

THE CITY OF STREETSBORO, OHIO  
**FINANCE COMMITTEE MINUTES**

Monday, April 22, 2024

This Finance Committee Meeting was called to order on Monday, April 22, 2024 at 7:04 p.m. by Justin Ring, Chairman.

PRESENT: Justin Ring, Anthony Lombardo, Jon Hannan, Lisa McDaniel, Marianne Glenn, Jennifer Wagner

ABSENT: Steve Michniak

ALSO PRESENT: Glenn Broska, Mayor  
David Nott, Law Director  
Patricia Wain, Police Chief  
Rob Reinholz, Fire Chief  
Matt Miller, Finance Director  
Bill Miller, Service Director  
Justin Czekaj, Municipal Engineer  
John Cieszkowski, Planning Director  
Patrick O'Malia, Economic Development Director  
Shawna Lockhart-Reese, HR Manager  
Matt Coffman, IT Network Administrator  
Melissa Procop, Mayor's Executive Assistant  
Max Rieker, Attorney  
Caroline Kremer, Clerk of Council

**Disposition of Minutes**

None.

**Monthly Financial Report**

Matt Miller said this was the report for March 2024, the first quarter of the year. The expenses were about the same as this time last year for the General Fund at 27.5%. The overall funds were about 39% for total expenses and encumbrances; a lot could be contributed to construction contracts this year. It was about double the amount in Purchase Orders compared to last year at this time, so a lot of money was tied up in POs. Revenue was about on target at 24% and the income tax revenue was up at the end of March about \$805,000 compared to last year. There had been an uptick in the withholding for RITA, about 8%, which was a good sign. The other large factor was that Streetsboro had been getting a lot of distributions for net profit, at about \$445,000. Streetsboro did not get that in the early part of last year. Interest revenue was still looking good; YTD was about \$280,000, which was already about 40% over the projected budget for the year.

Nothing had really changed regarding the quarterly credit card report, except that Amazon had raised the credit line again. The City did not request it, but he wanted to report it to Council.

**Old Business**

None.

**New Business**

**Executive Session**

**MOTION: TO RECESS INTO EXECUTIVE SESSION TO CONSIDER PENDING LITIGATION, CURRENT AND PENDING ECONOMIC DEVELOPMENT OPPORTUNITIES, AND COMPENSATION.**

Moved by Mr. Hannan, seconded by Mr. Lombardo. Upon roll call vote, **motion carried 6-0 and the meeting recessed at 7:08 p.m. with some guests invited into executive session (outside counsel Max Rieker, Law Director Nott, Mrs. Lockhart-Reese, and Mr. O'Malia).**

**MOTION: TO RECONVENE FROM EXECUTIVE SESSION.**

Moved by Mr. Hannan, seconded by Mr. Lombardo. Upon voice vote, **motion carried and the meeting reconvened at 8:37 p.m.**

Mr. Ring reported that he had received a message from Mr. Michniak that he was held over in a trial at work, so Mr. Ring wanted to excuse his absence from this meeting.

**MOTION: TO EXCUSE MR. MICHNIAK FROM ATTENDING TONIGHT.**

Moved by Mrs. Glenn, seconded by Mr. Lombardo. Upon voice vote, **motion carried.**

**Presentation Regarding Updates to Income Tax Law**

**-- T-7598 Amend Chapter 182 Municipal Income Tax**

Matt Miller said there was a large bill that had passed last year at the State legislature, HB 33, which included a lot of changes to the tax code. Through a friend of a friend Matt Miller learn of Mr. Neusser and reached out to him to help Streetsboro update its tax code. Mr. Neusser actually had to update the City's tax code to include state changes back to 2016. The changes proposed by Mr. Neusser were not creating anything, it was just updating the City's tax code to match with the State.

