

FINANCE COMMITTEE MINUTES
JUNE 20, 2017

The Finance Committee meeting was held on June 20, 2017 at North Royalton City Hall, 14600 State Road. The meeting was called to order at 7:06 p.m.

PRESENT: **Committee Members:** Chairman Larry Antoskiewicz, Vice Chair Gary Petrusky, Paul Marnecheck; **Council:** John Nickell, Dan Langshaw, Cheryl Hannan, Dan Kasaris; **Administration:** Mayor Robert Stefanik, Law Director Thomas Kelly, Finance Director Eric Dean, Fire Chief Robert Chegan, Police Chief Ken Bilinovich; **Other:** Lou Krzepina, Mary Masterson.

APPROVAL OF MINUTES

Moved by Mr. Petrusky, seconded by Mr. Marnecheck to **approve the May 16, 2017 Finance Committee minutes**. Yeas: 3. Nays: 0. **Motion carried.**

UNFINISHED BUSINESS

1. Monthly Finance report including tax collections status

Mr. Dean reviewed the reports, copies of which are attached to these minutes.

2. Overtime

Mr. Dean reviewed the report, a copy of which is attached to these minutes. Mr. Marnecheck asked if the recent police investigations resulted in any overtime. Chief Bilinovich said that there was a lot of overtime. We tried to minimize it as much as possible with the help of the FBI and BCI.

NEW BUSINESS

1. EMS Levy

Mr. Dean said that we are looking at replacing our current levy which is due to expire soon. This would bring the millage to its current, intended millage. The millage of the levy has been reduced through the years and is currently only collecting .88 of the 1.7 mills. Mr. Marnecheck said that it is the same actual dollar amount; it has just lost purchasing power. Mr. Dean said this is correct. We collect almost \$800,000 per year from this levy and this is the same amount we have collected for the last 10-15 years. If the replacement levy passes we would be collecting \$1.4 million which is what 1.7 mills will bring in. Mr. Dean said that the millage has been reduced over the years. Mr. Antoskiewicz asked for an explanation of what causes the millage reduction. Mr. Dean said that state law says that taxes cannot be influenced by inflation. So if home values go up, they will pay less in millage city wide. If home values go down they will pay more. Mr. Dean said that we have more homes which means we need more service needed. The number of EMS calls have increased as well. He said that we need to certify the amount to the county first, so we have legislation on the agenda tonight for this as well. The county will provide us with a dollar figure of what an actual 1.7 mills will collect and at that time we will be able to pass the second piece of legislation placing the levy on the ballot. Mr. Petrusky asked how much it will cost the residents. Mr. Dean said for a \$100,000 home the increase will be about \$60.00 per year based on the figures they have from last year. Mr. Nickell asked if this were to fail, how would it effect services. Mayor Stefanik said that with all of the state budget cuts we have experienced, something would have to be cut from our budget if this fails. If this were to fail we would still have one more chance to put it before the voters before it expires at the end of 2018. Mr. Dean said that the tax year is always a year behind the collection year. The last collection year for the current levy is 2018. Mr. Langshaw agreed with the Mayor about state budget cuts. He said that it is up to us maintain these services. He also said that with each passing year, we are needing to take more and more out of the General Fund to finance our EMS services and this is money that could be used for streets and other projects in the city. Mrs. Hannan asked if this doesn't pass this year will we have to ask for more money. Mr. Dean said that we won't have to ask for more money, we would have one more option to do a renewal or a replacement in November 2018. If we were to lose this \$800,000, he does not know what we could cut to make up this difference because this is such a large amount of money.

