

FINANCE COMMITTEE MINUTES

FEBRUARY 19, 2019

The Finance Committee meeting was held on February 19, 2019 at North Royalton City Hall, 14600 State Road. The meeting was called to order at 6:40 p.m.

PRESENT: **Committee Members:** Chair: 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, Police Chief Kenneth Bilinovich, Fire Chief Robert Chegan, Safety Director Bruce Campbell, Asst. Law Director Donna Vozar; **Other:** Lou Krzepina, Linda Barath, Jeremy Dietrich.

APPROVAL OF MINUTES

Moved by Mr. Petrusky, seconded by Mr. Marnecheck to **approve the minutes for the January 15, 2019 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. Mr. Antoskiewicz asked if we will continue to see the up one month, down the next month trend with income tax collections. Mr. Dean said that the requirement is to pay 90% of your tax liability estimate on December 15th. Ideally you would have most of your estimated payments in but when you file your taxes that is when you pay the first quarter estimate for the next year and any differences. He said that they have until April 15th so it is unpredictable. It's hard to look at just one month in the first quarter of a year and say it looks good or bad, we have to wait.

2. Overtime

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

NEW BUSINESS

1. Ordinance 19-14

Mr. Kasaris said that he supports this legislation. He asked what the estimated cost for this will be. Mr. Dean said it is really minimal. He said that during the Exit Conference with the State Auditor's Office, they recommended that we put this legislation in place. It is basically just a disclosure stating that we consider minor items such as refreshments as a public purpose and it is up to Council to approve this. This is something that has been done for years and is probably less than \$500 per year.

MISCELLANEOUS

Mr. Langshaw congratulated Mr. Dean and the Finance Department on once again receiving the Auditor of State award.

Mr. Antoskiewicz announced that there is a Special Finance Committee meeting scheduled for Wednesday March 27, 2019 at 6:30 p.m. here in Council Chambers to discuss the energy audit. Mayor Stefanik said that Council will receive a packet of information for this meeting by the weekend.

ADJOURNMENT

Moved by Mr. Marnecheck, seconded by Mr. Petrusky to **adjourn the February 19, 2019 Finance Committee meeting.** Yeas: 3. Nays: 0. **Motion carried.**

Meeting adjourned at 6:45 p.m.

From: [Eric Dean](#)
To: [Cheryl Hannan](#); [Dan Kasaris](#); [Dan Langshaw](#); [Gary Petrusky](#); [John Nickell](#); [Larry Antoskiewicz](#); [Paul Marnecheck](#)
Cc: [Robert Stefanik](#); [Dana Schroeder](#); [Laura Haller](#)
Subject: January 2019 Finance Report
Date: Monday, February 18, 2019 2:24:35 PM
Attachments: [January 2019 Finance report.pdf](#)
[2017 Auditor of State Award.pdf](#)

Please see the attached finance report for tomorrow's meeting.

1. The city finished the first month of the year with \$17.72 million in the bank, of which \$4.04 million are available in governmental funds.
2. Income tax collections were **up \$372,287** for the period and **\$227,630.34 for the first two months of 2019.**
 - a. Individual income tax increased by \$527,689 due to the timing on payments of tax receipts.
 - b. Fluctuations in tax collections are expected until May due to timing of individual tax and net profit fillings.
3. Overtime for the first full month of the year is 11% of the budget with 12 % of the year completed.
4. The 2017 audit has finally been released, and our report is available on the Auditor of State's website: <https://ohioauditor.gov/auditsearch/Search.aspx> (just search for the City of North Royalton).
5. We have received an award for excellence in financial reporting. This award is due to no significant findings in the audit. Below are the guidelines for receiving the award:

Auditor of State Award

Eligible entities that receive the award meet the following criteria of a "clean" audit report:

- The entity must file timely financial reports with the Auditor of State's office via the Hinkle System in accordance with GAAP (Generally Accepted Accounting Principles);
- The audit report does not contain any findings for recovery, material citations, material weaknesses, significant deficiencies, Uniform Guidance (Single Audit) findings or questioned costs;
- The entity's management letter contains no comments related to:
 -
 - Ethics referrals

