

FINANCE COMMITTEE MINUTES NOVEMBER 20, 2018

The Finance Committee meeting was held on November 20, 2018 at North Royalton City Hall, 14600 State Road. The meeting was called to order at 6:48 p.m.

PRESENT: **Committee Members:** Chair: 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, Safety Director Bruce Campbell, Community Development Director Thomas Jordan; **Other:** Hope Piasecki, Sam Stanfield, Mallory Hlavaty, Miranda Hlavaty.

APPROVAL OF MINUTES

Moved by Mr. Petrusky, seconded by Mr. Marnecheck to **approve the minutes for the October 16, 2018 Finance Committee meeting.** Yeas: 3. Nays: 0. **Motion carried.**

UNFINISHED BUSINESS

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

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

2. **Overtime**

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

NEW BUSINESS

1. **2019 Budget**

Mayor Stefanik said that the 2019 budget is actually less than the 2018 budget. He said that we are anticipating income tax revenue to be down slightly again next year as it was this past year.

Mr. Dean presented an overview of the 2019 Budget and reviewed it thoroughly with Council. A copy of this overview is attached to these minutes.

Under the explanation of Local government and Shared Taxes, Mr. Nickell asked if the state is trying to get the local government funding to zero or are they planning to keep them at these levels. Mr. Dean said that the percentage of the allocation has not changed since it was originally cut. Mrs. Hannan said that there is a new senate bill to raise the local government fund from 1.65% back to 3.44%. It is in the early stages and may not pass, but she asked how much of an increase would the city see. Mr. Dean it sounds like it would restore what was eliminated. We would go back to the levels we had before the cuts. Discussion was held regarding working with our state government officials to help get these funds reinstated. Mr. Langshaw said that \$500,000 more has been budgeted for Wastewater for 2019 and asked for a brief explanation. Mr. Dean said that a lot of the projects that Wastewater had were not completed this year. These are going to carry forward and will come out of the available money for next year. We have encumbered that money if there was a purchase order. He said that there are some definite capital items for the department that need to be upgraded and we have included them based in our rate study. Even though our debt has gone down we know that we are going to have to fund these to keep the plant operating. He said that the two projects are over \$4 million. Mr. Kasaris asked if we are planning to bond anything for these projects next year. Mr. Dean said that we are looking to do a revenue bond for these two projects because these are going to be 20-30 year projects and we want to finance them with bonds. Mr. Nickell said that we had a \$5 million storm water bond and asked if this is what it ended up being. Mr. Dean said that this was in 2014 for all the storm water work and that is being repaid every year at about \$300,000 and comes out of the storm water budget and is supplemented by income tax.

Moved by Mr. Petrusky, seconded by Mr. Marnecheck to **remove from committee and recommend approval to Council.** Roll Call: Yeas: 3. Nays: 0. **Motion carried.**

2. Proposal for energy audit

Mr. Dean said we solicited proposals for this audit per the state program guidelines. We have held meetings to review the proposals and chose Leopard Companies, Inc. as the best proposal. They will come out and look at our utilities such as gas and electric and come up with ways that we can improve our spending. The idea is that we will pay for the upgrades with the money we save on the efficiencies. Mr. Antoskiewicz asked if this included street lights, lighting at the various parks, etc. Mr. Dean said yes. First Energy has a program where we can upgrade our lights to LED and this will cost us a lot less money and this would be part of this proposal. He said that we will also be looking at some HVAC upgrades that need to be addressed. Mr. Jordan said that this is a multi-step process. Council is authorizing this evening to select one company to perform an energy audit to verify what the savings would be and to lock down the scope of work needed. This audit will then be presented to Council. Mr. Langshaw asked how much the audit will cost. Mr. Dean said that it is \$10,000-\$15,000. We would only pay for this if we decided not to proceed with the improvements. If we proceed with improvements, this cost would be included in the savings we will receive.

Moved by Mr. Petrusky, seconded by Mr. Marnecheck **to remove from committee and recommend approval to Council.** Roll Call: Yeas: 3. Nays: 0. **Motion carried.**

3. Proposed Ordinance - TIF Exemption to the Board of Education of the North Royalton City School District and to the Cuyahoga Valley Career Center

Mr. Dean said that this legislation is for the Traditions at York senior housing facility. This would create a TIF for the area. It would capture the increase in value in property tax that this area will see. He said that this is a major project and with this increase due to the TIF, we would not only get the city's share, but we would get the county's share of the increase as well. This money would go into a separate fund and would be spent for infrastructure improvements in that area. Mr. Jordan said that this project will add roughly \$20 million in value over the next 2-3 years. Currently a certificate of occupancy has been issued on one building of four so roughly \$5 million has been added and as a result there are related property taxes that go along with this. What we are doing is capturing the difference between the vacant land worth of \$500,000 and \$5 million and putting this into a separate fund. He said sometimes this income stream is used to issue debt. We are not doing that in this case. He said that the schools are being kept 100% whole meaning that we are not taking any of the increased value associated with either the vocational school district or the municipal school district. Mr. Jordan also stated that there is no incentive going to the developer. The developer did not request this; the city is doing it in order to use the money for infrastructure investments. He said that the Royalton Road improvements are moving forward and there will be local match requirements for this and we can use these funds to pay for the local match as well as any of the other feeder road repairs needed in the vicinity of the project. Mr. Jordan said he is confident that next year the value will be \$10 million, and the third year the other two buildings should be completed and there will be a \$20 million value. Mr. Antoskiewicz asked what the percentage is from the county. Mr. Jordan said it is 27.55%. Mr. Antoskiewicz said that this is what we will be getting above what we would normally receive. Mr. Nickell said that they are not getting a tax incentive. Mr. Jordan said no. Mr. Nickell said that if we didn't do anything, we would only collect 9%. Mr. Jordan said correct. Mr. Nickell said that we are taking advantage of this program to get the county money to come back to us as well. Mr. Marnecheck asked if this money can only be used for infrastructure. Mr. Jordan said that yes and the ordinance explains this in detail. Mr. Kasaris asked if the infrastructure has to abut this property or can it be anywhere. Mr. Jordan said that it has to in some way benefit the project in general. The different types of broad improvements that could be made were discussed such as storm sewers, sidewalks, etc. Discussion regarding extending the sidewalk 800 feet to Rt. 82 was held. Mr. Jordan explained that this property is not part of the development but he believes that this will spur other development in the area. Mr. Langshaw asked how long this is for. Mr. Jordan said 30 years.