Moved by Mr. Petrusky, seconded by Mr. Marnecheck to **remove Ordinances 17-83 and 17-84 from committee with a recommendation to Council for approval**. Roll Call: Yeas: 3. Nays: 0. **Motion carried.**

2. **Deferred Compensation**

Mr. Antoskiewicz asked Mr. Dean to review the requested addition to our Deferred Compensation providers. Mr. Dean said that currently we have 3 deferred compensation plans that employees can use for retirement and we have had a few employees ask that we add a third plan offered by Lineweaver Financial Group. They are a local company that works a lot with government agencies and he said that he has checked them out and they are a good company. They also provide financial planning and tax services that the other companies do not provide. He thinks that this is a good option for employees to have. Mr. Dean said that we will limit the amount of providers to four. Mr. Antoskiewicz said that he will have the Council Office draft legislation for the next Council meeting.

ADJOURNMENT

Moved by Mr. Petrusky, seconded by Mr. Marnecheck to **adjourn the Finance Committee meeting**. Yeas: 3. Nays: 0. **Motion carried. Finance Committee meeting adjourned at 7:21 p.m.**

City of North Royalton
City Income Tax Collections
6/13/2017

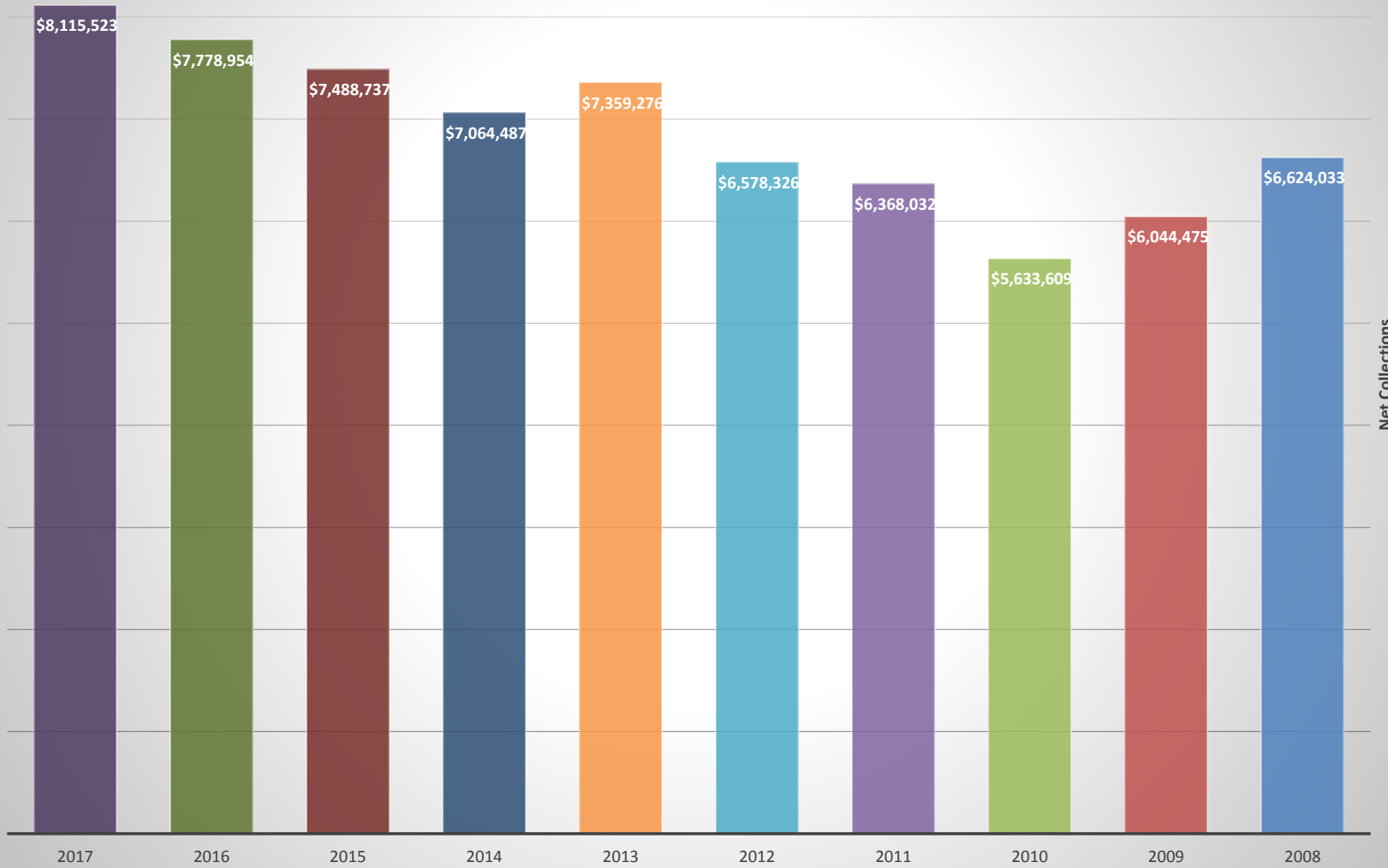
CURRENT MONTHLY RECEIPTS	Net Receipts
collections for the month of April-2017 / May-2017	received in
	\$ 1,616,028.76

