

**FINANCE COMMITTEE MINUTES
MAY 17, 2022**

The Finance Committee meeting was held on May 17, 2022, at North Royalton City Hall, 14600 State Road. The meeting was called to order at 7:24 p.m.

PRESENT: Committee Members: Chair Paul Marnecheck, Vice Chair Mike Vos, Linda Barath; Council: John Nickell, Dawn Carbone-McDonald, Joanne Krejci, Jeremy Dietrich; Administration: Mayor Larry Antoskiewicz, Finance Director Jenny Esarey, Assistant Law Director Donna Vozar, Police Chief Keith Tarase, Fire Chief Robert Chegan; Other: Joel Spatz, Michael McDonald.

Approval of April 19, 2022 Finance Committee minutes. Moved by Mr. Marnecheck, seconded by Mr. Vos. Vote: Yeas: 3 Nays: 0 **Motion carried.**

UNFINISHED BUSINESS

1. Monthly Finance report including tax collections status

Ms. Esarey reported that Council received the April 30th bank reconciliation and all of the reports; including the cash position, the revenue and expense reports. Everything is in balance and we are operating pretty well within budget. Everyone appreciated the thorough reports that have been getting distributed by Ms. Esarey. Mr. Marnecheck noted that our tax collections have gone up.

2. Overtime

Ms. Esarey advised that overall, we are at 31.17%, whereas we should be at 33.33%; overall, we are doing well. She added an additional column, percentage per fund, in which some of the funds are a little higher than others; some are a little lower. We will continue to monitor as the year goes by and see if any budget amendments are needed.

3. Jail Task Force Update

- **Proposed legislation – City of Berea 3-month extension agreement for leased jail cell**

Mayor Antoskiewicz spoke about a phone call with the company last week, in which they had some questions, as far as some of the financial things. We answered those and they had a few more questions about the agreements that we just did. The Mayor was hoping to have some type of report from them soon.

4. Local Income Tax Collection

Ms. Esarey advised that for the May collections, overall, we are 21% over where we were last year; from January to May 2022. She had provided some information additionally to show where we are budgetarily. Pertaining to the General Fund, we should be at 41%, in which we are at 50%; we are operating well above budget.

Mr. Marnecheck discussed prior years, and made reference to the April 15th date or deadline. He wanted to know if Ms. Esarey was seeing real improvement here, and not just dependent on that. Ms. Esarey clarified that we are definitely seeing improvement, in which is partly due to withholding. Therefore, withholding is a really good number to look at. We are 20% over where we were last year, in which she attributed most of that from people working from home; which is good news for us. We are seeing the full 2% from people working from home. In the past, they would give money to the other city and they would pay 0.75%, however, we are seeing a full 2%. We are also up for individual and net profit for January through May, which is great. We are up overall for individual; even just through May. Comparatively we are doing really well. She felt most pleased about the withholding increase, because we will probably be able to budget and move things forward with those increases.

Mr. Marnecheck inquired if residents are potentially paying less in taxes. Ms. Esarey indicated if you are working from home, that is correct.

REMOVE FROM AGENDA.

5. RITA: Non-Filing Delinquency Program

Ms. Esarey sent a memo that is included in the packet. She indicated that we did not participate in the 2021-2022 Non-Filing Delinquency program, however we would receive information on the 2022-2023 program. The last program we were involved in, she did provide the number of letters mailed. The liability identified how much money we received. She is recommending to not only participate in the letter campaign, but also in the subpoena program at \$1 each, which she indicated the Mayor does agree. We do not need any legislation because it is not going to be a large cost for us, however, it is good for the City every couple of years, to go through everything. She recommended moving forward with the subpoena program for the 2022-2023 year.

6. Opioid Settlement

NO UPDATE.

7. American Recovery Act Funds

Ms. Esarey explained that we have not received the money. It is in the legislative office; they have to pass something first in order for us to receive the money; the second tranche. Her hope was that it would be soon. Also, we want to document it. We are definitely looking at revenue replacement and that is what we did for the filing requirements.

Mayor Antoskiewicz mentioned that even though they approved the Recovery Act money last year and how they were going to disperse it, they have to approve it again this year to disburse the second half. We would get the same as last year, which is roughly \$1.574m. Ms. Esarey indicated we would receive the second tranche, same as the first. We did file all of the reports with the Department of Treasury; there is no reason that we would not receive the second tranche.

8. Buckeye Institute's lawsuit – Kilgore case

NO UPDATE.

NEW BUSINESS

1. Proposed Legislation: Creating Fund #466 – Omni SLF North Royalton

Ms. Esarey indicated this is similar to the fund creation that was done for the Tradition at Royalton Place. In 2020, Council passed 20-147 to create the TIF (Tax Increment Financing) for the Omni; a non-school TIF. We need to create the fund, so that way when we receive the tax money from this, there is an actual fund to not only do the revenues, but the expenditures. She had noticed the fund was not created therefore, she wanted to make sure to be all set to allocate it within the moneys. Mr. Marnecheck mentioned it cannot be joined with the General Fund, and Ms. Esarey confirmed.

Mr. Nickell asked if we would know how much more income tax we receive from all those employees at the company mentioned. Ms. Esarey clarified that is something she would be able to track, but not be able to publicly talk about; that is actual proprietary information. She continued that there is ORC's (Ohio Revised Code) that state: any kind of income tax information cannot be discussed publicly. However, she will make sure that everyone is filing.

Mr. Marnecheck moved to recommend the approval of Ordinance 22-87. Seconded by Ms. Barath. Vote: Yeas: 3 Nays: 0 **Motion carried.**

ADJOURNMENT

Moved by Mr. Marnecheck, seconded by Mr. Wos to **adjourn the May 17, 2022 Finance Committee meeting.** Yeas: 3. Nays: 0. **Motion carried.**

Meeting adjourned at 7:36 p.m.