

**FINANCE COMMITTEE MINUTES
MARCH 18, 2020**

The Finance Committee meeting was held on March 18, 2020 at North Royalton City Hall, 14600 State Road. The meeting was called to order at 7:41 p.m.

PRESENT: Committee Members: Chair Paul Marnecheck, Mike Vos; **Council**: Jeremy Dietrich, Vincent Weimer, Dan Langshaw; Administration: Mayor Larry Antoskiewicz, Law Director Thomas Kelly, Fire Chief Robert Chegan, Police Chief Ken Bilinovich, Finance Director Eric Dean; Other: Scott Kriska, Michael McDonald

APPROVAL OF MINUTES

Moved by Council President Marnecheck, seconded by Mr. Vos to **approve the minutes for the February 18, 2020 Finance Committee meeting**. Yeas: 2. Nays: 0. **Motion carried.**

UNFINISHED BUSINESS

1. Monthly Finance report including tax collections status

Finance Director Dean states the Council should have the report I sent out earlier, so we ended the month of February with 21.8 million dollars in the bank. Of that 21.8 million, 8.5 is reserved for wastewater, 6 million is in governmental funds, 3.2 is in capital, and 3.6 is in agency funds we hold for amenities. Looking at the income tax for the period, we had a decrease of \$123,000. I am sorry, year to date is \$122,000.00. For the period it was \$136,000. Mostly, the decrease compared to this time last year was individual taxes which was down \$102,000.00, net profit was down \$19,000.00. Traditionally, early in the year, when we look at income taxes, they fluctuate up and down because we are waiting until Tax Day, so it all depends on when people file, especially with individual, it is a unique situation where we know the economy has some strain on this. Overall, if you look at the income tax collections, I was not projecting to collect what we did last year, so we actually had a 6% decrease and if you look at that 6% decrease compared to last year, we are actually doing fine, year to date. We are up \$62,000.00 compared to what I am expecting to get, I am not expecting us to collect what we did last year. But, obviously we want to keep monitoring the situation.

President of Council Marnecheck states as you said it is too early to know what, if any, impact the coronavirus will have, but you and the Mayor will be monitoring it very closely.

Finance Director Dean states if you look at your taxes, so you are behind, so you will pay your '19 by April, but it actually got extended, by Tax Day. So at that point, it doesn't change what you owe, but we do know the effect holding the jobs in the city and the payroll tax which is in withholding not the individual, the estimates that people pay that is what we are looking at going forward and going to monitor.

2. Overtime

Finance Director Dean states overtime is looking good, so we are at almost \$120,000.00 for the year, but we are 14% of our budget with 19% of the budget completed, that is as of March 1 year to date. I think that lack of snow has helped so far.

NEW BUSINESS

1. Leopard Change Order

Finance Director Dean states the change order that we had that was approved on the second meeting, and on that end, there is no other change currently that we are looking at. But, the progress on that I think Tom Jordan who was here earlier can speak to that.

President of Council Marnecheck states anything for economic development director, do you kind of want to chime in on this all?

Mr. Jordan states relative to the change order the only one, one of the ones that we are pursuing was a small change order, we found some equipment in the Police Department that is not actually working. We may actually, we are looking to see if the Police Department has their own maintenance staff is recommending possibly a second contractor, so we are looking into that before we move forward that, so there is nothing at this time.

President of Council Marnecheck states given that we will not be having Building and Building Codes tonight due to a lack of a quorum of Building and Building Codes, would you like to speak briefly on the cemetery.

Mr. Jordan states the cemetery was awarded to Grunwell, they are to begin work on April 15, they should be wound up by September 15.

President of Council Marnecheck states I think it was discussed amongst us, the store front renovation, we are going to kind of put that on pause.

Mr. Jordan states right, at this point, we are on unchartered and uncertain future, we are concerned about our retail members of our business community, one in four people in this city derives some part of their income from a retail related business, we have contacted and asked Senator Portman, Senator Brown and Representative Gonzalez, and part of the stimulus and/or Recovery Act packages are moving forward, be directed towards that industry, people because they were forced to close, they are experiencing losses. My conversations with SPA and other federal related organizations relative to the package. A lot of individuals and businesses are aware that Congress are appropriating money, however, the amount of money segregated to whether it goes to HUD, SPA, the economic development administration hasn't been determined nor have the rules about how people can apply. So once those rules have been applied, we will inform the businesses as well as individuals how they may apply for those federal assistance funds. I think that is where our focus will be over the next month to try to make sure that our businesses will be able to access those funds. There are also steps that need to occur, the closures only occurred on Sunday evening, for the most part on retail so their losses and the extent of their losses aren't completely known at this time and that will be a basic point of when you apply for relief from the federal government for that, we are going to obviously continue to monitor how this progresses. What the Mayor and I have done is contact representatives and indicated that we support more assistance for businesses as they go through that rule making and the appropriation process at the state and federal level. As far as our little storefront program, you know I have done the application, I have the criteria we would discuss with Council, but at this time we requesting that we hold off on those final programming points until we understand the need in the retail industry a little bit more.