Moved by Mr. Marnecheck, seconded by Mr. Petrusky **to remove from committee and recommend approval to Council.** Roll Call: Yeas: 3. Nays: 0. **Motion carried.**

ADJOURNMENT

Moved by Mr. Petrusky, seconded by Mr. Marnecheck to **adjourn the November 20, 2018 Finance Committee meeting**. Yeas: 3. Nays: 0. **Motion carried.**

Meeting adjourned at 7:33 p.m.



11/20/2018 City Council Meeting

Ordinance 2018-117

2019 Original Budget

1. OVERVIEW

- 2019 Budget Process

2. 2019 Revenues

Major Revenue Sources:

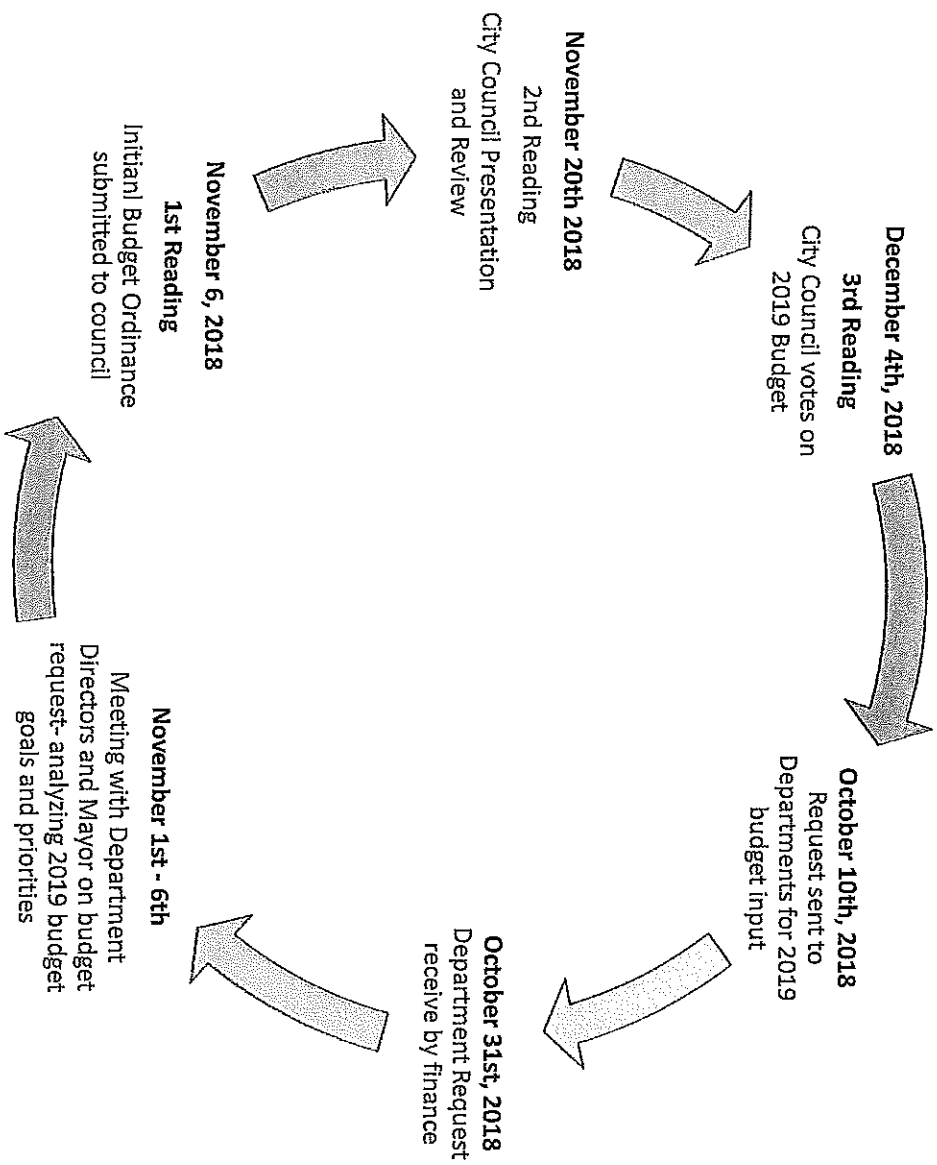
- Income tax
- Property tax
- Local Government

