roof and it has caused damage within the building. He said that money was authorized for the Courtroom area as well. He said that it does not make any sense to continue to make interior repairs when you have a leaky roof. The \$50,000 in repairs would not significantly add to the life expectancy of the roof. He said that we had some roofing consultants take a look at this roof. He said that he tried to break up the work into sections but there is one big roof that is about \$280,000 and then there is a small roof and singles. He said that the big roof was the problem and is most of the money. He said that they bid it out all together with the YMCA in an effort to gain some savings. He said that we are all familiar with how State Ohio Cooperative bidding operates. This is essentially what we have done with this purchase. There is another organization called US Communities that does the bidding on behalf of communities in an effort to help with the overhead costs of bidding projects like this. He said that he explored doing our own specifications for this roof and bidding it out and

he said we would have had to spend a significant amount of time on the design and specifications. He said that this is a combination design/build and we are also using US Communities to do the bidding. He said that the not to exceed amount is higher than the contracted amount in the attachment by \$25,000. The Police Facility is a total tear off. They have anticipated that there is nothing left to save, so there is no contingency associated with that. On the YMCA there is a \$25,000 contingency in the event that they find that more board needs to be replaced once they start the tear off. He said that the Amending Appropriation Ordinance authorizes moving the money into an account so that we can move forward with this contract. He said that he is asking for consideration on this legislation this evening because we are losing the construction season and we would like to get the roofs done before the bad weather sets in. He said that we need to get on the contractors schedule so that we can get this done before the end of the year. Mr. Jordan said that there is work being performed at the Police Facility currently on the ornamental shingle roofs for about \$12,000 and this work is already completed. He said that the idea was to get the work done that is being done by a residential contractor and get them off site before the commercial contractor begins their work. This was a separate contract using the existing budget with the existing authority that we had to do the work. Mr. Kasaris asked if this is the roofing that faces Rt. 82. Mr. Jordan said yes. There is a large flat roof that is between the asphalt roofs which is what Council is authorizing to repair this evening. The asphalt roofs were meant to give some architectural detail to the building; they are not the roof of the building. Mr. Kasaris asked when the flat roof was last replaced. Chief Elek said that this is still the original roof and is over 20 years old. Mr. Jordan said that this particular type of roof probably only had a 15 year life expectancy.

2. **Overtime**

Mr. Dean reviewed the report, a copy of which is attached to these minutes.

NEW BUSINESS

No new business.

ADJOURNMENT

Moved by Mr. Marnecheck, seconded by Mr. Petrusky to **adjourn the Finance Committee meeting**. Yeas: 3. Nays: 0. **Motion carried. Finance Committee meeting adjourned at 6:30 p.m.**

CITY OF NORTH ROYALTON
Summary of Overtime Budgets
2016 Fiscal Year

As of 7/2/2016

Fund	Department	2016 Budget	2016 Actual
General Fund	Police Department	\$ 145,000	\$ 78,267
General Fund	Animal Control	2,000	848
General Fund	Fire Department	7,000	891
General Fund	Dispatch	6,000	3,235
General Fund	Cemetery	-	-
General Fund	Parks & Recreation	12,000	8,361
General Fund	Building Department	1,000	313
General Fund	Mayor's Office	2,000	950
General Fund	Finance Department	2,000	744
General Fund	Engineering	100	94
General Fund	Legislative Activity	1,000	426
General Fund	Mayor's Court	5,000	2,148
Police Facility Operating	Jail	20,000	9,494
EMS Fund	Fire Department	400,000	242,363
SCMR	Storms Sewer and Drainage	10,000	2,278
SCMR	Streets	20,000	1,238
SCMR	Snow removal	35,000	10,320
Office on Aging	Senior Assistance	2,000	1,345
Community Diversion	Police Department	5,000	-
Waste Water	Treatment	78,000	29,038
Waste Water	Maintenance	40,000	12,997

	\$ 793,100	\$ 405,348	
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51.11%

