

**FINANCE COMMITTEE MINUTES  
OCTOBER 18, 2022**

The Finance Committee meeting was held on October 18, 2022, at North Royalton City Hall, 14600 State Road. The meeting was called to order at 8:06 p.m.

**PRESENT:** Committee Members: Chair Paul Marnecheck, Linda Barath; Council: John Nickell, Dawn Carbone-McDonald, Joanne Krejci, Jeremy Dietrich; Administration: Mayor Larry Antoskiewicz, Finance Director Jenny Esarey, Law Director Tom Kelly, Fire Chief Robert Chegan, Police Chief Keith Tarase, Marty Toukonen; Other: James Kulikowski, Joel Spatz.

Mr. Marnecheck moved to excuse Mr. Wos from the October 18, 2022 Finance Committee meeting, seconded by Ms. Barath. Vote: Yeas: 2 Nays: 0 **Motion carried.**

Approval of September 20, 2022 Finance Committee minutes. Moved by Mr. Marnecheck, seconded by Ms. Barath. Vote: Yeas: 2 Nays: 0 **Motion carried.**

**UNFINISHED BUSINESS**

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

See report.

Ms. Esarey advised that Council received the September close. Everything was in balance and the year to date for the General Fund is showing that revenues are at \$16M. She continued that expenses and encumbrances are at \$13M. We are doing better than budget, which is great; we will continue to monitor that.

Regarding income tax, we did well again, which is 9% over October of last year; overall we are 14% over what we collected last year. The General Fund is at 104% of the budget. Again, this was better than what we anticipated regarding income tax collections.

**2. Overtime**

Ms. Esarey indicated that in the budget this evening, there will be some amendments for some of the overtime; departments that are a little higher than what they should be. We should be at 75% through September, however, we were at 88% for the General Fund; overall 72%. We are trending a little higher on some of them and will continue to monitor that.

Mr. Marnecheck moved to recommend Ordinance 22-173 to Council for approval, seconded by Ms. Barath. Vote: Yeas: 2 Nays: 0 **Motion carried.**

**3. Jail Task Force Update**

Mayor Antoskiewicz advised that we are pretty much finished with the Task Force. He referred to the report from last month. The only thing we were waiting on was a final recommendation from the Task Force Committee, which he felt we should have it for the next meeting.

**4. RITA: Non-Filing Delinquency Program**

Ms. Esarey reported that the non-filing letters were mailed on October 5<sup>th</sup>, in which 5,682 letters were mailed. Most of them will be cleared up before subpoenas will be sent out. Currently, they are scheduled for November 8<sup>th</sup>. She would not promise that they will happen, because at times there may be a little delay if they are working with a lot of them; for responses of the letters. She noted that she would make certain that when she received notice from RITA, that the subpoenas go out. She will let the Mayor and Council know in case anything is

received. There was also an update put on our website so that people know who to contact, because it is a different contact now.

Mr. Marnecheck inquired about if we had to do this inhouse, how much work this would be. Ms. Esarey commented that it would be too much to handle for us. Mr. Marnecheck noted this is a great benefit of being in RITA. Ms. Esarey concurred, stating that they have access to things that a normal city would not have access to as well; such as checking with the state returns, and they are able to do a cross reference. Therefore, if you are filing through the state, and you do not file a RITA income tax. That is how a lot of these letters are set up, because they know that you should have paid a RITA tax. Ms. Esarey shared that RITA is a wonderful organization that handles everything for a cost that we would not be able to do inhouse.

## **6. American Recovery Act Funds**

Ms. Esarey noted there was no update at this time. She advised that we received the second tranche. Mr. Marnecheck pointed out to clarify, whether we still have time to use it. Ms. Esarey agreed that was correct. We budgeted to use it all this year. She concluded that she is working to make sure that we move all of the salaries for Police and Fire that were allocated into the last budget amendment.

## **7. Buckeye Institute's lawsuit – Kilgore case**

No update.