3. 2019 Expenses

2018/2019 Budget Comparisons

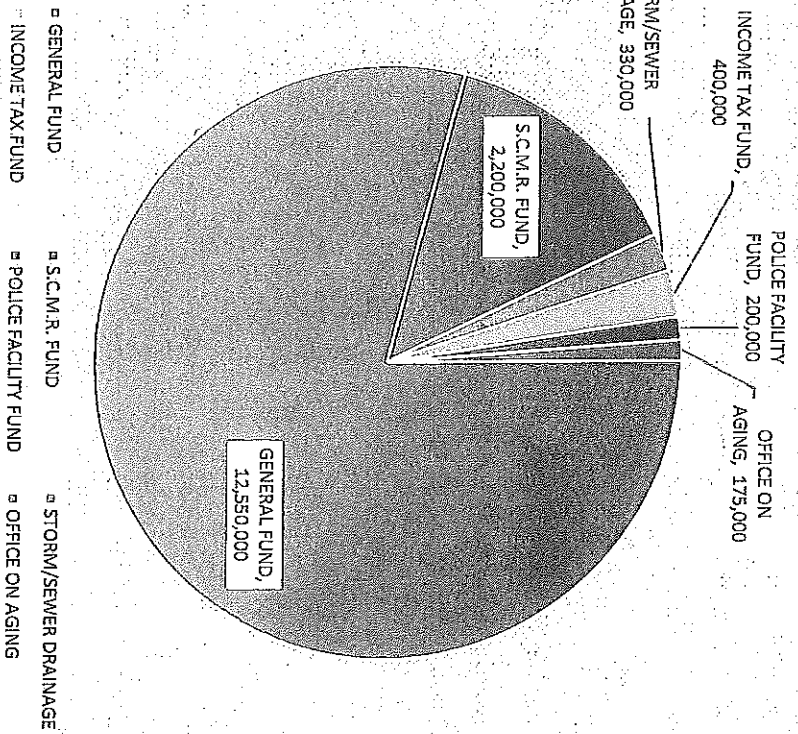
2019 Capital Items

4. City Council Questions

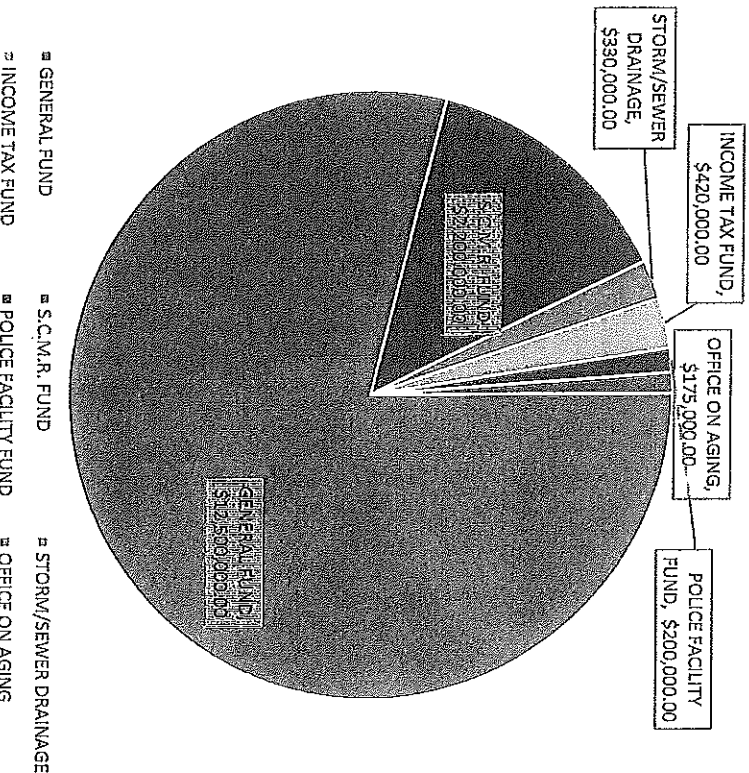


Municipal Income Tax

2018 Income Tax Estimate



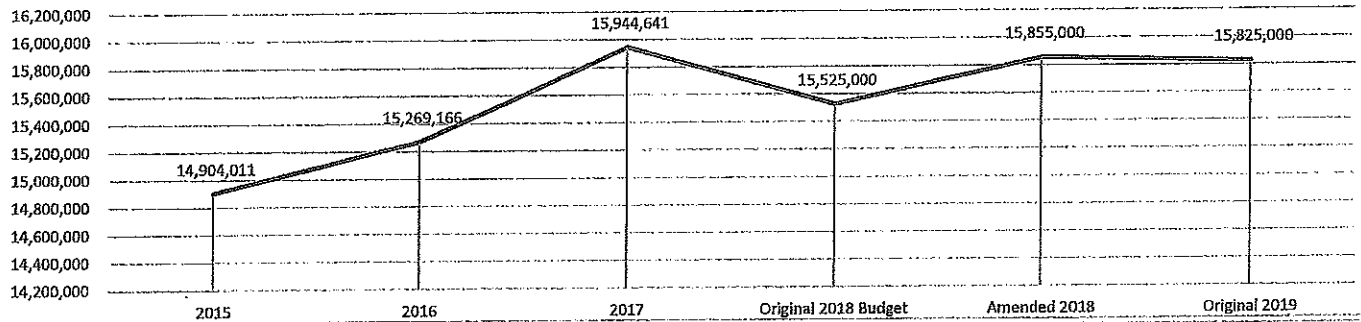
2019 Income Tax Estimate



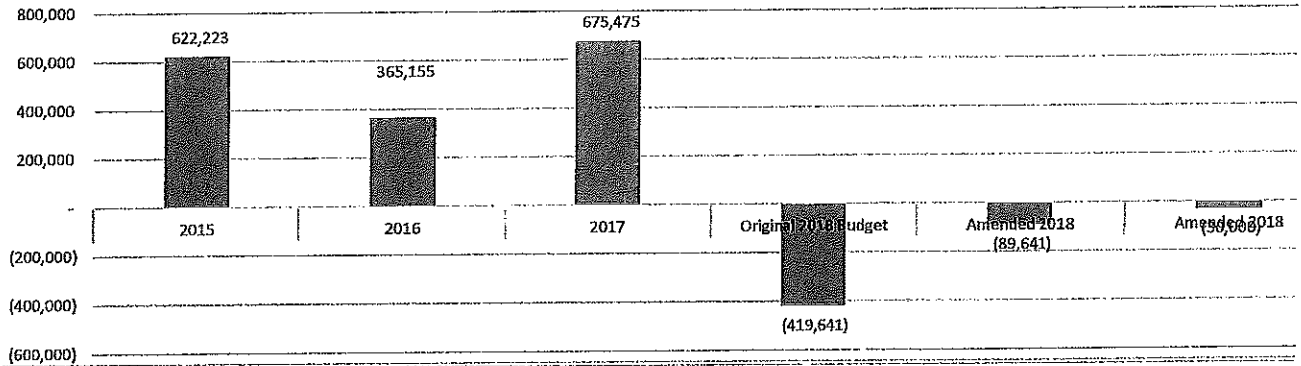
	2015	2016	2017	Original 2018 Budget	Amended 2018	Original 2019	
GENERAL FUND	101 3 31201 11,302,696	11,698,071	12,272,488	12,000,000	12,550,000	12,500,000	79%
S.C.M.R. FUND	211 3 31201 1,981,787	2,023,486	2,161,770	2,550,000	2,200,000	2,200,000	14%
STORM/SEWER DRAINAGE	433 3 31201 652,212	729,381	652,087	200,000	330,000	330,000	2%
INCOME TAX FUND	213 3 31201 567,316	443,228	483,296	400,000	400,000	420,000	3%
POLICE FACILITY FUND	207 3 31201 200,000	200,000	200,000	200,000	200,000	200,000	1%
OFFICE ON AGING	219 3 31201 200,000	175,000	175,000	175,000	175,000	175,000	1%
Total Income Tax	14,904,011	15,269,166	15,944,641	15,525,000	15,855,000	15,825,000	
Total Income Tax (in millions)	14.904	15.269	15.945	15.525	15.855	15.825	
INCREASE (DECREASE)	622,223	365,155	675,475	(419,641)	(89,641)	(30,000)	
% CHANGE	4.36%	2.45%	4.42%	-2.63%	-0.58%	-0.19%	
Income tax - fees							

