

**MINUTES TO FINANCE AND AUDIT COMMITTEE
SHEFFIELD LAKE, OHIO
October 16, 2012**

This regular meeting of the Finance and Claims Committee was held Tuesday, October 16, 2012. Chairperson Stark called the meeting to order at 7 PM.

ROLL CALL OF MEMBERS:

Present: Stark, Elliott, Kovach, Bring, Smith, McCullough, Belaska, Rosso, Mayor Bring, Finance Director Smith, Service Director Smith, Law Director Graves

Absent: Treasurer Woods (excused)

Attending: Concerned Citizens, Planning; Erdei, Members of the Media; Avon Lake Press

PRESENTATIONS: None.

FINANCE DIRECTOR'S REPORT: Finance Director Smith reported here are the appropriations list for the month, we are going to try to get through the end of the year with part-time Police. The increases again all equal the decreases. The increases are part-time Police of \$50,000.00, Police overtime of \$5,000.00. Police medical I would like to establish and increase that line for a physical for our new hire person and that is kind of an on-going thing so they should have their own line as well. You will see under Fire medical had the same thing and that is actually for their hazmat physicals. \$18,000.00 fire overtime, I went over it with the Fire Chief and we hopefully won't use all that but just as good if we don't use it we just carry it over which what I am kind of hoping for because next year doesn't look good at all. Vehicle expenses, the Mayor made mention last week of all the repairs we needed to unit#62 which is the old fire truck; several things – brakes, calipers, pump that needed repacked, tie rod ends but that total was \$7600.00. So I would like to move \$8000.00 in there to cover that and then give them anything. I told them they are not allowed to drive the vehicles anymore the rest of this year so nothing else breaks down.

Decrease	101.111.5233	Other Legal	-6,000.00
Decrease	101.111.5322	Education Expenses	-500.00
Decrease	101.121.5242	Education Expenses	-500.00
Decrease	101.121.5322	Office Expenses	-600.00
Decrease	101.131.5242	Education Expenses	-900.00
Decrease	101.141.5126	PERS	-2,000.00
Decrease	101.151.5245	Testing Expenses	-1,500.00
Decrease	101.199.5133	Medical Misc.	-1,000.00
Decrease	101.199.5256	Advertising	-500.00
Decrease	101.199.5270	Refunds	-400.00
Decrease	101.199.5281	Insurance	-1,000.00

Decrease	101.199.5322	Office Expenses	-1,200.00
Decrease	101.199.5323	Vehicle Expense	-1,000.00
Decrease	101.199.5520	Delinquent Taxes	-200.00
Decrease	101.199.5540	Treasurers Fees	-770.00
Decrease	101.199.5550	Dretac Fees	-280.00
Decrease	101.199.5560	Foreclosure Fees	-300.00
Decrease	101.201.5117	Safety Director	-950.00
Decrease	101.210.5111	Fulltime Police	-15,000.00
Increase	101.210.5112	Part-time Police	15,000.00
Increase	101.210.5115	Police Overtime	5,000.00
Decrease	101.210.5131	Sick Time Bonus	-3,000.00
Est.& Incr.	101.210.5133	Police Medical	750.00
Decrease	101.220.5111	Fulltime Firemen	-5,000.00
Increase	101.220.5115	Fire Overtime	18,000.00
Decrease	101.220.5131	Sick Time Bonus	-500.00
Est.& Incr.	101.220.5133	Fire Medical	750.00
Increase	101.220.5323	Vehicle Expense	8,000.00
Decrease	101.230.5336	Kennel Expenses	-500.00
Decrease	101.230.5337	Animal Control	-200.00
Decrease	101.390.5262	Social Services	-3,700.00

The other thing that I have supplied is I just got a document from the county auditors; inside mileage which is our property tax which includes our general fund property tax and police and fire pension funds which is in the special revenue section of our budget because property values are going down we are going to lose revenue on those next year to the tune of \$37,418.00 total. The money coming out of the special revenue funds that is going down has to be made up in the general fund which is why I have kind of included it with the totals with the general fund. What I did on this form; the second page is what I got from the county but the first page is to try to give you an idea of exactly how much money we have lost since 2008 which is including these property tax cuts. Now I don't even know about the other levies yet, they haven't given me the estimates on those yet like the regular fire and police levies so it might even be worse than this and I haven't got from the county our renewal for our hospitalization insurance – that may go up/it may not. So right now with the cuts that I know about and what we incurred we are \$357,375.00 shy of what we received for this time in 2008 so that is how deep have gone. We have this, every year we have decreased because we knew about most of these decreases. None of this includes income tax which in 2009 we had a big decrease in income tax but that has kind of leveled off so I didn't bring that into the equation. This is just property taxes and local government funds that the state has cut us more than half and that was an incremental. They also cut out personal property tax that they were supposed to phase out through 2018 and they just cut it off last year. If you remember last year I was talking about we lost like