- Questioned costs less than the threshold per the Uniform Guidance
- Lack of timely report submission
- Reconciliation issues
- Failure to obtain a timely Single Audit in accordance with Uniform Guidance
- Findings for recovery less than \$500
- Public meetings or public records issues
- The entity has no other financial or other concerns



Eric Dean

Finance Director

City of North Royalton

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City of North Royalton
Bank Reconciliation
January 31, 2019

Bank Balance

Bank Statements:

Fifth Third Bank - Operating	\$7,581,047.31
Fifth Third Bank - Payroll	\$ -
Petty Cash	\$ 5,050.00
Fifth Third Bank - Investment Account	\$ 7,188,975.89
Star Ohio - Investment Account	\$ 1,819,771.73
First National Bank Investment Account	\$ 506,148.14
Fifth Third Bank-OGBC Agency Fund	\$ 1,156,246.17
Total Statements	\$18,257,239.24

Adjustment to Bank Balance:

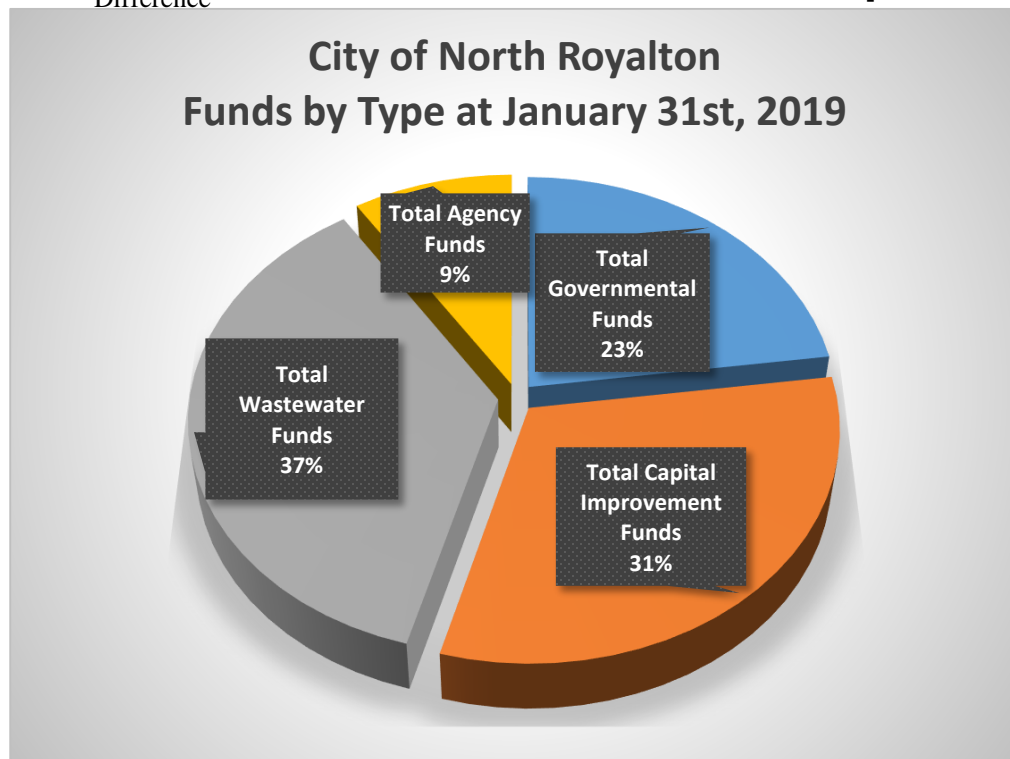
Fifth Third Bank - interest premium	14,280.56
Fifth Third Bank - Change in Investment Value	5,494.11
Accounts Payable-OGBC Agency Fund	(150,933.45)
Outstanding Checks	\$ (406,423.84)

Adjusted Bank Balance 17,719,656.62

Book Balance:

Total All Funds - per Tyler Munis System \$ 17,719,656.62

Difference -



City of North Royalton
City Income Tax Collections
2/18/2019

CURRENT MONTHLY RECEIPTS	Net Receipts
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received in

collections for the month of January-2018 / February-2019

Regional Income Tax Agency	\$ 2,726,565.64
Ohio Department of Taxation	\$ -
	<u>\$ 2,726,565.64</u>