## **8. Opioid Settlement**

No update.

Mr. Marnecheck mentioned that Mr. Vos had forwarded contact information of an attorney to Mr. Kelly. Mr. Kelly agreed, stating that the attorney was Mr. Carson, in which he spoke at great length with. It was conveyed to Mr. Kelly what was talked about previously, which is that we are just waiting for the courts to come to some final conclusion on the remaining pieces. There was nothing new to report at this time.

## **NEW BUSINESS**

### **1. Proposed legislation: Advance All Tax Revenues from the Proceeds of Tax Levies Collected in 2023**

Ms. Esarey advised that this is just a normal legislation that would occur every year, and allows Cuyahoga County to advance the collection. Therefore, instead of waiting until March, we start receiving smaller payments in January and February. She noted that it helps to receive the cash earlier.

Mr. Marnecheck moved to recommend Ordinance 22-162 to Council for approval, seconded by Ms. Barath. Vote: Yeas: 2 Nays: 0 **Motion carried.**

### **2. Proposed legislation: Amend Ordinance 14-133 Service Capital Fund #430**

### **3. Proposed legislation: Amend Ordinance 02-111 Fire Capital Improvement Fund #434**

### **4. Proposed legislation: Amend Ordinance 16-57 YMCA Capital Reserve Fund #437**

Ms. Esarey summarized the next three ordinances, which would entail amending for the Capital Funds. In past audits, there was an audit recommendation for these Capital Project Reserve Funds. She went on to say that they were missing the source of moneys, the amount of money to be accumulated, the time period, and also that if it is longer than ten years, whether there is still an affirmation of the use. In order to remove or accomplish

the audit recommendation, these three ordinances are being presented in order to say what the sources of money are, how much we are accumulating, the time period that we are accumulating, as well as showing that we are going to use the funds within the ten-year period; also, to affirm that these are still active funds. We are using the money continuously and there is a reason to keep all of these Capital Funds.

Mr. Marnecheck pointed out this is another example of Ms. Esarey going through the audit and working through the recommendations and cleaning things up. Ms. Esarey agreed.

Mr. Marnecheck moved to recommend Ordinances 22-169, 22-170, and 22-171 to Council for approval, seconded by Ms. Barath. Vote: Yeas: 2 Nays: 0 **Motion carried.**

## **5. 2023 Budget**

Mayor Antoskiewicz referred to the report. He stated that we plan on providing everyone a copy of the budget the week of November 7, 2022. Then at the first Finance Committee meeting on November 15<sup>th</sup>, we will present that budget and go through it, which will be the first reading on the agenda. Subsequently, on December 2<sup>nd</sup>, if there are any questions or concerns, we would like those in by December 2<sup>nd</sup> in order to give Ms. Esarey the chance to have those answers for you at the December 6<sup>th</sup> meeting; which will be a Special Finance Committee meeting since we have no committee meetings next month. He went on to say that we will also put it on 2<sup>nd</sup> reading. If needed, on December 16<sup>th</sup>, we would ask if there are any additional questions at that point, to please have those in so that we can respond. Lastly, December 20<sup>th</sup>, if we would need a Special Finance Committee meeting, we would have it then; if not, Council could pass it on third reading at that time.

## **ADJOURNMENT**

Moved by Mr. Marnecheck, seconded by Ms. Barath to **adjourn the October 18, 2022 Finance Committee meeting.** Yeas: 2. Nays: 0. **Motion carried.**