YEAR TO DATE RECEIPTS	Net Receipts
Fiscal Year 2017	\$ 8,115,523.34
Fiscal Year 2016	\$ 7,778,953.64
Increase (Decrease)	\$ 336,569.70

COLLECTION DETAIL

	This Year	Prior Year	Difference	%
	May-2017	May-2016		
WITHHOLDING	\$ 518,750.75	\$ 550,717.25	\$ (31,966.50)	-5.80%
INDIVIDUAL TAXES	\$ 859,679.11	\$ 786,565.49	\$ 73,113.62	9%
NET PROFIT TAXES	\$ 289,737.38	\$ 77,509.78	\$ 212,227.60	274%
TOTAL GROSS RECEIPTS	\$ 1,668,167.24	\$ 1,414,792.52	\$ 253,374.72	18%
3% withholding for collection fees	(50,045.02)	(42,443.78)	(7,601.24)	18%
legal fees/court costs	(2,093.46)	(3,037.71)	944.25	-31%
TOTAL LEGAL FEES AND COLLECTION COSTS	(52,138.48)	(45,481.49)	(6,656.99)	15%
TOTAL NET RECEIPTS	1,616,028.76	1,369,311.03	246,717.73	18%

Year to Date Income Tax



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

2017

Month Received	#101 - General Fund			#207 Police Facility	#211 SCMR Fund		#219 Office on Aging	#213 - Income Tax	#443 - Storm Water	Refunds	Overhead & Legal Fees	Net Receipts
	Original Tax	Additional Tax	#101 - General		Additional Tax	#211 - SCMR						
January	\$ 913,255.01	\$ 167,494.28	\$ 1,080,749.29	\$ 16,666.67	\$ 167,494.28	\$ 167,494.28	\$ 14,583.33	\$ 56,982.26	\$ 83,747.14	\$ (6,377.22)	\$ (45,405.77)	\$ 1,368,439.98
February	613,248.70	181,032.16	794,280.86	16,666.67	181,032.16	181,032.16	14,583.33	38,497.99	90,516.08	(3,852.86)	(37,510.67)	1,094,213.56
March	494,526.68	120,268.36	614,795.04	16,666.67	120,268.36	120,268.36	14,583.33	31,121.48	60,134.18	(9,242.41)	(28,964.46)	819,362.19
April	816,414.19	178,713.64	995,127.83	16,666.67	178,713.64	178,713.64	14,583.33	47,417.81	89,356.82	(38,348.58)	(66,436.60)	1,237,080.92
May	1,409,089.03	296,186.40	1,705,275.43	16,666.67	236,949.12	236,949.12	14,583.33	83,281.51	59,237.28	(71,766.85)	(63,828.56)	1,980,397.93
June	1,042,026.76	338,696.30	1,380,723.06	16,666.67	225,797.53	225,797.53	14,583.33	63,092.10	-	(32,695.45)	(52,138.48)	1,616,028.76
July	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 5,288,560.37	\$ 1,282,391.14	\$ 6,570,951.51	\$ 100,000.02	\$ 1,110,255.09	\$ 1,110,255.09	\$ 87,499.98	\$ 320,393.15	\$ 382,991.50	\$ (162,283.37)	\$ (294,284.54)	\$ 8,115,523.34
Original Fiscal Budget			\$ 11,405,000.00	\$ 200,000.00		\$ 2,000,000.00	\$ 175,000.00	\$ 720,000.00	\$ 650,000.00	\$ (300,000.00)	\$ (450,000.00)	\$ 14,400,000.00
			58%	50%		56%	50%	44%	59%	54%	65%	56%