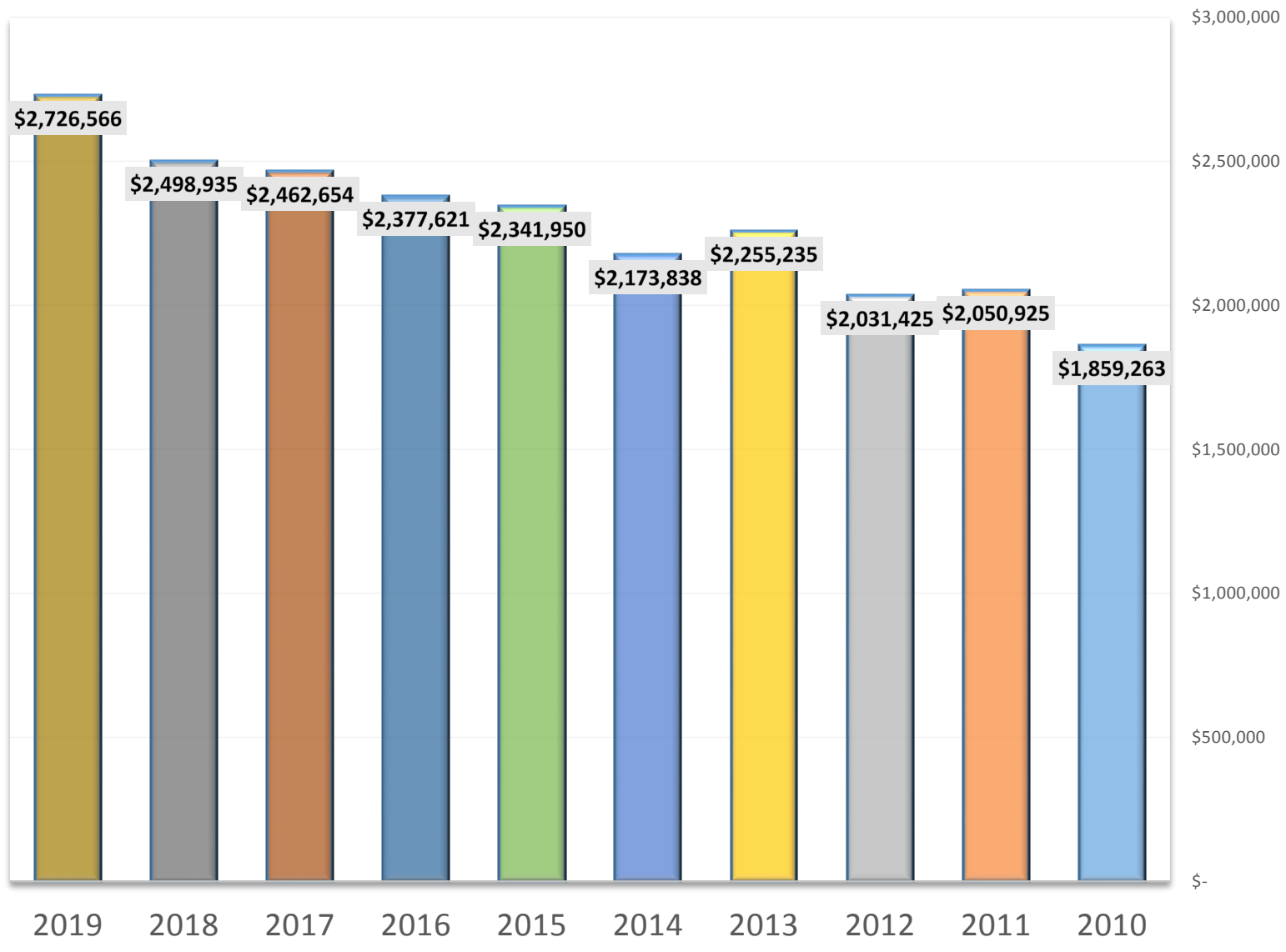
YEAR TO DATE RECEIPTS	Net Receipts
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Regional Income Tax Agency	\$ 2,726,565.64
Ohio Department of Taxation	\$ -
Fiscal Year 2019	<u>\$ 2,726,565.64</u>
Fiscal Year 2018	<u>\$ 2,498,935.30</u>
Increase (Decrease)	<u><u>\$ 227,630.34</u></u>