Current Date Represents This Percentage of the Year

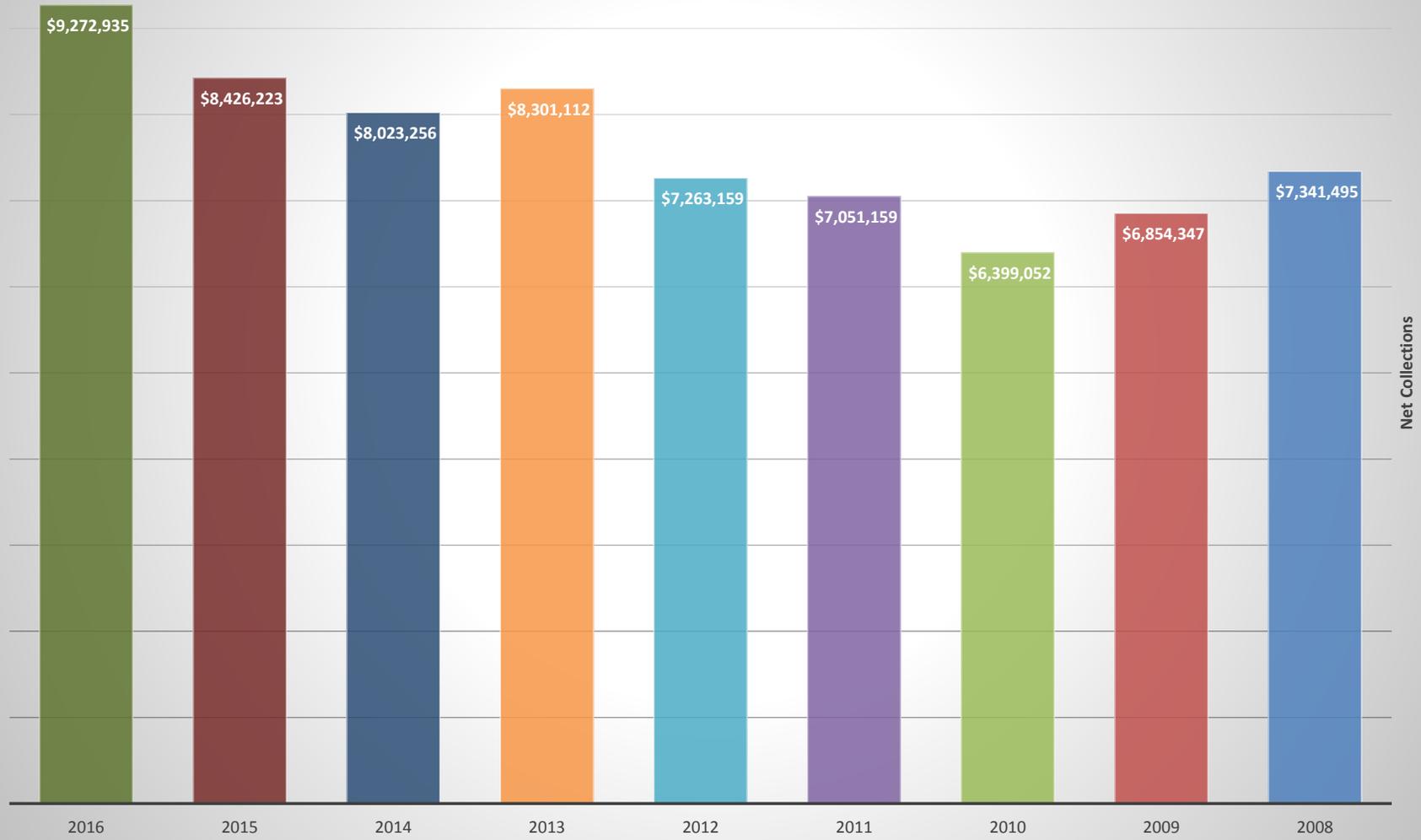
54%

City of North Royalton
City Income Tax Collections
7/19/2016

<p>Current Income taxes collected by R.I.T.A. for the period of June, 2016 and distributed to the city in July, 2016</p>	<p>Net Receipts</p> <p><u>\$ 1,493,981.06</u></p>
<p>Current Year to date collection of Income Tax distributed to City January 1, 2016 to July, 2016</p>	<p><u>\$ 9,272,934.70</u></p>
<p>Prior Year to date collection of Income Tax Distributed to City January 1, 2015 to July, 2015</p>	<p><u>\$ 8,426,222.99</u></p>
<p>Increase (Decrease) in Income Tax collections for Current Fiscal Year</p>	<p><u><u>\$ 846,711.71</u></u></p>

Collection Detail by Type					
	Distributed June 2016	Distributed June 2015	Difference	% change	
WITHHOLDING	\$ 452,033.97	\$ 498,424.09	\$ (46,390.12)	-9.31%	
INDIVIDUAL TAXES	\$ 932,497.73	\$ 353,463.73	\$ 579,034.00	164%	
NET PROFIT TAXES	\$ 160,220.71	\$ 115,615.04	\$ 44,605.67	39%	
TOTAL GROSS RECEIPTS	<u>\$ 1,544,752.41</u>	<u>\$ 967,502.86</u>	<u>\$ 577,249.55</u>	60%	
3% withholding for collection fees	(46,342.57)	(29,025.09)	(17,317.49)	60%	
legal fees/court costs	(4,428.78)	(991.46)	(3,437.32)	347%	
TOTAL LEGAL FEES AND COLLECTION COSTS	<u>(50,771.35)</u>	<u>(30,016.55)</u>	<u>(20,754.81)</u>	69%	
TOTAL NET RECEIPTS	<u><u>1,493,981.06</u></u>	<u><u>937,486.31</u></u>	<u><u>556,494.74</u></u>	59%	

