

THE CITY OF STREETSBORO, OHIO

FINANCE COMMITTEE MINUTES

Monday, July 13, 2020

This Finance Committee Meeting was called to order on Monday, July 13, 2020 at 9:20 p.m. by Justin Ring, Chairman.

PRESENT: Jon Hannan, Justin Ring, John Ruediger, Chuck Kocisko, Jennifer Wagner, Julie Field

ABSENT: Mike Lampa

ALSO PRESENT: Frank Beni, Law Director
Darin Powers, Police Chief
Rob Reinholz, Fire Chief
Shawna Lockhart-Reese, HR Manager
Caroline Kremer, Clerk of Council
[by Zoom video conferencing:]
Troy Beaver, Police Lieutenant
Jenny Esarey, Finance Director
Bill Miller, Service Director
Joe Ciuni, City Engineer
John Cieszkowski, Planning Director
Patrick O'Malia, Economic Development Director
Greg Mytinger, Parks and Recreation Director
Sara Fagnilli, Assistant Law Director

MOTION: TO EXCUSE MR. LAMPA.

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

Mr. Ring announced that he'd been informed there was no need for an executive session tonight since there was no update regarding pending litigation, so those agenda items could be skipped.

MOTION: TO REMOVE RECESS INTO EXECUTIVE SESSION AND RECONVENE FROM EXECUTIVE SESSION FROM THE AGENDA.

Moved by Mrs. Field, seconded by Mr. Ruediger. Upon voice vote, **motion carried.**

Disposition of Minutes

MOTION: TO ACCEPT THE SPECIAL FINANCE COMMITTEE MEETING MINUTES OF JUNE 8, 2020 AS PRESENTED.

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

Monthly Financial Report

Ms. Esarey said the June financial reports had been distributed to Council on July 1. She continued to monitor salaries and wages. The General Fund expenses were right at target at 49.45% and Total expenses (including encumbrances for the fire station and Service garage) were a little above target at 58.99%. General Fund revenues were slightly above target at 53.96% and Total revenue collected was at 60.43% but included receipt of the bond anticipation notes.

The total income tax receipts were about \$25,000 YTD difference for 2020 vs 2019. In total the City was about \$57,000 over the estimated 2020 budget, which was good. She said the City had overall suffered about \$140,000 in June. The loss was going down, which was also good.

Ms. Esarey said she was notified today by RITA that Franklin Council had received a lawsuit from a company located in Columbus. The company sued because they had a lot of employees working from home and the company did not want to pay the Columbus income tax. Ms. Esarey noted that Streetsboro was still collecting income tax where the employer was located; it didn't matter if the employees were working from home. But if that changed, it might cause some issues if certain Streetsboro companies had people working from home, then Streetsboro would not receive their withholdings. She would continue to follow this issue and report to Council with any updates.

She had included in her memo the areas of revenue that were down: hotel/motel tax, local government funding from the county, motor vehicle registration, gas tax, and permissive tax. She hoped those things would even some as businesses reopened and things kind of got back to normal.

Mr. Ring commented that if Streetsboro companies didn't pay the withholding for people working from home, then Streetsboro would collect taxes for those residents working from home if their employer was out of town. Ms. Esarey agreed it would go both ways, but she knew there were some large employers in Streetsboro and she didn't want to lose the revenue the City was used to getting. This was a new lawsuit from an employer against Columbus that just arose in a low level court, so it may or may not go anywhere. Although the company was just a pass through of the employees' money to the city, Columbus may have a higher withholding rate.

Mr. Ruediger commented that Streetsboro had several tax abatements in place with various companies and the abatements were based on payroll, so if the withholding taxes didn't come to Streetsboro, would that affect their abatement eligibility? Ms. Esarey said that that might be an issue if Streetsboro didn't get the income tax. Mr. O'Malia said this issue would probably be handled at the next TIRC meeting (next March).

Old Business

None.

New Business

T-6867 Amend Ord. No. 2020-56 RKS Mgmt. COVID-19 Cleaning

Mr. Beni said the initial ordinance had authorized up to \$15,000 but the final bill was \$16,200 so the administration was asking to have the ordinance amended. Ms. Esarey confirmed this was one of the things being tracked to go into the Coronavirus Local Relief CARES Act funding. She would do the budget amendment for the additional \$1,200 in that fund at the next Finance Committee Meeting.

