

THE CITY OF STREETSBORO, OHIO

FINANCE COMMITTEE MINUTES

Monday, March 28, 2022

This Finance Committee Meeting was called to order on Monday, March 28, 2022 at 7:00 p.m. by Justin Ring, Chairman. Mrs. Field gave an invocation and then Mr. Michniak led the Pledge of Allegiance.

PRESENT: Justin Ring, Mike Lampa, Jon Hannan, Steve Michniak, Jennifer Wagner, Julie Field, Anthony Lombardo

ABSENT: None.

ALSO PRESENT: Glenn Broska, Mayor
Patricia Wain, Police Chief
Kevin Grimm, Fire Captain
Matt Miller, Finance Director
Bill Miller, Service Director
Patrick O'Malia, Economic Development Director
Greg Mytinger, Parks and Recreation Director
Shawna Lockhart-Reese, HR Manager
Melissa Procop, Mayor's Executive Assistant
Mike Kuhstos, Bicentennial Committee Chair
Rob and Von Starkey, Streetsboro Family Days
Caroline Kremer, Clerk of Council

Disposition of Minutes

MOTION: TO ACCEPT THE SPECIAL FINANCE COMMITTEE MEETING MINUTES OF JANUARY 10, 2022 AND THE REGULAR FINANCE COMMITTEE MEETING MINUTES OF JANUARY 24, 2022 AS WRITTEN.

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

Monthly Financial Report

Matt Miller said the Finance Department was to provide a credit card report on a quarterly basis. The only changes on the first quarter of 2022 credit card report were a change to the Amazon account to get more buyers on the account (three more users), so everything didn't have to go through the Police or Fire Department because they were currently the City's only buyers with Amazon.

The February financial report was pretty on target. There was some heavy spending at the beginning of the year, especially road salt before the prices went up. He expected to close a lot of POs soon. Revenues were on target. RITA receipts were up about \$289,000 across all three categories for the

first three months of the year. He noted the Finance Department had received a lot of training on the RITA portal, getting ready for tax day coming up soon. He hoped the Finance Department would be able to assist taxpayers, through the portal, if they could not get through to RITA. On the salary/wage spreadsheet the overtime was pretty high due to snow plowing, but that would even out over the year.

Mr. Lampa asked about the 2022 budget regarding gas/fuel that was based on the price of gas last year. Matt Miller said he was preparing a report of fuel usage for the last 3-4 years and would work out a monthly average and then be able to calculate fuel costs for the increasing gas prices at \$5, \$6, or even \$7/per gallon and see what was needed to maintain normal operations. The City used fuel under the State program that was not taxed, so it was a discounted price.

Old Business

None.

New Business

T-7220 Amend Section 133.051 Credit Card, Online and Open Account Purchases

Matt Miller said the City's Huntington Bank credit card had a credit line of \$10,000. He asked that it be increased to \$20,000 to be in line with the Board of Control approval limit of \$20,000, so it would give the City a little more flexibility when it came to vendors. The same approval process with purchase orders would be in place, but because a lot of purchases were online and there was just one City credit card it would give more room for all the departments to conduct business. He asked that this be approved as emergency legislation.

Mr. Ring observed that the legislation allowed all City credit accounts to be raised to a \$20,000 credit limit. Matt Miller said that was not his intention; he was just focused on the Huntington Bank credit card, which was the card used in the City. Mayor Broska said this was just intended for the Huntington card. The Law Director who prepared the legislation was not at the meeting tonight. Mr. Ring did not recommend amending the legislation, he felt it was fine to leave it as an available option for the other credit accounts too.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING, AND AMEND IT TO BE EMERGENCY LEGISLATION.

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

Discuss Purchase of New Financial Software

Matt Miller said the Finance Department wanted to present this to Council to know about what they were planning. There were no contracts or vendors in place. The City's current CMI financial software was more than 10 years old and the software company started the system in 1995. CMI has told the City they will no longer support the system as of July 2023 and Matt Miller felt it was a great opportunity for the City to look for a more robust financial software system. Implementation of a new software system could take up to a year and the end of CMI was only 16 months away. He had wanted to let Council know what they were working on. This was not in the budget. He had a range of costs, but was waiting to get more quotes from different vendors. He wanted to get in the queue early to get new software because there were so many municipalities that need to make a change.