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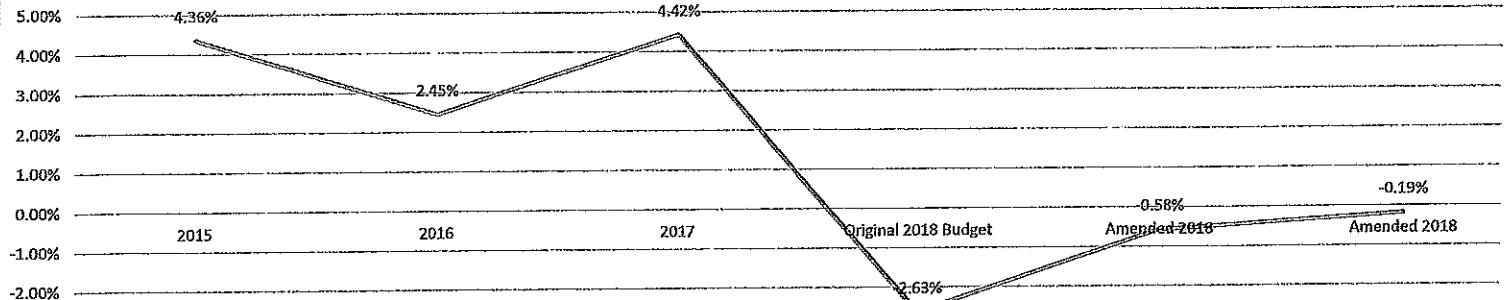
Total Income Tax



INCREASE (DECREASE)