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

Moved by Mr. Ruediger, seconded by Mrs. Field. Upon voice vote, **motion carried.**

T-6868 Modification and 2-yr Extension of 2018 Spectrum Contract for Telephone and Internet Services

Mr. Beni said there was an email from Mrs. Procop, the Mayor's Executive Assistant, explaining the need for this regarding the ELAN as relocated to 555 Frost Road. It was a two-year extension at a lower price.

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

Moved by Mr. Ruediger, seconded by Mrs. Field. Upon voice vote, **motion carried.**

Executive Session

Removed from the agenda earlier tonight.

T-6870 Authorize CRA Agreement

Mr. O'Malia said this had been discussed with Council in a previous executive session. It was an application to use the Community Reinvestment Area incentive. This would be for a speculative building of about 434,000 sq. ft. because there was no identified end tenant. The developer was the Geis Company, which was headquartered in Streetsboro. The City would use the CRA for the first time. In addition to using the CRA for the first time, the City would get a donation from the developer for the Streetsboro bicentennial, the City would get an annual donation of \$5,200 for the City Parks and Recreation Department, and the City would get a new city park with a lake on Aurora-Hudson Road next to Joseph Industries near the current City Hall offices, plus the income tax, with a net benefit to the City of about \$1.75 million over the course of the incentive. The Streetsboro City Schools would do quite well as well; they would get 20% of the taxes they would have otherwise been due, plus a scholarship, and the City would split some of the income tax with them. He said after everything was said and done, assuming the headcount never went up, and everything else remained exactly stagnant, it would result in about \$206,000 annually to the City coffers.

There had been discussions on this previously, but he offered to answer any questions if Council had any. Mr. Ruediger thanked Mr. O'Malia for doing a wonderful job with this. Mr. O'Malia thought this was a good deal overall for everyone and there were an awful lot of jobs to be created here.

Mrs. Kremer explained the legislation was written as emergency so it would take effect immediately after being adopted and signed by the Mayor, but it was on the agenda to go through three readings, which was a little different than how legislation was usually handled. Mr. O'Malia added that the City could not legally pass it as emergency tonight because the School Board had not responded yet with their commentary on this; they had a 45 day window of opportunity to respond, which may result in a Special Council Meeting on Monday, August 31, 2020.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING FOR FIRST READING.

Moved by Mrs. Field, seconded by Mr. Ruediger. Upon voice vote, **motion carried.**

T-6862 Amend 2020 Annual Appropriations [#9]

Ms. Esarey said this was amendment #9 with Exhibit "A" and Exhibit "B". Exhibit "A" dealt with receipt of the Local Coronavirus Relief Fund, about \$237,000. She was working with the Law Department to clarify if payroll (COVID-19 training, or specific COVID-19 FD calls, etc.) may qualify under this Fund, but the additional biohazard cleaning by RKS, some PPE, and cleaning supplies did qualify for this Fund. She would do another appropriation adjustment when the payroll question was resolved. Exhibit "B" was transfers in and out for the Police promotional testing Exam Contract Services and Professional Services expenditures for Civil Service, HR and PD.

Ms. Esarey clarified for Mr. Ring that the additional \$1,200 for the RKS cleaning that would be authorized with T-6867 was not in today's appropriation adjustments; it would be in the August appropriation adjustments. The original \$15,000 CARES Act fund for coronavirus expenditures that was approved per Ord. No. 2020-56 was included in today's appropriation adjustments and the additional \$1,200 would be moved into this Special Fund with regard to an approved COVID-19 expense. There would be other future adjustments for this Fund once qualifying payroll items were determined.

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

Moved by Mr. Ruediger, seconded by Mrs. Field. Upon voice vote, **motion carried.**

Citizens' Comments

None received.

Announcements

A Regular Council Meeting will immediately follow this meeting.

There being no further business to come before this Finance Committee, and upon motion by Mr. Ruediger, seconded by Mrs. Field, this meeting adjourned at 9:41 p.m.

ATTEST:

Caroline L. Kremer, Clerk of Council

Justin Ring, Chairman