Matt Miller said with the new system, instead of about three users there would be about 30 users, so instead of a lot of paperwork and manual uploads, all the users could work together and it would be a more electronic system and be very much more efficient. All the directors would be able to have instant access to their expenses, revenues, and purchase orders instead of waiting for the Finance Department staff to fulfill their requests. It was time to get new software. He asked to have a Special Finance Committee Meeting on April 11, 2022 for Council and all the department heads to review the decision matrix with pricing that he would be able to prepare by then after meeting with all three software vendors he was considering and seeing their demonstrations. He said the Finance Department was looking to go web-based and have everything backed up into the cloud so it would be more secure and not be dependent on a server.

He said the CMI system currently cost about \$14,000 annually for support (down from \$20,000 after he quit paying for modules the City no longer used) so he hoped those savings would help with the data extractions that would be needed for the transition to the new software.

Mr. Ring said he had talked to Matt Miller about this issue and Mr. Ring supported upgrading the software for greater efficiencies for the whole City. Mr. Ring said he had some concerns going fully web-based because the Internet could go out or records could be hacked, etc. Matt Miller said he was in discussions with the IT Network Administrator regarding getting an antenna to connect to 5G or other options. Browser-based required less hardware that the City had to acquire and maintain for 30 users. Matt Miller also mentioned there would be a lot of digital approvals so he would require two-factor authentication which would show the auditors there were controls in place; that no one was sharing user names or bypassing controls. Matt Miller emphasized that there was currently automatic backups and he hoped to continue to use that system for backups.

Mrs. Field liked the proposal and emphasized the need for additional backup beyond just using the cloud. She supported reviewing this topic again at a Special Finance Committee Meeting. Matt Miller would include the current vendor's quote in the decision matrix for a new financial software system, but CMI did not have a web-based system to offer.

MOTION: TO SCHEDULE A SPECIAL FINANCE COMMITTEE MEETING ON APRIL 11, 2022 TO CONSIDER A NEW FINANCIAL SOFTWARE SYSTEM.

Moved by Mrs. Field, seconded by Mr. Lombardo. Upon voice vote, **motion carried**. Mr. Lampa thanked Matt Miller for bringing this up and doing the research into this issue. Matt Miller told him the City only had 3-4 licenses for the current software and because it was so old there wasn't really anyone at CMI to help with any software questions the City had and it often took days for a response. The new software could have support and a response within the hour. Another factor to consider was integration with the City's other software for credit card payments, etc.

T-7214 Donate \$50,000 to Heritage Foundation for Bicentennial

Matt Miller asked to table this topic to the Special Finance Committee Meeting on April 11, 2022 because there were still some legalities regarding transferring this money that needed considered, like what might happen to the balance if the Bicentennial Committee didn't spend it all. This was taxpayer

money so there were legal things to clarify. There was \$50,000 transferred to Heritage Foundation last year, but now the City was looking at bank statements and receipts and trying to have more controls. Mr. Ring said this money was being donated to the Heritage Foundation and once they had it, the City was no longer tied to that money and it was up to the Heritage Foundation on how they spent it. Matt Miller said the City was trying to help the Bicentennial Committee with insurance and had long conversations with our insurance company to make sure everything was straight and which entity (City or Committee) was going to get the insurance. The Heritage Foundation (a 501(C)3) could be audited by the IRS and the City wanted to make sure different controls were in place so there wouldn't be an audit problem and that taxpayer money was being spent properly. The initial \$50,000 last year was paid out by the City and it had paid for a lot of different groups, but there was still \$40,000 left, so the Heritage Foundation was still liquid. Matt Miller wanted the next two weeks to work with the Law Director to build things into the ordinance correctly to deal with a possible balance, insurance concerns, stage rentals, etc. Even though this event was going to be on City property, the administration wanted to make sure the City was covered for everything (bounce house, liquor tent, fireworks, parking shuttles, large crowds, etc.)