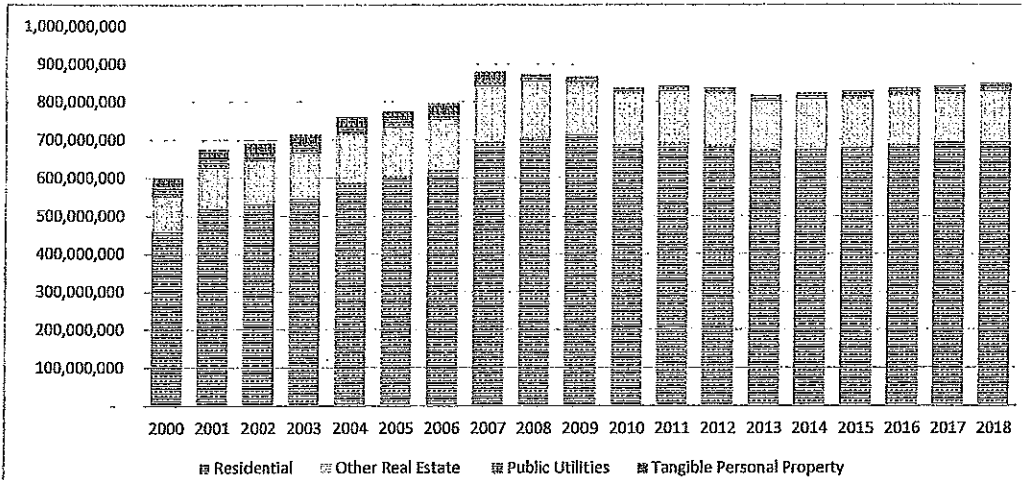


% CHANGE

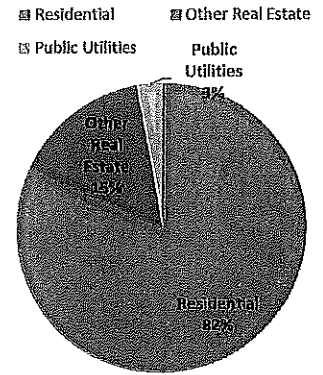


Property Tax

City of North Royalton
Real Property Values by year

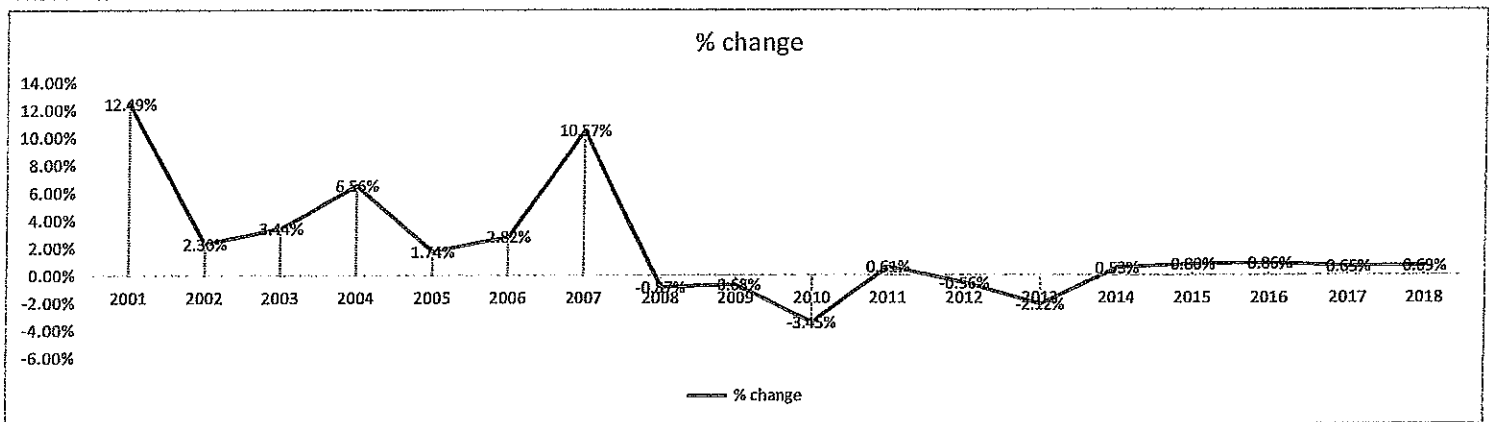


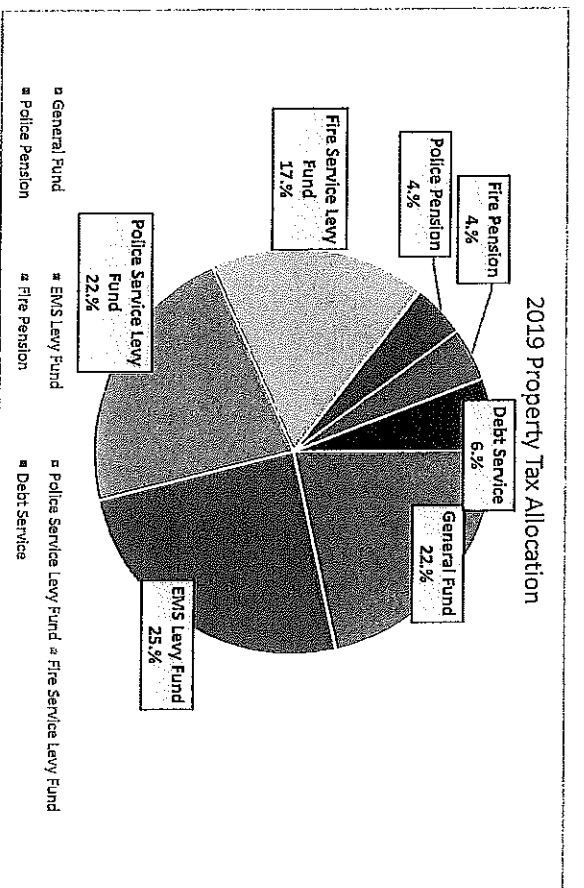
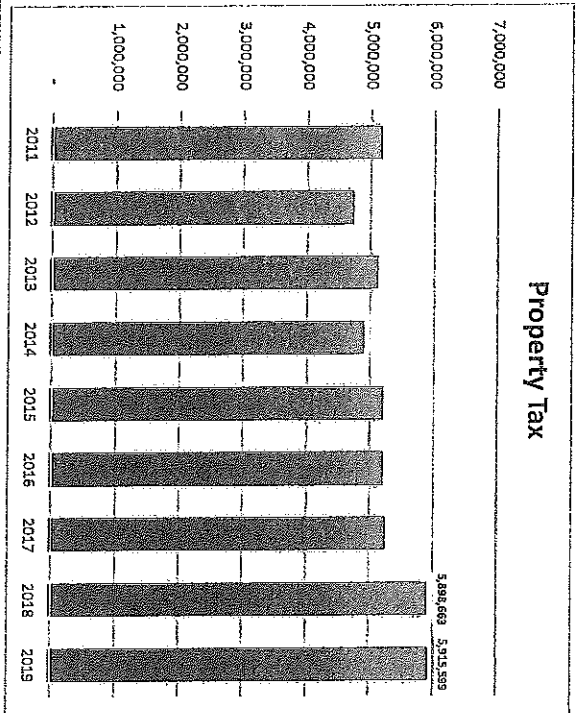
2018 PROPERTY VALUE
BY TYPE



Year	Residential	Other Real Estate	Public Utilities	Tangible Personal Property	Total	% change	real estate	other real estate	utilities	tangible
2000	460,495,850	88,080,900	27,559,190	23,796,273	599,932,213					
2001	519,223,850	107,537,750	24,665,850	23,439,705	674,867,155	12.49%	12.75%	22.09%	-10.50%	-1.50%
2002	531,884,840	110,339,010	19,349,440	28,782,724	690,356,014	2.30%	2.44%	2.60%	-21.55%	22.79%
2003	549,846,670	116,092,220	18,981,340	29,178,830	714,099,060	3.44%	3.38%	5.21%	-1.90%	1.38%
2004	589,729,910	124,977,010	19,021,850	27,187,608	760,916,378	6.56%	7.25%	7.65%	0.21%	-6.82%
2005	603,698,000	128,019,170	18,416,710	23,998,713	774,132,593	1.74%	2.37%	2.43%	-3.18%	-11.73%
2006	621,862,500	130,150,110	15,862,580	28,060,516	795,935,706	2.82%	3.01%	1.66%	-13.87%	16.93%
2007	696,052,930	145,412,720	16,102,320	22,535,285	880,103,255	10.57%	11.93%	11.73%	1.51%	-19.69%
2008	705,251,410	147,986,240	12,842,430	6,334,382	872,414,462	-0.87%	1.32%	1.77%	-20.24%	-71.89%
2009	714,185,660	135,415,320	13,591,490	3,319,912	866,512,382	-0.68%	1.27%	-8.49%	5.83%	-47.59%
2010	688,441,270	133,682,670	14,488,560	-	836,612,500	-3.45%	-3.60%	-1.28%	6.60%	
2011	691,984,620	134,264,930	15,444,330	-	841,693,880	0.61%	0.51%	0.44%	6.60%	
2012	685,146,740	135,963,220	15,840,620	-	836,950,580	-0.56%	-0.99%	1.26%	2.57%	
2013	672,675,140	129,003,020	17,517,050	-	819,195,210	-2.12%	-1.82%	-5.12%	10.58%	
2014	675,130,820	129,127,070	19,238,220	-	823,496,110	0.53%	0.37%	0.10%	9.83%	
2015	680,456,120	129,386,280	20,218,490	-	830,060,890	0.80%	0.79%	0.20%	5.10%	
2016	691,032,830	125,554,260	20,645,800	-	837,232,890	0.86%	1.55%	-2.96%	2.11%	
2017	693,007,410	127,690,240	21,957,260	-	842,654,910	0.65%	0.29%	1.70%	6.35%	
2018	694,733,360	130,354,890	23,408,840	-	848,497,090	0.69%	0.25%	2.09%	6.61%	

** - Assessed Valuation based on Tax Year (Tax years are collected in proceeding Fiscal Year)
FROM SCHEDULE A - CUYAHOGA COUNTY BUDGET COMMISSION