COLLECTION DETAIL

	This Year	Prior Year		
	February-2019	February-2018	Difference	%
WITHHOLDING	\$ 602,131.61	\$ 728,163.18	\$ (126,032)	-17.31%
INDIVIDUAL TAXES	\$ 812,251.77	\$ 284,562.73	\$ 527,689	185%
NET PROFIT TAXES	\$ 32,460.65	\$ 51,615.82	\$ (19,155)	-37%
TOTAL GROSS RECEIPTS	<u>\$ 1,446,844.03</u>	<u>\$ 1,064,341.73</u>	<u>\$ 382,502</u>	<u>36%</u>
3% withholding for collection				
fees	(43,405.32)	(31,930.25)	\$ (11,475)	36%
legal fees/court costs	(1,548.25)	(2,808.14)	\$ 1,260	-45%
TOTAL LEGAL FEES AND				
COLLECTION COSTS	<u>(44,953.57)</u>	<u>(34,738.39)</u>	<u>(10,215.18)</u>	<u>29%</u>
TOTAL NET RECEIPTS	<u>1,401,890.46</u>	<u>1,029,603.34</u>	<u>\$ 372,287</u>	<u>36.16%</u>

Year to Date Income Tax



CITY OF NORTH ROYALTON
Income Tax Receipts Summary

	Month Received	#101 - General Fund	#207 Police Facility	Fund	#219 Office on Aging	Tax Fund	Water Fund	Refunds	Overhead & Legal Fees	Net Receipts	Cumulative Receipts
		#101 - General		#211 - SCMR		#213 - Income Tax	#433 - Storm Water				
2019	January	\$ 1,025,304.45	\$ 16,666.67	\$ 191,444.83	\$ 14,583.33	\$ 50,763.79	95,722.41	\$ (26,828.32)	\$ (42,981.98)	\$ 1,324,675.18	\$ 1,324,675.18
	February	\$ 1,110,084.01	16,666.67	\$ 181,398.64	14,583.33	\$ 56,903.63	90,699.32	(23,491.57)	(44,953.57)	\$ 1,401,890.46	2,726,565.64
	March	\$ -		\$ -		\$ -	-			\$ -	2,726,565.64
	April	\$ -		\$ -		\$ -	-			\$ -	2,726,565.64
	May	\$ -		\$ -		\$ -	-			\$ -	2,726,565.64
	June	\$ -		\$ -		\$ -	-			\$ -	2,726,565.64
	July	\$ -		\$ -		\$ -	-			\$ -	2,726,565.64
	August	\$ -		\$ -		\$ -	-			\$ -	2,726,565.64
	September	\$ -		\$ -		\$ -	-			\$ -	2,726,565.64
	October	\$ -		\$ -		\$ -	-			\$ -	2,726,565.64
	November	\$ -		\$ -		\$ -	-			\$ -	2,726,565.64
	December	\$ -		\$ -		\$ -	-			\$ -	2,726,565.64
	Total	\$ 2,135,388.46	\$ 33,333.34	\$ 372,843.47	\$ 29,166.66	\$ 107,667.42	\$ 186,421.73	\$ (50,319.89)	\$ (87,935.55)	\$ 2,726,565.64	
Original Fiscal Budget		\$ 12,600,000.00	\$ 200,000.00	\$ 2,200,000.00	\$ 175,000.00	\$ 780,000.00	\$ 370,000.00	\$ (330,000.00)	\$ (450,000.00)	\$ 15,545,000.00	
		17%	17%	17%	17%	14%	50%	15%	20%	18%	
2018	January	\$ 1,134,557.83	\$ 16,666.67	\$ 198,749.29	\$ 14,583.33	\$ 58,347.52	99,374.65	\$ (2,195.01)	\$ (50,752.32)	\$ 1,469,331.96	\$ 1,469,331.96
	February	\$ 739,234.22	16,666.67	\$ 175,842.73	14,583.33	\$ 35,399.79	87,921.36	(5,306.37)	(34,738.39)	1,029,603.34	2,498,935.30
	March	\$ 695,631.09	16,666.67	\$ 148,926.96	14,583.33	\$ 29,194.56	1,797.74	(13,625.28)	(28,819.56)	864,355.51	3,363,290.81
	April	\$ 1,108,917.03	16,666.67	\$ 165,058.66	14,583.33	\$ 50,922.91	18.96	(52,780.17)	(41,967.14)	1,261,420.25	4,624,711.06
	May	\$ 1,934,049.22	16,666.67	\$ 243,458.98	14,583.33	\$ 93,709.96	666.76	(67,098.39)	(63,500.59)	2,172,535.94	6,797,247.00
	June	\$ 1,335,923.50	16,666.67	\$ 207,737.36	14,583.33	\$ 60,482.04	3,681.44	(51,527.45)	(48,818.33)	1,538,728.56	8,335,975.56
	July	\$ 1,435,522.26	16,666.67	\$ 193,133.96	14,583.33	\$ 69,163.90	-	(41,101.44)	(52,402.07)	1,635,566.61	9,971,542.17
	August	\$ 855,013.21	16,666.67	\$ 155,286.38	14,583.33	\$ 36,746.25	993.98	(33,196.89)	(32,554.91)	1,013,538.02	10,985,080.19
	September	\$ 835,176.23	16,666.67	\$ 138,430.73	14,583.33	\$ 37,291.26	-	(42,547.84)	(32,002.55)	967,597.83	11,952,678.02
	October	\$ 1,029,775.91	16,666.67	\$ 247,131.75	14,583.33	\$ 55,928.76	100,000.00	(20,771.45)	(45,521.75)	1,397,793.22	13,350,471.24
	November	\$ 728,850.20	16,666.67	\$ 173,458.65	14,583.33	\$ 34,093.33	39,109.22	(14,139.68)	(33,934.37)	958,687.35	14,309,158.59
	December	\$ 567,637.23	16,666.63	\$ 100,000.00	14,583.37	\$ 27,259.09	101,000.00	(44,084.11)	(26,549.41)	756,512.80	15,065,671.39
	Total	\$ 12,400,287.93	\$ 200,000.00	\$ 2,147,215.45	\$ 175,000.00	\$ 588,539.37	\$ 434,564.11	\$ (388,374.08)	\$ (491,561.39)	\$ 15,065,671.39	
Original Fiscal Budget		\$ 12,600,000.00	\$ 200,000.00	\$ 2,200,000.00	\$ 175,000.00	\$ 700,000.00	\$ 330,000.00	\$ (300,000.00)	\$ (475,000.00)	\$ 15,430,000.00	