Jim Neusser said the State law required that all municipal income tax ordinances at the local level be in compliance with State law, that was the first reason to update any local tax ordinance. The second reason to get the local code into compliance was that if there was anything in the ordinance that was not in compliance, and it got questioned by anyone, the law of the State superseded the local law. The third reason was that the State required that all income tax documents/ordinance had to be on the City's website or somewhere in the public for access. He didn't think it would be good if a City's website had anything posted that was not in compliance with the State law, because there would be challenges.

Mr. Neusser said since 2016 there had been about 11 pieces of legislation updating State Revised

Code 718 that controlled municipal tax law. There were various changes in definitions, due dates for various filings, a change in what could be charged as penalty for failure to file, etc. throughout all the changes that needed update in Streetsboro's code to incorporate all the changes that had happened to Ohio Revised Code 718 since the new code was initially created for 2016.

He specifically mentioned that a section was added at the end of the tax ordinance for Streetsboro because the State law effective in 2018 added 16 sections to Ohio Revised Code 718, however those 16 sections (718.80 – 718.95) dealt with just one item which was the ability for businesses in any community, if they chose to do so, to file net profit through the State of Ohio. Not nearly as many businesses as the State expected had done so. If the State made a change in the future to those 16 sections, Streetsboro will not have to change it in its income tax ordinance because Streetsboro was following whatever was in the state law.

Another specific issue was the work from home provisions. Those provisions were put into law following the emergency declaration that the Governor made for the COVID-19 pandemic in March 2020. There was legislation passed in the General Assembly that would be in effect as long as the emergency declaration was in effect, which went through June 2021. After that there were some lawsuits that challenged the law as unconstitutional. The State Supreme Court upheld the constitutionality of that law, so refunds were not provided. The State then decided to make refunds available for the second half of 2021, but did not speak to 2020 so no refunds would be given for 2020. Working from home provision were put into 718 that essentially said the companies must withhold and pay wherever the employee was working, even if it was their home residence.

Matt Miller noted that it was obvious Mr. Neusser knew what he was talking about and it was very important for Streetsboro to get its income tax code up to date. Mr. Neusser had provided the proposed changes and they were prepared with a piece of legislation tonight that could go to first reading. Matt Miller did not expect Council to read through it all and vote to pass it tonight; it would go through three readings. There was nothing new proposed; this was just to conform with the State tax code.

Mr. Ring and Mrs. McDaniel said they had read through it and appreciated Mr. Neusser's efforts because it was a big project. Mrs. McDaniel mentioned a typo type error on page 2. Mr. Neusser would correct the error before second reading.

**MOTION: TO MOVE T-7598 TO TONIGHT'S REGULAR COUNCIL MEETING FOR FIRST READING.**

Moved by Mr. Hannan, seconded by Mr. Lombardo. Upon voice vote, **motion carried.**

T-7588 Amend Ord. No. 2015-47 Petty Cash/Change Tills

Matt Miller said the Parks and Recreation Department was taking the security deposits for hall rental at the new Community Center in cash or check and now needed more cash to work with to make change. He proposed decreasing the petty cash held by the Finance Department and increasing the change till amount held by the Parks and Recreation Department by the same amount to give Parks and Recreation more cash to work with.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.**

Moved by Mr. Hannan, seconded by Mr. Lombardo. Upon voice vote, **motion carried.**

T-7589 Additional Contract w/Rea & Assoc. for SEFA Fed Audit

Matt Miller said this was an additional agreement with the auditing firm that did the GAAP conversion for Streetsboro. Because Streetsboro used the ARPA money in 2023, that required a federal audit. Because Streetsboro crossed the \$750,000 threshold, Streetsboro had to do an additional portion of the audit to handle the federal money and needed to expand the agreement with Rea & Associates.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.**

Moved by Mr. Lombardo, seconded by Mr. Hannan. Upon voice vote, **motion carried.**

T-7590 Annual Renewal of Health, Life, Dental, Vision Insurance

Mrs. Lockhart-Reese said this was to renew the annual health insurance for medical, dental, vision and life insurance. She had provided an executive summary of the proposed change for this year. The City was required to go out to bid every five years and did go out to bid and had several companies that did not want to quote. One company did provide a quote, but it was not favorable, so the City went to Medical Mutual, which was the City's current insurance provider and they initially came back with a very high increase (30.6%) and the City was able to get them down to a smaller number (23.5%). There were some very high claim costs in the last two years, so that's what was dictating the cost increase.