Mr. Ring felt all these concerns were ancillary to the money. He understood the insurance for City property needed to be set up correctly, but it didn't really have anything to do with a donation to the Heritage Foundation. Matt Miller noted there was an appropriation adjustment on the agenda tonight which included money for the stage rental that the City was going to cover for the Bicentennial. Mayor Broska noted it needed clarified which entity would be buying the insurance and how much it might cost; any insurance quote to the Heritage Foundation (who had never held such an event before) would be much higher than a quote to the City. He said the Heritage Foundation had a \$40,000 balance, so there would be no harm in delaying this donation legislation two weeks to do some research and get some questions answered. If the Heritage Foundation didn't spend the whole donation, it might be difficult to explain to the taxpayer's that the City arbitrarily gave away \$50,000 to a non-profit. Mayor Broska suggested authorizing a donation up to \$50,000 and paying it in \$10,000 increments and if the Bicentennial Committee did not need all \$50,000 the City would not have to pay it out.

Mayor Broska also mentioned a concern with the Police Department. If this was not a City event, then the Mayor could not authorize overtime for the police officers, and the Heritage Foundation would have to pay the police officers and firefighters monitoring the event with 1099s. He said it had been considered to make the Bicentennial celebration a City event and subcontract the Bicentennial Committee/Heritage Foundation to manage the event for the City, which would make some of these concerns (insurance, police and fire overtime, etc.) go away, so he asked for a couple of weeks to work these things out with the Law Department. This was all to protect the City, which would need insurance also, so why pay for it twice. Mayor Broska wasn't against giving the donation, but he wanted to be sure the City went about it the best way, that would protect the City.

Mr. Ring was willing to delay the legislation two weeks, but he wondered why these issues were just now arising "so late into the game;" the Bicentennial be been talked about for two years already, but now, only a few months out, it was being considered to be a City-sponsored event. Mayor Broska said the City had never done something like this before and was just learning information that had not been encountered before.

Mr. Lampa wanted an explanation of how it would work for the Bicentennial Committee/Heritage Foundation if the Bicentennial became a City-run event. Mayor Broska explained that they would be the subcontractor/1099 employee; the City would be sponsoring the event and would hire the Bicentennial Committee/Heritage Foundation to be the City's agent to manage the event. The contracts with the musical performers and vendors would be with the Bicentennial Committee/Heritage Foundation not the City; they would act as a promoter, but the City would have much stronger oversight if the City was the sponsoring entity. Mr. Lampa wondered, if there was money left over after the Bicentennial events, did the administration expect it to come back to the City instead of staying with the Heritage Foundation/Singletary Museum. Mayor Broska said that would be an object for discussion, but some of the Council Members thought that had already been discussed and decided last year.

Mr. Ring said he was willing to postpone this agenda item for a couple weeks. He agreed it would be better to save taxpayer money by putting the insurance under the City instead of under the Heritage Foundation at a higher rate.

Mr. Michniak said most of this had been discussed and decided last year before he joined City Council, but he felt it was counter-intuitive to just give out a handful of money to the Heritage Foundation and let them keep what they didn't spend. He thought that might encourage them to not spend much on the Bicentennial. So he supported doling out the donation, up to the total \$50,000, as it was needed and not give it all out if it wasn't needed. He thought it was more prudent to have the Bicentennial Committee/Heritage Foundation submit for the money they needed, fall under the City's insurance umbrella to save everyone money, and then see if there was any money left at the end. Then if the City wanted to donate whatever might be left, it could do so at that time.

Matt Miller commented that once the insurance application was filled out with the bounce house, liquor tent, fireworks, shuttles, etc. it would go to the open market for someone to underwrite it. The Heritage Foundation, who had never run such an event before, may not even get someone to underwrite it, whereas the City, an established organization, would more likely find someone to underwrite it. He said he had been told by the City's insurance agent that the City would just need to get something for the liquor license. Because it was on City property, it was already covered, it would save money and it would not be as complicated. The administration wanted to take a couple weeks to clarify some of these legal issues.