**Meeting adjourned at 8:17 p.m.**

FOR 2022 13

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
<hr/> 101 General Fund <hr/>							
000 Revenue <hr/>							
31 Taxes <hr/>							
<a href="#">1013 31201 Income Tax</a>	-14,000,000	0	-14,000,000	-14,636,835.25	.00	636,835.25	104.5%
TOTAL Taxes	-14,000,000	0	-14,000,000	-14,636,835.25	.00	636,835.25	104.5%
TOTAL Revenue	-14,000,000	0	-14,000,000	-14,636,835.25	.00	636,835.25	104.5%
TOTAL General Fund	-14,000,000	0	-14,000,000	-14,636,835.25	.00	636,835.25	104.5%
TOTAL REVENUES	-14,000,000	0	-14,000,000	-14,636,835.25	.00	636,835.25	
<hr/> 207 Police Facility Operating Fund <hr/>							
000 Revenue <hr/>							
31 Taxes <hr/>							
<a href="#">2073 31201 Income Tax</a>	-200,000	0	-200,000	-166,666.70	.00	-33,333.30	83.3%*
TOTAL Taxes	-200,000	0	-200,000	-166,666.70	.00	-33,333.30	83.3%
TOTAL Revenue	-200,000	0	-200,000	-166,666.70	.00	-33,333.30	83.3%
TOTAL Police Facility Operating Fund	-200,000	0	-200,000	-166,666.70	.00	-33,333.30	83.3%
TOTAL REVENUES	-200,000	0	-200,000	-166,666.70	.00	-33,333.30	
<hr/> 211 SCMR Fund <hr/>							
000 Revenue <hr/>							
31 Taxes <hr/>							
<a href="#">2113 31201 Income Tax</a>	-2,400,000	0	-2,400,000	-2,534,805.96	.00	134,805.96	105.6%

FOR 2022 13

211	SCMR Fund	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
	TOTAL Taxes	-2,400,000	0	-2,400,000	-2,534,805.96	.00	134,805.96	105.6%
	TOTAL Revenue	-2,400,000	0	-2,400,000	-2,534,805.96	.00	134,805.96	105.6%
	TOTAL SCMR Fund	-2,400,000	0	-2,400,000	-2,534,805.96	.00	134,805.96	105.6%
	TOTAL REVENUES	-2,400,000	0	-2,400,000	-2,534,805.96	.00	134,805.96	
<hr/>								
213 City Income Tax Fund								
<hr/>								
000 Revenue								
<hr/>								
31 Taxes								
<hr/>								
	<u>2133 31201 Income Tax</u>	-800,000	0	-800,000	-888,753.07	.00	88,753.07	111.1%
	TOTAL Taxes	-800,000	0	-800,000	-888,753.07	.00	88,753.07	111.1%
	TOTAL Revenue	-800,000	0	-800,000	-888,753.07	.00	88,753.07	111.1%
	TOTAL City Income Tax Fund	-800,000	0	-800,000	-888,753.07	.00	88,753.07	111.1%
	TOTAL REVENUES	-800,000	0	-800,000	-888,753.07	.00	88,753.07	
<hr/>								
219 Office on Aging Fund								
<hr/>								
000 Revenue								
<hr/>								
31 Taxes								
<hr/>								
	<u>2193 31201 Income Tax</u>	-175,000	0	-175,000	-145,833.30	.00	-29,166.70	83.3%*
	TOTAL Taxes	-175,000	0	-175,000	-145,833.30	.00	-29,166.70	83.3%
	TOTAL Revenue	-175,000	0	-175,000	-145,833.30	.00	-29,166.70	83.3%
	TOTAL Office on Aging Fund	-175,000	0	-175,000	-145,833.30	.00	-29,166.70	83.3%
	TOTAL REVENUES	-175,000	0	-175,000	-145,833.30	.00	-29,166.70	