Account Name	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Estate and Public Utility	740,760	753,945	1,012,175	938,814	1,080,354	1,105,551	1,115,451	1,119,969	1,120,000
Homestead Exemption	28,286	19,794	28,476	27,239	29,956	28,907	28,241	28,265	28,500
Rollback - Prop Tax	120,705	83,654	112,636	104,696	122,666	124,594	125,361	126,462	127,009
R. E. & P. U. Tax	681,220	670,161	671,446	679,242	689,912	702,572	709,143	1,408,181	1,420,000
Homestead Exemption	16,650	16,979	18,089	18,666	17,817	17,032	16,644	32,033	37,000
Rollback Property Tax	71,350	71,751	71,567	71,744	72,906	73,356	73,861	-	-
Real Estate and Public Utility	1,154,899	1,138,319	1,140,363	1,153,463	1,169,641	1,188,086	1,198,949	1,205,361	1,205,000
Homestead Exemption	29,144	29,720	31,660	32,672	31,181	29,807	29,128	29,163	29,000
Rollback Property Tax	124,889	125,595	125,306	125,584	127,615	128,432	129,288	129,288	129,288
R. E. & P. U. Tax	821,646	809,357	810,879	820,232	831,854	845,668	853,899	853,293	860,000
Homestead Exemption	20,540	20,946	22,328	23,026	21,977	21,008	20,530	20,564	20,600
Rollback Property Tax	88,019	88,516	88,302	88,508	89,939	90,513	91,117	157,296	150,000
R. E. & P. U. Tax	233,371	221,045	211,462	213,860	216,622	220,298	211,919	223,453	223,000
Homestead Exemption	5,831	5,938	6,102	6,286	5,993	5,781	5,648	5,653	5,700
Rollback Property Tax	24,987	25,095	24,149	24,163	24,533	24,929	25,075	25,282	25,300
R. E. & P. U. Tax	210,031	216,303	211,462	214,320	216,622	220,299	222,343	223,453	222,000
Homestead Exemption	5,831	5,938	6,102	6,286	5,993	5,781	5,648	5,653	5,700
Rollback Property Tax	24,987	25,095	24,149	24,163	24,533	24,929	25,075	25,282	25,300
R. E. & P. U. Tax	655,886	652,541	652,720	652,445	652,000	652,000	652,000	652,000	652,000
Homestead Exemption	17,815	10,170	12,572	7,991	8,000	7,708	7,531	20,635	20,650
Rollback Property Tax	75,255	40,249	48,326	32,709	32,000	33,225	33,433	20,627	20,650
General Fund	889,720.42	4,713,112.01	5,105,291.31	4,900,107.94	5,195,133.47	5,192,178.03	5,234,761.58	5,898,663.44	5,915,598.69
EMS Levy Fund	769,219	839,382.81	1,153,286.65	1,068,748.71	1,232,985.77	1,259,051.19	1,269,073.26	1,274,695.20	1,275,500.00
Police Service Levy Fund	1,308,992	1,293,634	1,287,349	1,311,719	1,328,437	1,346,325	1,357,366	1,299,605	1,304,289
Fire Service Levy Fund	930,206	918,819	921,509	931,766	948,779	957,188	975,546	1,036,144	1,030,600
Police Pension	264,189	252,078	241,713	244,308	247,148	251,009	242,643	254,399	254,000
Fire Pension	240,848	247,336	241,713	244,768	247,149	251,000	253,067	254,399	252,900
Debt Service	748,998	402,960	488,617	329,145	415,000	334,645	337,419	339,208	341,300
Debt Service	5,152,111.45	4,713,112.01	5,105,291.31	4,900,106.94	5,195,133.47	5,192,178.03	5,234,761.58	5,898,663.44	5,915,598.69

City	Current Valuation	Estimated Valuation	Estimated Valuation Increase	Non-Reductible Millage	Estimated Increase	% of Increase
BAY VILLAGE	\$ 547,002,520	\$ 636,008,135	\$ 89,005,615	14.90	\$ 1,326,184	14%
BEACHWOOD	\$ 759,604,780	\$ 793,983,190	\$ 34,378,410	4.00	\$ 137,514	4%
BEDFORD	\$ 226,216,120	\$ 236,842,293	\$ 10,626,173	21.70	\$ 230,588	4%
BEDFORD HEIGHTS	\$ 219,388,000	\$ 237,615,270	\$ 18,227,270	21.90	\$ 399,177	8%
BEREA	\$ 379,703,580	\$ 406,045,965	\$ 26,342,385	10.30	\$ 271,327	6%
BRECKSVILLE	\$ 604,199,850	\$ 659,358,981	\$ 55,159,131	8.21	\$ 452,856	8%
BROADVIEW HEIGHTS	\$ 659,179,470	\$ 707,362,592	\$ 48,183,122	8.12	\$ 391,247	7%
BROOK PARK	\$ 414,199,470	\$ 451,858,497	\$ 37,659,027	4.45	\$ 167,583	8%
BROOKLYN	\$ 303,897,890	\$ 326,773,940	\$ 22,876,050	5.90	\$ 134,969	7%
CLEVELAND	\$ 4,728,745,440	\$ 5,139,606,828	\$ 410,861,388	12.70	\$ 5,217,940	8%
CLEVELAND HEIGHTS	\$ 808,469,340	\$ 872,370,630	\$ 63,901,290	12.42	\$ 793,654	7%
EAST CLEVELAND	\$ 116,254,180	\$ 100,117,255	\$ (16,136,925)	12.70	\$ (204,939)	-16%
EUCLID	\$ 555,443,440	\$ 639,728,605	\$ 84,285,165	3.88	\$ 327,026	13%
FAIRVIEW PARK	\$ 393,672,260	\$ 440,269,445	\$ 46,597,185	10.80	\$ 503,250	11%
GARFIELD HEIGHTS	\$ 307,116,440	\$ 340,459,664	\$ 33,343,224	28.06	\$ 935,611	10%
HIGHLAND HEIGHTS	\$ 397,529,330	\$ 434,268,780	\$ 36,739,450	4.00	\$ 146,958	8%
INDEPENDENCE	\$ 459,545,250	\$ 490,635,120	\$ 31,089,870	2.20	\$ 68,398	6%
LAKEWOOD	\$ 913,090,440	\$ 1,100,757,511	\$ 187,667,071	17.40	\$ 3,265,407	17%
LYNDHURST	\$ 396,897,490	\$ 425,272,440	\$ 28,374,950	11.50	\$ 326,312	7%
MAPLE HEIGHTS	\$ 257,728,350	\$ 276,419,321	\$ 18,690,971	14.70	\$ 274,757	7%
MAYFIELD HEIGHTS	\$ 521,916,760	\$ 574,378,838	\$ 52,462,078	10.00	\$ 524,621	9%
MIDDLEBURG HEIGHTS	\$ 510,912,280	\$ 551,133,442	\$ 40,221,162	4.45	\$ 178,984	7%
NORTH OLMSTED	\$ 788,992,320	\$ 865,664,285	\$ 76,671,965	13.30	\$ 1,019,737	9%
NORTH ROYALTON	\$ 848,497,090	\$ 942,729,760	\$ 94,232,670	2.50	\$ 235,582	10%
OLMSTED FALLS	\$ 196,694,550	\$ 218,368,925	\$ 21,674,375	3.50	\$ 75,860	10%
PARMA	\$ 1,362,061,400	\$ 1,512,002,819	\$ 149,941,419	3.40	\$ 509,801	10%
PARMA HEIGHTS	\$ 305,308,960	\$ 339,069,025	\$ 33,760,065	10.00	\$ 337,601	10%
PEPPER PIKE	\$ 438,902,970	\$ 451,895,472	\$ 12,992,502	5.50	\$ 71,459	3%
RICHMOND HEIGHTS	\$ 234,192,730	\$ 246,532,055	\$ 12,339,325	14.60	\$ 180,154	5%
ROCKY RIVER	\$ 750,489,810	\$ 879,701,195	\$ 129,211,385	10.80	\$ 1,395,483	15%
SEVEN HILLS	\$ 322,403,670	\$ 348,032,305	\$ 25,628,635	5.05	\$ 129,425	7%
SHAKER HEIGHTS	\$ 772,361,630	\$ 837,786,357	\$ 65,424,727	9.90	\$ 647,705	8%
SOLOIN	\$ 1,159,280,190	\$ 1,232,763,741	\$ 73,483,551	3.30	\$ 242,496	6%
SOUTH EUCLID	\$ 348,614,700	\$ 382,477,285	\$ 33,862,585	10.60	\$ 358,943	9%
STRONGSVILLE	\$ 1,491,648,870	\$ 1,643,309,952	\$ 151,661,082	2.90	\$ 439,817	9%
UNIVERSITY HEIGHTS	\$ 246,138,610	\$ 268,066,085	\$ 21,927,475	13.20	\$ 289,443	8%
WARRENSVILLE HEIGHTS	\$ 215,348,430	\$ 244,242,887	\$ 28,894,457	3.30	\$ 95,352	12%
WESTLAKE	\$ 1,450,974,700	\$ 1,552,709,115	\$ 101,734,415	9.52	\$ 968,512	7%
	\$ 25,412,623,310	\$ 27,806,618,005	\$ 2,393,994,695	365.66	\$ 22,866,790	9%