Mrs. Field clarified that the administration was just asking to wait two weeks on acting on this legislation until the next Council meeting night; there was already a Special Finance Committee scheduled for that night on April 11, 2022. She felt this was kind of off topic and maybe another topic item needed to be added to the agenda to talk about insurance and who was the sponsoring entity.

Ms. Wagner commented that there were additional Bicentennial events scheduled after the big 200th birthday celebration in August, so any "leftover" money would still be spent on Bicentennial activities or they might buy additional Christmas light for the City, etc.

MOTION: TO MOVE T-7214 DONATE \$50,000 TO HERITAGE FOUNDATION FOR BICENTENNIAL TO THE APRIL 11, 2022 SPECIAL FINANCE COMMITTEE MEETING.

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

T-7215 Authorize Stage Rental - Bicentennial

Mr. Mytinger introduced Mike Kuhstos, Bicentennial Committee Chairman, who said pricing for stage rentals was very variable now because of fuel costs, etc. He said Production Assistance had offered \$9,000 for the first day and \$4,500 for the second day (\$13,500) but was now able to do it for \$12,702 for the two day event. The stage would be slightly large than the typical stage because they wanted it to be impressive for this special event and they would fly the PA and it would face toward the parks office on the hill by the school. The Bicentennial event was during a very busy time of year (August) which also made the stage rental expensive; the Bicentennial Committee couldn't even get the stage they needed from the company (Rock the House) that Streetsboro Family Days was getting their stage. He explained that Production Assistance was also going to handle the back line, drum risers, bass kits, and the lights and sound. Another area of concern was that the Bicentennial celebration would happen right after school started, so the erection of the stage couldn't happen until the school parking lot cleared on Friday and had to be mostly dismantled and removed before school was back in session on Monday morning.

Mr. Lampa asked, if the City ran the Bicentennial celebration as a City event, then the City's insurance would cover if anything happened regarding the stage? Matt Miller said any of these contracts (stage, performers, food vendors, etc.) should be reviewed by the City Law Department to make sure the vendors were carrying their own insurance as well. Matt Miller mentioned that the appropriation adjustment ordinance later tonight included appropriations for the stages for Bicentennial and Streetsboro Family Days. Mr. Kuhstos said all the food vendors, Production Assistance, the bounce house, etc. did carry their own insurance and listed the City and the School District too.

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

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

T-7216 Authorize Stage Rental – Streetsboro Family Days

Rob Starkey, VP of Streetsboro Family Days, asked Council for the rental of a mobile stage. They were looking at a 32' x 24' stage, which was the minimum size based on their contracts with their performers. They would have their own insurance with secondary to the City and the School District; all the vendors and the production company would have their own insurance also.

Mr. Lombardo wondered what the status was of the City purchasing a mobile stage. It had been discussed in the past that buying a stage would cost about \$30,000-\$32,000, and with these two rentals for 2022 it would total about \$19,000, and there would probably still be a need for next year too. Mr. Mytinger said the aluminum modular stages that had been explored previously plus storage for about \$30,000-\$32,000 were just a platform and was not like anything that would be needed for a concert event with speaker towers and lights, etc. Those types of mobile stages would not fit for what the City needed. Mrs. Field noted the City was also working on building an amphitheater.

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

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

T-7217 Continuation of Natural Gas Aggregation Program Beyond October 2022

Mr. Lampa said this was discussed at the last meeting and Mr. Bellish had sent the City the request for him to go out to market for a price request at \$3.99/mcf for a three-year rate. The Mayor had signed it today and Mr. Bellish would go out to market for that price. This was an ordinance to lock in that rate if the City could get \$3.99/mcf or less.