10/17/2022 09:15  
jesarey

City of North Royalton  
YEAR-TO-DATE BUDGET REPORT

P 3  
glytdbud

FOR 2022 13

433	Storm Sewer & Drainage Fund	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
433 Storm Sewer & Drainage Fund								
000 Revenue								
31 Taxes								
<u>4333</u>	<u>31201</u>	<u>Income Tax</u>						
			-62,000	0	-62,000	-8,467.66	.00	-53,532.34 13.7%*
		TOTAL Taxes	-62,000	0	-62,000	-8,467.66	.00	-53,532.34 13.7%
		TOTAL Revenue	-62,000	0	-62,000	-8,467.66	.00	-53,532.34 13.7%
		TOTAL Storm Sewer & Drainage Fund	-62,000	0	-62,000	-8,467.66	.00	-53,532.34 13.7%
		TOTAL REVENUES	-62,000	0	-62,000	-8,467.66	.00	-53,532.34
		GRAND TOTAL	-17,637,000	0	-17,637,000	-18,381,361.94	.00	744,361.94 104.2%

\*\* END OF REPORT - Generated by Jenny Esarey \*\*

REPORT OPTIONS

Sequence	Field #	Total	Page Break
Sequence 1	1	Y	N
Sequence 2	4	Y	N
Sequence 3	10	Y	N
Sequence 4	0	N	N

Report title:  
YEAR-TO-DATE BUDGET REPORT

Includes accounts exceeding 0% of budget.

Print totals only: N

Print Full or Short description: F

Print full GL account: N

Format type: 1

Double space: N

Suppress zero bal accts: Y

Include requisition amount: N

Print Revenues-Version headings: N

Print revenue as credit: Y

Print revenue budgets as zero: N

Include Fund Balance: N

Print journal detail: N

From Yr/Per: 2021/ 7

To Yr/Per: 2021/ 7

Include budget entries: Y

Incl encumb/liq entries: Y

Sort by JE # or PO #: J

Detail format option: 1

Include additional JE comments: N

Multiyear view: D

Amounts/totals exceed 999 million dollars: N

Year/Period: 2022/13

Print MTD Version: N

Roll projects to object: N

Carry forward code: 2

Find Criteria

Field Name	Field Value
------------	-------------

Org	
Object	31201
Project	
Rollup code	
Account type	
Account status	





City of North Royalton  
City Income Tax Collections  
10/17/2022

**CURRENT MONTHLY RECEIPTS**

**Net Receipts**

received in	
collections for the month of	September-2022 / October-2022
Regional Income Tax Agency	\$ 1,877,924.89
Ohio Department of Taxation	\$ 1,033.18
	<b>\$ 1,878,958.07</b>

**Monthly Collection Detail**

	<b>This Year</b>	<b>Prior Year</b>	<b>Difference</b>	<b>%</b>
	October-2022	October-2021		
WITHHOLDING	\$ 806,310.25	\$ 650,552.93	\$ 155,757	24%
INDIVIDUAL TAXES	\$ 928,553.92	\$ 885,946.90	\$ 42,607	5%
NET PROFIT TAXES	\$ 203,473.24	\$ 248,302.94	\$ (44,830)	-18%
<b>TOTAL GROSS RECEIPTS</b>	<b>\$ 1,938,337.41</b>	<b>\$ 1,784,802.77</b>	<b>\$ 153,535</b>	<b>9%</b>
<b>3% withholding for collection</b>				
fees	(58,119.13)	(53,544.08)	\$ (4,575)	9%
legal fees/court costs	(1,260.21)	(696.00)	\$ (564)	81%
<b>TOTAL LEGAL FEES AND COLLECTION COSTS</b>	<b>(59,379.34)</b>	<b>(54,240.08)</b>	<b>(5,139.26)</b>	<b>9%</b>
<b>TOTAL NET RECEIPTS</b>	<b>1,878,958.07</b>	<b>1,730,562.69</b>	<b>\$ 148,395</b>	<b>9%</b>

**Year to Date Receipts**

**Net Receipts**

Regional Income Tax Agency	\$ 17,008,277.70
Ohio Department of Taxation	\$ 266,120.68
Fiscal Year 2022	<b>\$ 17,274,398.38</b>
Fiscal Year 2021	<b>\$ 15,203,087.25</b>
Increase (Decrease)	<b>\$ 2,071,311.13</b>

14%