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Local Government and Shared Taxes

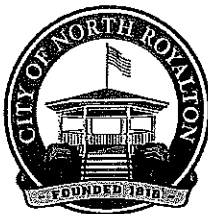
CITY OF NORTH ROYALTON - GENERAL FUND - STATED SHARED TAXES BY YEAR



Dept	Object Name/Department	2011	2012	2013	2014	2015	2016	2017	2018	2019
STATE SHARED TAXES	Local Gov't - County	557,521	378,240	6,099	238,743	262,924	297,272	270,202	272,166	280,000
STATE SHARED TAXES	Local Gov't Rev Assist	-	-	-	-	-	-	-	-	-
STATE SHARED TAXES	Local Gov't - State	100,210	69,698	56,804	56,116	44,096	20,715	7,515	-	-
STATE SHARED TAXES	Estate Tax	524,722	378,125	28,655	221,455	62,376	32,568	2,517	-	-
STATE SHARED TAXES		1,182,453	826,063	91,558	516,314	369,396	350,555	280,234	272,166	280,000
	Difference	(222,794)	(356,391)	(734,505)	424,756	(146,918)	(18,841)	(70,321)	(8,068)	7,834
	% change	-16%	-30%	-89%	464%	-28%	-5%	-20%	-3%	3%
	2004-2010 average	1,221,189	1,221,189	1,221,189	1,221,189	1,221,189	1,221,189	1,221,190	1,221,191	1,221,192
	Lost Revenue per year		(395,126)	(1,129,631)	(704,875)	(851,792)	(870,633)	(940,955)	(949,025)	(941,192)
	Cumulative Loss of Revenue Since 2010 (cuts Enacted in 2011)		(395,126)	(1,524,758)	(2,229,632)	(3,081,425)	(3,952,058)	(4,893,014)	(5,842,038)	(6,783,230)

City of North Royalton
2019 Capital/major expenses - Original Budget Ordinance 2018-117

Fund	Department	Type	Amount	Description
General	Police	Traffic Light Maintenance	\$ 76,100.00	Traffic light repairs
General	Police	Other Equipment	\$ 50,000.00	Phone System/Server upgrades ROI - 4 years
Police Levy	Police	Vehicles	\$ 126,700.00	4 Patrol Vehicles
		Other Equipment	\$ 63,000.00	Equipment for new vehicles-money for K9 unit
		Building Improvement	\$ 15,000.00	Repair of jail floor
Fire Capital	Fire Department	Vehicles	\$ 325,000.00	New Ambulance Squad/Utility Vehicle
		Other Equipment	\$ 45,000.00	New Radios
			\$ 100,000.00	Station 1 bay floors
General	Parks and Recreation	Other Equipment	\$ 10,000.00	New mower
General	Building Dept.	Building Improvements	\$ 20,000.00	New flooring/Entryway improvements
			\$ 6,200.00	New Computers
General	City Hall Building	Other Equipment	\$ 30,000.00	New Server at City Hall
Motor Veh. License	Service	Road Reconstruction	\$ 225,000.00	82 repaving/other road projects
S.C.M.R.	Service	Road Reconstruction	\$ 1,000,000.00	82 repaving/other road projects
S.C.M.R.	Service	Salt-Ice Control	\$ 400,000.00	Salt for year
State Hightway	Service	Salt-Ice Control	\$ 70,000.00	Salt for year



From Dan Langshaw, Councilmen Ward 3

- 1) Heading info FY 19 how much in state funding cuts has our city experienced total and can expect for FY19?

Local Government and Estate Tax have been cut by \$5.85 million since cuts were enacted in 2012. I budgeted for an additional cuts of \$900,000 in 2019.

- 2) **Expenses**-Is it possible to get more in savings from the OGBC Consortium for Health Care for FY 19? Are there any more cities looking to join us in the near future?