NOTES: Shaded columns reflect the additional tax.

2016

Month Received	#101 - General Fund			#207 Police Facility	#211 SCMR Fund		#219 Office on Aging	#213 - Income Tax	#443 - Storm Water	Refunds	Overhead & Legal Fees	Net Receipts
	Original Tax	Additional Tax	#101 - General		Additional Tax	#211 - SCMR						
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	716,967.13	158,135.01	875,102.14	16,666.67	158,135.01	158,135.01	14,583.33	43,817.30	79,067.50	(25,235.71)	(36,510.42)	1,125,625.82
September	685,389.31	219,089.77	904,479.08	16,666.67	146,059.84	146,059.84	14,583.33	42,619.05	-	(14,076.58)	(34,864.21)	1,075,467.18
October	815,294.39	156,765.47	972,059.86	16,666.67	211,995.60	211,995.60	14,583.33	51,128.56	-	(3,737.33)	(41,792.91)	1,220,903.78
November	615,043.19	202,695.42	817,738.61	16,666.67	210,522.39	210,522.39	14,583.33	38,363.65	-	(11,470.16)	(33,792.53)	1,052,611.96
December	528,699.07	311,769.28	840,468.35	16,666.67	-	-	14,583.33	33,143.14	-	(12,507.19)	(28,199.38)	864,154.92
Total	\$ 9,322,765.38	\$ 2,343,577.36	\$ 11,666,342.74	\$ 200,000.04	\$ 2,021,835.25	\$ 2,021,835.25	\$ 174,999.96	\$ 571,179.40	\$ 726,628.71	\$ (270,477.22)	\$ (478,810.52)	\$ 14,611,698.36
Original Fiscal Budget			\$ 11,475,000.00	\$ 200,000.00		\$ 1,840,000.00	\$ 175,000.00	\$ 700,000.00	\$ 630,000.00	\$ (300,000.00)	\$ (450,000.00)	\$ 14,270,000.00
			102%	100%		110%	100%	82%	115%	90%	106%	102%

NOTES: Shaded columns reflect the additional tax.

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

17%

CITY OF NORTH ROYALTON
Summary of Overtime Budgets
2017 Fiscal Year

As of 6/10/2017

Fund	Department	2017 Budget	2017 Actual
General Fund	Police Department	\$ 150,000	\$ 93,208
General Fund	Animal Control	2,000	654
General Fund	Fire Department	5,000	930
General Fund	Dispatch	6,500	1,240
General Fund	Cemetery	-	-
General Fund	Parks & Recreation	15,000	2,970
General Fund	Building Department	1,000	977
General Fund	Mayor's Office	2,000	-
General Fund	Finance Department	2,000	596
General Fund	Engineering	100	538
General Fund	Legislative Activity	1,000	72
General Fund	Mayor's Court	5,000	2,520
Police Facility Operating	Jail	23,000	12,885
EMS Fund	Fire Department	400,000	123,863
SCMR	Storms Sewer and Drainage	10,000	4,033
SCMR	Streets	20,000	9,334
SCMR	Snow removal	35,000	6,591
Office on Aging	Senior Assistance	5,000	2,855
Community Diversion	Police Department	5,000	-
Waste Water	Treatment	85,000	21,214
Waste Water	Maintenance	35,000	9,935
		\$ 807,600	\$ 294,414 36%

Current Date Represents This Percentage of the Year **46%**