Year to Date Income Tax



**CITY OF NORTH ROYALTON
Income Tax Receipts Summary**

Month Received	General Fund		General Fund	Police Facility	scmr	Total SCMR Fund	Office on Aging	Income Tax Fund	Storm Sewer Fund	Refunds	Overhead & Legal Fees	Net Receipts
	Original Tax	Additional Tax			Additional Tax							
January	\$ 687,657.65	\$ 152,378.14	\$ 840,035.79	\$ 16,666.67	\$ 152,378.14	\$ 152,378.14	\$ 14,583.33	\$ 42,907.02	\$ 76,189.07	\$ (10,779.75)	\$ (35,917.84)	\$ 1,096,062.43
February	810,749.12	176,274.28	987,023.40	16,666.67	176,274.28	176,274.28	14,583.33	50,452.36	88,137.14	(11,193.15)	(40,385.69)	1,281,558.34
March	654,861.33	136,232.02	791,093.35	16,666.67	136,232.02	136,232.02	14,583.33	40,701.21	68,116.01	(13,894.77)	(34,564.19)	1,018,933.63
April	789,937.21	167,169.20	957,106.41	16,666.67	167,169.20	167,169.20	14,583.33	47,769.13	83,584.60	(33,025.34)	(39,778.76)	1,214,075.24
May	1,298,312.42	196,327.76	1,494,640.18	16,666.67	196,327.76	196,327.76	14,583.33	78,491.61	98,163.88	(43,108.70)	(56,751.76)	1,799,012.97
June	967,541.94	169,020.08	1,136,562.02	16,666.67	169,020.08	169,020.08	14,583.33	56,805.65	84,510.04	(63,355.28)	(45,481.48)	1,369,311.03
July	752,312.62	297,720.93	1,050,033.55	16,666.67	297,720.93	297,720.93	14,583.33	44,980.72	148,860.47	(28,093.26)	(50,771.35)	1,493,981.06
August												-
September												-
October												-
November												-
December												-
Total	\$ 5,961,372.29	\$ 1,295,122.41	\$ 7,256,494.70	\$ 116,666.69	\$ 1,295,122.41	\$ 1,295,122.41	\$ 102,083.31	\$ 362,107.70	\$ 647,561.21	\$ (203,450.25)	\$ (303,651.07)	\$ 9,272,934.70
Check Figure												\$ 9,272,934.70
FUND:			101	207		211	219	213	443			
Original Fiscal Budget			\$ 11,300,000.00	\$ 200,000.00		\$ 1,700,000.00	\$ 175,000.00	\$ 700,000.00	\$ 630,000.00	\$ (300,000.00)	\$ (450,000.00)	\$ 13,955,000.00
			64%	58%		76%	58%	52%	103%	68%	67%	66%

NOTES: Shaded columns reflect the additional tax.