President of Council Marnecheck states anything else you would like to mention?

Mr. Jordan states at this point, we also had on there about the food truck, obviously we are not going to be issuing any special event permits at this point that would allow for a food truck to be located in the City, we are continuing to draft that legislation to at least permit food trucks to be licensed within the city for a special event permit but obviously we are not going to be issuing any special event permits on a short term.

President of Council Marnecheck states is it about food trucks, Dan?

Mr. Langshaw says yes. I guess my concern is obviously [inaudible]... provide a service to residence, I guess my concern is, I think you should at least consider allowing it as necessary, food wise.

Mr. Jordan states as you know bars and restaurants are currently closed, food trucks in of themselves are not permitted to operate independently, the only time they have been allowed is under special event permits, so the administration is not proposing that we allow for stand-alone food trucks to operate currently in the City.

Mr. Langshaw says we are just going to put it on hold?

President of Council Marnecheck states I think one more thing so that it is on the record, the agricultural districts are typically done in Building and Building Codes, I don't think anybody has an issue with these. Our Director of Legislative Services was gracious enough to reach out to the applicants and tell them, they are usually perfunctory which is kind of the reason why they are not here. I just wanted to put that on the record. Anything else for the good of the order? Mr. McDonald?

Michael McDonald, 14599 Bennett Road

Mr. McDonald before Council and states I would just like to talk to you a little bit about the situation of the economy where this Covid-19 thing is going. Some of may have been here before, heard the announcement that the big three automobile manufacturers are closing down and all operations in North America at least through the end of the month. Obviously these things will substantially and everything else that is closing will substantially effect the taxable income, taxes are being paid that are coming into the City at least on a short term basis, hopefully it is a very short term basis, I would like to stress that Council and the City work very diligently and protecting the City funds the best they can, some of those may be to put salary increases on hold where they can and also consider hiring freezes in a short term, hopefully it is a very short term. My experience is substantial in the financial world and this looks like a recession that can be very deep and very painful so saving a couple dollars here today, may be beneficial to the City going forward.

President of Council states I will say that we have at least a little bit of a play book regarding what we did in 2010 and 2011 when you had, so you know what is coming, I know the Mayor has experienced.

Mayor states I think it just falls into the way we have always consistently done it and without knowing this was going to happen, we started out at the beginning of the year rather than budget for the numbers we had last year, we started out 6% less as far as our budget goes to begin with which almost puts us in a half way decent position, but as we have always done and we will continue to do a lot of our spending will be based on the amount of money we have then, if it is not there we are not going to spend it and we will continue to do that all the way through. We are going to monitor this thing closely.

Mr. McDonald states there has been talk that technically unemployment rates go up substantially and hopefully not to the 20% that you heard today that our leaders are telling us well it won't be 20%.

Mayor states I get it.

Mr. McDonald states I hope so, it is a serious issue. Take action sooner rather than later.

Mr. Jordan states one of the issues that we having on the Building Department. We are trying to keep the Building Department operational so the construction industry can still go on. So, we are getting an outside cleaning company to come in and clean the building, we are trying to man it in a way that has the least amount of impact but there are cities that have closed them. But, we are still trying to keep it open so we are not going to close down a project. I just spoke with the schools, they have a 90-million-dollar construction project, we need to still be able to inspect it and keep it moving. St. Albert's our largest private school, they rushed in our offices today, they have plans for the site work to keep moving on that project, and their concern was we were going to close. We are doing what we can with the offices to keep some of these industries going, and that is the best we can do at this point.

Mr. McDonald states that is fair. The Mayor did mention earlier maybe reducing hours or reducing schedules and that could coincide altogether as well with helping the City keep the funds that us taxpayers paid into it.

ADJOURNMENT

Moved by Mr. Marnecheck, seconded by Mr. Wos to **adjourn the March 18, 2020 Finance Committee meeting**. Yeas: 2. Nays: 0. **Motion carried.**

Meeting adjourned at 7:57 p.m.