Matt Miller said the current plan would be for five months of the year and then the new plan rate would be for the last 7 months of the year. The employer portion of the premium rate would be between \$120,000 - \$135,000 depending on the plans people elected during the open enrollment. He had already budgeted about \$334,000 between three funds for the year for shared funds and knew it would not be all used. As they prepared the 2024 budget back in October 2023, they had budgeted for a 15% increase in insurance costs. He would update the budget for the premiums, but until the open enrollment was completed, he wouldn't know the exact numbers for HSA contributions; he expected the premium and HSA contributions together would be around \$130,000 - \$150,000. Part of this additional 8% cost could come from the General Fund carryover (maybe \$100,000), and the rest from the 201- carryover (about \$10,000) and the 501- carryover (about \$20,000). Mr. Ring was concerned about any cost increases because, with the projects the City had going on, the City could not keep going into the carryover fund for \$100,000+.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.**

Moved by Mr. Lombardo, seconded by Mr. Hannan. Upon voice vote, **motion carried.**

T-7591 Contract w/Diamond Z Engineering for Refueling Station

Bill Miller said this contract was for the design of the refueling station at the Service Department to

get an idea of the total cost of the project. Matt Miller said the City had budgeted \$1 million in the 401- fund for this project. The initial person to do the design didn't get back to the City, so the PO was cancelled, and then the project was cancelled for 2024, but Matt Miller needed to know the expected cost of the project to put it into the 2025 budget. This design contract was for \$24,000 to come from the 201- Streets Fund to get some good cost estimates. Once it was done, it would be ready to be used and would not have to be done again.

He expected to share the cost of the future construction of the refueling station project between the 201- Streets Fund, 401- Capital Improvements Fund, 501- Water Fund, and 402- Fire Department Capital Fund.

Bill Miller said he wanted to phase this project and have the Service Department do some of the prep work for the canopy, and do all the concrete work, and the electrical work. This design contract would provide the total estimated costs and then he could reduce a good portion of the cost (maybe by doing 1/3 of the work in-house).

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.**

Moved by Mr. Hannan, seconded by Mr. Lombardo. Upon voice vote, **motion carried.**

T-7592 Authorize 2024-25 ODOT Salt Contract

Bill Miller said this was the annual contract to place an order now for the salt to be used next year. He expected to order considerably less than usual because he still had over 5,000 tons of road salt in stock currently.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.**

Moved by Mr. Hannan, seconded by Mr. Lombardo. Upon voice vote, **motion carried.**

T-7593 Contract w/Hall Public Safety to Upfit K-9 Cruiser

Chief Wain said this was for \$11,598.04 to come out of the 224- National Opioid Settlement money and the 208- DUI Drugs and Training account line to upfit the new used truck for K-9 Mika. The funds weren't budgeted and planned for in 2024 other than she had said when the City accepted Mika as a potential K-9 dog that the funds would come out of these dedicated funds that had very specific limited uses, but qualified for this use.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.**

Moved by Mr. Lombardo, seconded by Ms. Wagner. Upon voice vote, **motion carried.**

T-7594 Contract w/Ford for the Repurchase by Ford of a 2020 Ford Explorer

Chief Wain said this was for Ford to buy back a cruiser, after many discussions and many issues with the vehicle, for a full refund and a discounted rate for a future purchase. This vehicle was unusable for a large portion of the time the City owned it and Ford could not determine why it would not run. The City would have to pay to un-upfit the vehicle. Once the City would find out what the

future purchase discount would be, the City would determine if it would get a new Ford or a new Dodge.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.**