#87,000.00 in the special revenue lines that had to be made up in general funds. All this is kind of backed up and I have to now look at our 2013 budget and try to find cuts for up to \$37,000.00 more than we already have cut and once I jump off that bridge I will let you know. I will hopefully have some numbers at the latest I will have it revised preliminary budget for 2013 for the first Council meeting in November. Chairperson Stark stated so we are looking at \$50,000.00 that we know the state cut that we were told last year that they were going to cut an additional \$50,000.00 this year and then we are looking at \$37,000.00 more because of the income tax on top of that and that is not everything yet. Councilman McCullough stated I may be wrong and this might even be directed toward David – inside mileage and past mileage are 2 different things; inside mileage is what is allowed by law and it is automatic – that is all you can do. I thought when you pass a levy even though it was passed as mileage, it is passed as a dollar amount/it is not passed as actual percentage. Finance Director Smith advised you are right, it is the outside mileage and I am not including those numbers in here because they shouldn't be effected because they are actually going by appraisal rates of when the levies were passed. But every time they say oh that shouldn't be effected, somehow it is. Councilman McCullough stated so that is coming down the pike is what you are saying. Finance Director Smith advised I will let you know as soon as I know anything, that shouldn't be effected because that is outside mileage but like I said unless the property values have dropped below what they were when we passed those levies and there is 1976 was a levy, one was 1982, one was 1984. So I have no idea if these property values have gone down lower than those at that time then they might be effected but I don't know that yet. Councilman McCullough asked Dennis what year did they start hammering lakefront residents on taxes? Mayor Bring answered they raised our 50% I think it was about 7 years ago. Councilman McCullough asked we get nothing of that, that all goes to the state? Mayor Bring answered state and schools. I think we get a portion of that but bare minimum. We are going to have meetings with Police and Fire Departments, we still don't have any anticipation of laying anybody off but we are going to have to be very careful – Mr. Shepherd is going to retire here and we are probably not going to hire anybody, so we are looking at that. We are just going to have to pay close attention to overtime and some of the other things that we are doing. Mr. Card is aware of that and I sat down and talked to Mr. Campo about it today. We are going to have to deal with it. Mayor Bring advised we have a couple of things in the Fire Department, a couple of the guys are on step 6. Councilman McCullough stated so we are \$357,000.00 short over 5 years. Finance Director Smith answered yes, that is the difference per year. Councilman McCullough stated yes you are right it is 1.75 million over 5 years which is 1 entire year of our budget from 5 years ago. *Motion by Elliott/Second

by McCullough to accept and add appropriations to next Council agenda. Yeas All.

MAYOR'S REPORT AND/OR COMMENTARY: Mayor Bring advised we are just going to be very frugal with what we are doing here, we can't sit here and cry about it. We are just going to have to deal with it and we will figure it out. I just want through this year. We have had some unexpected bills come up here lately and it has been kind of frustrating but we got a couple more months to go and we get by that and then we will start with a new year and figure it out.

LAW DIRECTOR'S REPORT: **None.**

CITY TREASURER'S REPORT: **None.**

OLD BUSINESS:

Proposed investment policy – Chairperson Stark asked Tammy we don't need to do this quickly? Finance Director Smith answered it would be nice to have something by the end of the year and I honestly haven't looked at it very recently, I haven't had the time to look at it. Chairperson Stark advised what I would like to do is keep this on for next month's agenda and at that point we will move it right to Council from there. We are going to table it until next month, we can discuss it next month and then move it onto the agenda at that point. Law Director Graves asked Tammy have you heard any more about that additional Star Ohio program? Finance Director Smith answered the Star Plus? That is what I want to make sure is in the language here because that is really the way I would like to see us go. Law Director Graves advised yes make sure that is in the language policy. Finance Director Smith stated that is the other thing I think they have a sample policy that we could get too.

NEW BUSINESS: **None.**

PRESIDENT OF COUNCIL COMMENTARY: **None.**

MEETING ADJOURNED: With no further business before this committee,
*Motion by Belaska/Second by Elliott to adjourn at 7:15 PM. Yeas All.

CLERK OF COMMITTEE AFFIRMATION:

This Meeting of the City Committee of the City of Sheffield Lake, Ohio, was held and conducted under all Rules and Regulations Governing the Sunshine Laws of the State of Ohio as they may apply. All meetings are recorded and available in Council's Office.

CLERK OF COUNCIL/COMMITTEES

Kay Fantauzzi

I, Kay Fantauzzi, duly appointed Clerk of Committee Of Sheffield Lake DO HEREBY CERTIFY that this Is a true and exact copy of the Minutes of the Finance of October 16, 2012.

CHAIRMAN

Leanna Stark

COUNCIL PRESIDENT

Rick Rosso

and/or

COUNCIL PRO TEM

Eric S Elliott