

**FINANCE COMMITTEE MINUTES
JULY 15, 2014**

The Finance Committee meeting was held on July 15, 2014 at North Royalton City Hall, 13834 Ridge Road. The meeting was called to order at 6:30 p.m.

PRESENT: Committee Members: Chairman Larry Antoskiewicz, Vice Chair Gary Petrusky, Paul Marnecheck; Council: Dan Kasaris, Dan Langshaw, Steve Muller; Administration: Mayor Robert Stefanik, Finance Director Eric Dean, Service Director Nick Cinquepalmi; Other: Kelly Devney, Sean Devney.

APPROVAL OF MINUTES

Moved by Mr. Petrusky, seconded by Mr. Marnecheck to **approve the June 17, 2014 Finance Committee minutes.** Yeas: 3. Nays: 0. **Motion carried.**

UNFINISHED BUSINESS

1. **Monthly Finance report including tax collections status.**

Mr. Dean said that he sent Council the reports today. He said that the month of June shows an increase of \$17,496.54. This is good because the last two months have shown a decrease over last year. He said that the total net taxes were \$958,769.37. For the year, we are down \$276,000. He said that our deficit over last year decreased a bit. He said that the July withholding was up, our individual was up slightly, but once again our net profits were down. Mr. Antoskiewicz asked if we can expect to see this trend continue because companies are being more conservative in predicting their income for the rest of the year. Mr. Dean felt that some of these businesses may have received extensions and will have until September to file. Hopefully at that time it comes back up.

2. **Overtime**

Mr. Dean reviewed the overtime report. He said that YTD overtime is \$393,734. The budget was \$731,100. We still see areas where we have had some issues due to the May 12th storm and the winter we had. He said that we are hoping to get reimbursed from the state for some of this, specifically from the storm. Mr. Dean said that the Fire Chief will have all the reports to the state by Friday. He said that the overtime is something we will have to continue to monitor. Mr. Marnecheck asked where the reimbursement money from the state would be deposited. Mr. Dean said that it will be put either in the FEMA Grant account and we would take the expenses and reclassify them against that revenue so that the overtime figures would go down. Mr. Kasaris asked how our overtime this year compares to last year. Mr. Dean said it is higher. Mr. Kasaris asked how the overtime budgets compare this year to last year. Mr. Dean said that we basically budgeted the same amount for both years.

3. **Capital Improvements/City Hall Financing**

Mr. Dean said that the funds for the furniture have been set aside in the Future Capital Improvement Fund and the furniture is being purchased from a local business. Mr. Kasaris asked what the final verdict was on the change order for the streets. Mr. Dean said that we have appropriated for the maximum cost. For every increase that we have for the street program outside of the change orders he is proposing that we pay it through the Future Capital Improvement Fund from last year's carry over. This money is being transferred to the Streets fund to pay for these increases. Mr. Dean said that we should have a balance of over \$2 million in the Future Capital Improvement Fund. Mr. Kasaris said that we used to loan money from this fund to Wastewater. Mr. Dean said that we won't need to loan anything to Wastewater this year. The three accounts should have a fund balance and if necessary they can loan funds from one of these accounts to another. Mr. Dean said that when we bond out the money for the new City Hall we will have \$250,000-\$300,000 per year in debt payments over 20 years so if we have \$2 million at the end, we will probably get \$250,000-\$300,000 per year in that fund so that balance throughout the years can go to pay off that debt. Mr. Kasaris said this would actually keep the fund where it is at. Mr. Dean said yes. Mr. Kasaris asked if we need to reevaluate how we divvy up the Future Capital Improvement Fund now that we don't have to loan funds to Wastewater. Mr. Dean said he does not recommend this at this time. Mr. Kasaris asked when is our next YMCA payment. Mr. Dean said our first payment will be in

December. He said that you pay your bonds twice a year; December and June. Usually June is the interest and December is interest and principle. Our first payment will be just interest and then we will actually have a principle payment next year. Mr. Kasaris asked how much are the payments. Mr. Dean said that the first one will be half because it is only for half year and will be around \$150,000. Going forward the interest payment in June is going to be approximately \$200,000 and the principle should be \$450,000. This money is going to come from the collections that we have from Parma/UH Hospital and the YMCA who has made two payments already.

NEW BUSINESS

No new business.

ADJOURNMENT

Moved by Mr. Marnecheck, seconded by Mr. Petrusky **to adjourn the July 15, 2014 meeting.** Yeas: 3. Nays: 0. **Motion carried.**

Meeting adjourned at 6:43 p.m.