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

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

T-7218 Purchase SIMEX PLC 24 Planer

Bill Miller said it had been difficult to get quotes on equipment, and the prices would go up at the end of the month because prices were getting ridiculous, so he needed it approved as emergency legislation. This equipment would help the Service Department patch holes in the roads better by cutting them out and then have cleaner, neater, better looking results. This machine had a belt drive that set the grindings at the side of the hole, which was much more efficient for the crews to clean up after the road repairs. This equipment was budgeted for 2022.

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

Moved by Mr. Lampa, seconded by Mr. Michniak. Upon voice vote, **motion carried.**

T-7219 Spectrum ELAN for PD and Service Department

Mrs. Procop said last month she had come to Council because the City wide ELAN had expired and it was changed to a month-to-month contract. The PD and Service Department ELAN was now expiring at the end of this month, so she asked to change it also to a month-to-month contract like the other contract until July when the City Hall ELAN would expire and the IT department could regroup and sign one contract for all the ELANs at the same time for all three services. She had asked for a contract in writing as Mr. Michniak had requested at the last discussion.

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

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

Discuss Paving Budget

Mr. Ring said he put this on the agenda because he wanted to clarify a few things. He agreed with Matt Miller that the engineering for the paving projects could be budgeted in the Paving account, but he didn't understand why ditching jobs were under the Paving account when there was a Ditching

line item. He asked what the “Sperry line design” project was. Mayor Broska said it was for flood control. Mayor Broska said Ms. Esarey, the former Finance Director, had grouped all these things in this account for the 2022 budget, but under the advice of Matt Miller, the current Finance Director, it would have its own general ledger line. The jobs listed added up to \$1,259,000 and when you add what the City had to pay for the SR 43 project, which was always paid out of the Paving line, it was even more.

Mayor Broska agreed some of the items should not have been in that particular line item, but that was just where Ms. Esarey had grouped it; in the future it would not be listed there. Matt Miller had sent an email to Council to help them understand the budget lines. Matt Miller said he had noticed General Ledger lines were created for every new ODOT project. In the new financial software it would be possible to keep it all in the same line and use project numbers instead of creating a new General Ledger line every time there was another ODOT project. He said it all just came down to what line it was put in in the budget, but it was all paving.

Ms. Field thought the intent set up years ago was to spend at least \$1 million for paving each year beyond what might be spent for ditching, feasibility study, design, flood control, etc. Matt Miller said he could move the money to more appropriate account lines with the next appropriation adjustments to make it clearer. Mr. Ring said project engineering for the paving program had always been included with Paving because it was part of what it takes to pave the road. Mayor Broska clarified that the City would have to pay the City’s share of the SR 43 project (\$558,000) in spring 2022 when ODOT sold/bid the project, but the work would happen next year.

T-7213 Amend 2022 Annual Appropriations [#4]

Matt Miller said there were just a few items that needed taken care of. The City had received some additional ARPA funds (\$3,400) from the first distribution after some additional reconciliations by the State, so that needed deposited in a line. The City expected to get the second half in August. Some Escrow money needed recorded; these were new ins and outs for the Engineering Department for stormwater bond deposits. He also moved some money around for the HB168 waterline.

Mrs. Field asked about the additional \$40,000 needed for the tennis/pickleball courts. Mr. Mytinger explained the bid opening was March 18, 2022. The bids came in at \$132,000 to \$136,000 and his department had originally budgeted \$97,000. He wanted to learn from Council if they still wanted to pursue this project of resurfacing the tennis/pickleball courts and the walking path to that area, and if so, Council would need to approve the additional appropriation of \$40,000. He said he reviewed the bids with Matt Glass, from GPD, and it seems the project was just underestimated last year when the 2022 budget was created. Part of this may be just where the economy is now and how construction costs have significantly increased across the board. Mayor Broska noted that all three of the tennis court bids came in very similar, so it seemed to be an accurate cost for the project and not worth trying to rebid the project.

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

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

Citizens' Comments

None.

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. Hannan, seconded by Mrs. Field, this meeting adjourned at 8:06 p.m.

ATTEST:

Caroline L. Kremer, Clerk of Council

Justin Ring, Chairman