Moved by Mr. Lombardo, seconded by Mrs. Glenn. Upon voice vote, **motion carried.**

T-7595 Accept Friends of Park Donation

This was to accept \$900 from the Friends of Streetsboro Parks to offset some costs of the Eclipse in the Park Event.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.**

Moved by Mrs. Glenn, seconded by Mr. Lombardo. Upon voice vote, **motion carried.**

T-7596 Accept TIRC March 2024 Recommendations

Mrs. Kremer said this was from the annual review by the Tax Incentive Review Council. There was one Enterprise Zone Agreement (EZA) to review and the TIRC had recommended just continuing the EZA and let it expire. Mr. O'Malia clarified that the County had pointed out that the EZA would not expire this year, but next year. It would be reviewed one more time at the next TIRC meeting.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.**

Moved by Mr. Lombardo, seconded by Ms. Wagner. Upon voice vote, **motion carried.**

T-7597 Purchase Upgraded Computers/Accessories for Various Departments

Mr. Coffman said this was for pretty much every department to get one or two new computers. These were all budgeted for 2024. He said the City was able to save a couple hundred dollars off of each one. After talking with the Finance Department, Matt Miller had recommended doing one large purchase instead of several smaller ones throughout the year. This was for the same hardware the staff already had, with the same specifications. This was for 6 laptops, 13 desktops, some monitors, and a GIS computer as well. Some of the old replaced ones would go to the Senior Center for the seniors to use, some would be kept as emergency spares, or used for parts.

Mr. Ring asked if a leasing program had ever been considered for the computers. At his place of employment, they lease all the computers and automatically get updated replacements every few years. He wondered if that would be beneficial to Streetsboro instead of buying computers outright. Mr. Coffman said there may be some cost savings, especially for larger companies, and he had looked into it in the past and it had not really made sense for Streetsboro; but he could look into it again.

**MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.**

Moved by Mr. Lombardo, seconded by Mr. Hannan. Upon voice vote, **motion carried.**

T-7587 Amend 2024 Annual Appropriations [#4]

Matt Miller said this was budget adjustment #4 to fund some of the items on the agenda tonight, i.e. the cruiser upfit for the K-9, and to establish some accounts for the Parks and Recreation Department rental security deposits, and additional funds for the SEFA audit.

**MOTION: TO MOVE THIS TO TONIGHT’S REGULAR COUNCIL MEETING.**

Moved by Mr. Hannan, seconded by Mr. Lombardo. Upon voice vote, **motion carried.**

The Chairman added two items to tonight’s agenda: T-7601 Resolution Accepting the Findings and Recommendations of FactFinder Jack Buettner for the Collective Bargaining Agreement and T-7600 Ordinance Creating the New Non-Bargaining Unclassified Position of Finance/Payroll Administrator.

T-7601 Resolution Accepting the Findings and Recommendations of FactFinder Jack Buettner for the Collective Bargaining Agreement

**MOTION: TO MOVE THIS TO TONIGHT’S REGULAR COUNCIL MEETING AS EMERGENCY LEGISLATION.**

Moved by Mr. Lombardo, seconded by Mr. Hannan. Upon voice vote, **motion carried.**

T-7600 Create the New Non-Bargaining Unclassified Position of Finance/Payroll Administrator

**MOTION: TO MOVE THIS TO TONIGHT’S REGULAR COUNCIL MEETING AS EMERGENCY LEGISLATION.**

Moved by Mr. Hannan, seconded by Mr. Lombardo. Upon voice vote, **motion carried.**

**Citizens’ Comments**

None.

**Announcements**

A Special Service Committee Meeting will immediately follow this meeting.

There being no further business to come before this Finance Committee, and upon motion by Mr. Hannan, seconded by Mr. Lombardo, this meeting adjourned at 9:14 p.m.

ATTEST:

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Caroline L. Kremer, Clerk of Council

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Justin Ring, Chairman