CITY OF NORTH ROYALTON
Summary of Overtime Budgets
2019 Fiscal Year

2/1/2018

Fund	Department	2019 Budget	2019 Actual	
General Fund	Police Department	\$ 180,000	\$ 17,466	
General Fund	Animal Control	2,000	29	
General Fund	Fire Department	5,000	817	
General Fund	Dispatch	6,800	264	
General Fund	Parks & Recreation	20,000	4,856	
General Fund	Building Department	1,000	-	
General Fund	Mayor's Office	2,500	267	
General Fund	Finance Department	2,500	243	
General Fund	Engineering	200	82	
General Fund	Legislative Activity	2,000	-	
General Fund	Mayor's Court	5,050	156	
General Fund	City Hall Building and Grounds	400	-	
Police Facility Operating	Jail	40,000	1,182	
EMS Fund	Fire Department	400,000	37,386	
SCMR	Streets	22,000	5,461	
SCMR	Snow removal	30,000	3,740	
Office on Aging	Senior Assistance	5,000	44	
Community Diversion	Police Department	2,000	-	
Waste Water	Treatment	65,000	7,127	
Waste Water	Storms Sewer and Drainage	15,000	1,088	
Waste Water	Maintenance	35,500	6,047	
		\$ 814,464	\$ 86,256	11%

Current Date Represents This Percentage of the Year-

12%



OFFICE OF THE AUDITOR
KEITH FABER

OHIO AUDITOR OF STATE AWARD

Presented to

City of North Royalton

This award is presented for excellence in financial reporting in accordance with Generally Accepted Accounting Principles (GAAP) and compliance with applicable laws for the fiscal year ended 2018.



The citizens you represent are well-served by your effective and accountable financial practices.

A handwritten signature in blue ink that reads "Keith Faber".

Keith Faber, Auditor of State