Our Medical Insurance Rates for 2019 are set. The only additional future savings would be an increase in pharmacy rebates that we receive. For 2018 we have so far received \$42,975 in pharmacy rebates. Our medical increase in 2019 will be 1.8%, much lower than neighboring cities.

The cities of South Euclid, Mayfield Heights, and Willoughby are joining the Consortium for 2019.

- 3) **Fire Capital Fund #434**-What vehicles in the future do we need to replace? How's our current ambulance squads holding up? What are our run numbers for FY 17 vs FY 18? Is what being budgeted for FY 19 enough for any unforeseen maintenance issues?

We currently have one squad being built and have budgeted for an additional squad purchase out of the Fire Capital Fund in 2019. Vehicle maintenance issues are budgeted out of the EMS levy fund. The current budget has 35,000 for unforeseen maintenance issues, which is anticipated to be lower due to the new vehicles we will receive in 2019. Per Chief Chegan, the 2018 Fire department runs will be similar to last year in quantity. We had close to 3,300 service runs in 2017.



From Dan Langshaw, Councilmen Ward 3

4) **#101 General Fund and #239 Enterprise Zone Agreement Fund.** Is it possible for the city to establish a revitalization district in the town center district for economic development to attract more restaurants and entertainment opportunities for residents? Would such a district require using #239 funds or are grants available from the state?

-Per Tom Jordan – Community Development Director

The #239 account is to receive the annual fee collected from business, typically \$500, which receive tax abatements. It is required by state law. Half of the money received is to be provided to the county for their help administering and the other half is to be retained by the city for our cost of administering the abatement.

The account may generate \$750.00 this year. The costs of administering the fund far exceed the \$750.00. We sometimes use outside counsel in complex abatement issues.

5) **Mayors Court #101 General Fund** -Is it possible to create a new \$5 mayors court fee to be imposed on all those who have a case in Mayors Court for any type of offense committed? The purpose to establish revenue or line item funding to pay for the current costs of the Police K-9 Dog and future costs of a replacement dog when it retires in X years. Also maybe part of such funds could be used to establish some kind of local drug treatment/diversion program in Mayors Court like a Safe Passages Program for certain qualifying cases. Would separate legislation be needed to create such a fee/fund? How much possible revenue could a \$5 new fee bring in for FY 19?

The police K-9 dog equipment is included in the Police Departments operating budget out of the Police Levy fund. We feel the overall operating budget is the appropriate place to account for these expenses. Most mayor's court drug cases are handled through the Parma Municipal court which has the resources to implement different programs. Yes, separate legislation would be needed to amend the court fees and would have to be approved by the magistrate and clerk of courts.



From Dan Langshaw, Councilmen Ward 3

6) How much in funding has HB 5 and the elimination of the throwback rule hurt our city? Any total cost for FY 18?

From RITA

The current version of H.B. 49 calls for elimination of the net profit sales "throwback rule", which RITA estimates will result in a \$9M-\$11M revenue loss per year on an Agency-wide basis. In addition to compiling this Agency-wide estimate, an impact estimate was calculated for each RITA member municipality. RITA estimates that the impact to the City of North Royalton could be \$50,987.20 per year.

Pending Legislation via the Ohio Municipal League

SB 203 - MUNICIPAL TAXATION. Sponsored by Sen. Dolan (R - Chagrin Falls), would reinstate the municipal income tax "throw-back rule" used in apportioning business income among municipalities. The bill, though scheduled for a hearing, was not heard at Sen. Dolan's request. The League is supportive of this legislation



From John Nickell, Councilmen Ward 1

7) What are the Data Processing fees in many of the departments?

We use data processing to track account for payments towards Software Licensing, Internet connections, and computer support.

8) What is our total copy contract annual amounts. Is it based on per click.

We have a copy contract with American Copy Equipment for all copy machines. This contract was approved last year. We shop this rate every two years to make sure we have competitive prices.. The copy amounts are based on each machine and if it is either black and white or color. Expenses are charges to account 42278 (copy/fax), for each machine assigned to the different departments. Last year we spent \$13,724 citywide for copy charges under our contract.

9) What is the total cost for our city to run the Police department and Fire Department annually.

Fire Department is budgeted for \$5,428,427 in operating and \$733,762 in capital for 2019 for a total of \$6.1 million.

The Police Department has \$5,809,414 in operating and \$254,700 in capital budgeted for 2019. A total of \$6.064 million.

10) What is the worker compensation for the Safety Director.

This is our annual Ohio Bureau of Workers Compensation premium for 2018. It is allocated at 2.54% of wages to all departments.



From John Nickel, Councilmen Ward 1

11) What is the professional service of \$32,000 for in Office on Aging.

This account pays for the Senior Transportation Connection program for senior mobility.

12) Recreation dept phone cost is 1563-1800...

In General what are our phone cost if we have a Star2Star IP system.

Do we have many POTS lines left. Do they need upgraded.

The majority of the cities POTS lines have been converted over to Voice over Internet Protocol. Each building has a redundant Plain Old Telephone Service line for back up in case of disruptions in the internet service, including the phone cost above for the Recreation Department.

The police department has budget 50,000 to finish upgrading their phone lines in 2019, which is the last department to be upgraded. The return on this investment is less than 4 years.

13) What is Recreation bldg improvement amount of \$120,000.

This 2018 item was for the original estimate of sign improvements at the City green and was to be part of the pavilion project. Due to changes in the final design the sign cost will be less than 30k. There is no budgeted amount for 2019 for this project as the purchase order for the sign installation was approved in 2018.

14) What are Finance Professional service cost of \$50,000 for.

This is the monthly cost for ADP payroll services and includes the lease of the digital time tracking system at the Wastewater and Service Department.

15) What are Engineering Profession service cost of 120-150k

This is the Engineer's cost of engineering services per their annual contract. It is based on a percentage of each project cost. This city only pays \$60,000 per year in monthly wages to the two contracted employees in the contract.



From John Nickel, Councilmen Ward 1

16) I would like to see a line item for the cost of the Police Dog and its future maintenance and replacement.

Financing for future police dogs can come from the current budget items. There is no need to tie up capital at this point.

17) In light of future discussions on NRPD events. Car Camera's are a big question. Will we be budgeting a small amount to pilot police cameras in the cars. Possibly for the supervisor units first and then any unit involved in DUI stops in future.

The administration has in the past and will in the future consider our options concerning police cameras.