

**FINANCE COMMITTEE MINUTES
JANUARY 21, 2014**

The Finance Committee meeting was held on January 21, 2014 at North Royalton City Hall, 13834 Ridge Road. The meeting was called to order at 6:00 p.m.

PRESENT: Committee Members: Chairman Larry Antoskiewicz, Vice Chair Gary Petrusky, Paul Marnecheck; Council: Dan Kasaris, Dan Langshaw, Steve Muller, John Nickell, Diane Veverka Recording Secretary; Administration: Mayor Robert Stefanik, Finance Director Eric Dean, Community Development Director Tom Jordan, Assistant Law Director Donna Vozar.

APPROVAL OF MINUTES

Moved by Mr. Petrusky, seconded by Mr. Antoskiewicz to **approve the November 14, 2013 Special Finance Committee minutes**. Yeas: 2. Nays: 0. **Motion carried.** Moved by Mr. Petrusky, seconded by Mr. Antoskiewicz to **approve the November 18, 2013 Finance Committee minutes**. Yeas: 2. Nays: 0. **Motion carried.** (Mr. Marnecheck abstained).

UNFINISHED BUSINESS

1. Monthly Finance report including tax collections status

Mr. Dean distributed to Council the Income Tax Receipts Summary and the Cash Position Report for year-end 2013. He explained that the Cash Position Report is a statement of fund cash. The report is broken down by encumbrances: cash balance without encumbrance (cash in the bank), the encumbrances (outstanding purchase orders), and the ending unencumbered balance. He said the reported numbers are from the prior Director and he has not yet made any adjustments. He added that he will be making adjustments as he moves forward. He said we started the year at \$11.3 million and ended the year with a carry-over of \$13.1 million cash in the bank. He clarified if encumbrances are included the ending balance is \$12.2 million. Overall the city is up \$1.7 million in total funds. Mr. Dean distributed the 2013 Fiscal Year Fund Comparison by Type report which is a breakdown of the funds. He said the Capital Improvement Fund is up. Mr. Antoskiewicz said another positive is the way we have split the cable money so we have money set aside in a Retirement Fund for future expenses and a YMCA Capital Improvement Fund which has money set aside for future expenses. Mr. Dean said we met with the YMCA and have gone over our expenses and total project costs. We will meet with them again tomorrow to finalize the numbers. The note for that project is due May 22nd, therefore the bonds need to be issued by May 21st. Mr. Jordan said we have not received a recent financial report (current enrollment) from the YMCA.

2. Overtime

Mr. Dean distributed the 2013 year-end overtime report and gave a short summary of the findings. He explained that on the annual financial report, Fund 260 is considered a long term liability. He said he would also include in his report the short term liability number, which is for anyone over 25 years of service. Mr. Antoskiewicz said by having that number included in the report, it would give a better gage for the fund.

3. City Income Tax Collections

Mayor Stefanik said the portion of House Bill 5 that passed through the House of Representatives will not affect North Royalton in a big way. Ms. Vozar said depending on the language of the bill, we will review what impact, if any, it will have on our ordinances. Mr. Dean said it may affect us concerning income tax from workers who are not in the city full-time or are transient workers.

4. Capital Improvements/City Hall Financing

Mr. Jordan is working towards making the funds available for an end of March timeline. Mr. Dean said on next meeting's agenda, we will have legislation for the authorization of notes and to create a special City Hall Capital Improvement Fund. This would enable us to have separate projects on the books. Plans are to have three readings on the notes and possibly pass it at the March 4th Council meeting. Therefore the notes would be out to the market and the funds would be available to start using at the scheduled time frame. He said Mr. Jordan asked that we do an ordinance appropriating \$100,000 start up cost for the fund. He said that would be an amendment to the budget since it is a new item. Mr. Dean said he would recommend paying for the bond payments for City Hall out of Future Capital.

NEW BUSINESS

No new business.

ADJOURNMENT

Moved by Mr. Petrusky, seconded by Mr. Marnecheck **to adjourn the meeting.** Yeas: 3. Nays: 0. **Motion carried.** Meeting adjourned at 6:37 p.m.