Month-to-Date Revenues as Percentage of Total Annual Budget
66%

Month Received	General Fund		General Fund	Police Facility	scmr	Total SCMR Fund	Office on Aging	Income Tax Fund	Storm Sewer Fund	Refunds	Overhead & Legal Fees	Net Receipts
	Original Tax	Additional Tax			Additional Tax							
January	\$ 603,572.49	\$ 137,079.61	\$ 740,652.10	\$ 16,666.67	\$ 137,079.61	\$ 137,079.61	\$ 14,583.33	\$ 38,755.16	\$ 68,539.80	\$ 4,149.94	\$ (31,808.32)	\$ 988,618.29
February	849,399.58	187,529.93	1,036,929.51	16,666.67	187,529.93	187,529.93	14,583.33	53,070.44	93,764.96	(6,836.90)	(42,375.74)	1,353,332.20
March	668,551.57	133,895.58	802,447.15	16,666.67	133,895.58	133,895.58	14,583.33	41,726.75	66,947.79	(12,987.54)	(33,094.97)	1,030,184.76
April	788,528.99	150,615.90	939,144.89	16,666.67	150,615.90	150,615.90	14,583.33	47,143.97	75,307.95	(21,866.64)	(59,323.56)	1,162,272.51
May	1,290,484.67	198,227.92	1,488,712.59	16,666.67	198,227.92	198,227.92	14,583.33	80,229.55	99,113.96	(5,114.60)	(59,690.46)	1,832,728.96
June	749,625.28	161,669.74	911,295.02	16,666.67	161,669.74	161,669.74	14,583.33	43,045.54	80,834.87	(71,167.07)	(35,328.14)	1,121,599.96
July	534,717.06	166,288.51	701,005.57	16,666.67	166,288.51	166,288.51	14,583.33	31,305.90	83,144.26	(45,491.38)	(30,016.55)	937,486.31
August	1,104,255.22	169,117.78	1,273,373.00	16,666.67	169,117.78	169,117.78	14,583.33	67,590.49	84,558.89	(28,168.30)	(48,419.19)	1,549,302.67
September	711,230.11	235,088.58	946,318.69	16,666.67	156,725.72	156,725.72	14,583.33	43,701.21	-	(20,225.49)	(37,602.41)	1,120,167.72
October	457,607.33	44,262.28	501,869.61	16,666.67	91,521.47	91,521.47	14,583.33	20,746.37	-	(11,619.57)	(20,694.19)	613,073.69
November	905,802.20	143,602.79	1,049,404.99	16,666.67	269,617.24	269,617.24	14,583.33	56,091.97	-	(15,732.63)	(42,545.36)	1,348,086.21
December	672,295.87	239,246.61	911,542.48	16,666.67	159,497.74	159,497.74	39,583.37	43,908.31	-	(1,818.50)	(38,830.48)	1,130,549.59
Total	\$ 9,336,070.37	\$ 1,966,625.23	\$ 11,302,695.60	\$ 200,000.04	\$ 1,981,787.14	\$ 1,981,787.14	\$ 200,000.00	\$ 567,315.66	\$ 652,212.48	\$ (236,878.68)	\$ (479,729.37)	\$ 14,187,402.87
Check Figure												\$ 14,187,402.87
FUND:			101	207		211	219	213	443			
Original Fiscal Budget			\$ 11,200,000.00	\$ 200,000.00		\$ 1,400,000.00	\$ 175,000.00	\$ 700,000.00	\$ 630,000.00	\$ (325,000.00)	\$ (450,000.00)	\$ 13,530,000.00
			101%	100%		142%	114%	81%	104%	73%	107%	105%

NOTES: Shaded columns reflect the additional tax.

Month-to-Date Revenues as Percentage of Total Annual Budget
55%

Date of filing annual return

NEW ORDINANCE

(G)(1) Except as otherwise provided in this chapter/ordinance, each return required to be filed under this section shall be completed and filed as required by the Tax Administrator on or before the date prescribed for the filing of state individual income tax returns under division (G) of Section [5747.08](#) of the ORC. The taxpayer shall complete and file the return or notice on forms prescribed by the Tax Administrator or on generic forms, together with remittance made payable to the City. No remittance is required if the net amount s due is ten dollars or less.

OLD ORDINANCE

880.11 DATE OF FILING RETURN; PERSONS REQUIRED TO FILE RETURNS.

Each taxpayer, except as herein provided, shall, whether or not a tax is due thereon, make and file a return on or before April 15 of the year following the effective date of this chapter (Ordinance 1988-147, passed July 18, 1988) and on or before April 15 of each year thereafter. When the return is made for a fiscal year or other period different from the calendar year, the return shall be filed within four months from the end of such fiscal year or period.

Payment of Estimated Taxes Due

NEW ORDINANCE

(a) On or before the fifteenth (15th) day of the fourth month after the beginning of the taxable year, twenty-two and one-half (22.5) percent of the tax liability for the taxable year; (b) On or before the fifteenth (15th) day of the sixth month after the beginning of the taxable year, forty-five (45) percent of the tax liability for the taxable year; (c) On or before the fifteenth (15th) day of the ninth month after the beginning of the taxable year, sixty-seven and one-half (67.5) percent of the tax liability for the taxable year; (d) On or before the fifteenth (15th) day of the twelfth month of the taxable year, ninety percent (90%) of the tax liability for the taxable year.

OLD ORDINANCE

880.21 PAYMENT UPON DECLARATION.

The declaration of estimated tax to be paid to the City shall be accompanied by a payment of at least one fourth of the estimated annual tax by April 15, or the day on which the annual tax return for the prior year is required to be filed disregarding any extension, if the estimated annual tax is fifty dollars (\$50.00) or greater. At least a similar amount shall be paid on or before the last day of the seventh, tenth, and thirteenth months after the beginning of the taxable year. However, in case an amended declaration has been filed, the unpaid balance shown due thereon shall be paid in equal installments on or before the remaining payment dates. No penalties or interest shall be assessed on estimated payments if the taxpayer has remitted an amount equal to 100% of the previous year's tax liability, provided that the previous year reflected a twelve-month period, or if 90% of the actual liability has been received.