

THE CITY OF STREETSBORO, OHIO  
FINANCE COMMITTEE MINUTES

Monday, April 24, 2023

This Finance Committee Meeting was called to order on Monday, April 24, 2023 at 7:03 p.m. by Justin Ring, Chairman.

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

ABSENT: Julie Field [joined at 7:23 p.m.]

ALSO PRESENT: Glenn Broska, Mayor  
Frank Beni, Law Director  
Richard Polivka, Police Lieutenant  
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  
Greg Mytinger, Parks and Recreation Director  
Shawna Lockhart-Reese, HR Manager  
Matt Coffman, IT Network Administrator  
Caroline Kremer, Clerk of Council

**MOTION: TO EXCUSE MRS. FIELD.**

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

**Disposition of Minutes**

**MOTION: TO ACCEPT THE REGULAR FINANCE COMMITTEE MEETING MINUTES OF DECEMBER 19, 2022, JANUARY 23, 2023 AND MARCH 27, 2023 AS WRITTEN.**

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

**Monthly Financial Report**

- Quarterly Credit Card Report

Matt Miller said this was the financial report for the first quarter of 2023. He said the General Fund Expenses and Encumbrances were up about 27% and up about 16% for all the other Funds. The YTD report through March showed that the disbursements exceeded the receipts by about \$233,000; the City spent more than it brought in for the first quarter of the year. The reports he had just run in April showed the City Revenue was up by about \$167,000 compared to last year at this time. He emphasized that it could fluctuate that quickly, partly due to property taxes coming in April.

The General Fund and All Funds revenues were pretty much on target for the first quarter. The income tax collections at the end of the first quarter were actually down by about \$108,000. RITA collections (residential and withholding) were up by about \$114,000, and the reason for the disparity was because the City had issues with the State Department of Taxation who had a large adjustment at the beginning of the quarter that affected Streetsboro's net profit collection. Once the adjustment was worked out, the net profits were down, but often in April it goes up. Net profit fluctuated a lot.

The Water Department Revenue receipts were about \$940,000 at the end of March 2023 compared to March 2022 with receipts of \$888,000, but he reminded Council to be aware of the 3.5% increase in the water rates. The water system billed quarterly, so it could be gauged quarterly. The General Fund balance over the minimum 25% carryover was \$6,540,000. The interest income from Star Ohio was about \$59,000 in March so the City had already exceeded the interest income revenue budget for the year due to moving money into Star Ohio with the better interest rate.

Mr. Michniak asked about the State Department of Taxation adjustment Matt Miller had mentioned. Matt Miller explained that about \$126,000 had to be refunded to a company that had made a mistake in their reporting, so instead of cutting them a check, Matt Miller just let the distributions from the State net it out. Mayor Broska noted this kind of adjustment had happened before; it was not unusual.

### **Old Business**

None.

### **New Business**

#### **Authorize GMP and CMR for Community Center**

This topic was removed from the agenda at the request of Mayor Broska.

#### **Discuss Allowing TREX for a New Business**

Mr. O'Malia explained that Streetsboro had run out of D-class liquor licenses. The number of licenses was capped by population, so the only way to bring in a new liquor license was to use a format called TREX. A new business venture was trying to open in the old Zip City building on SR 43 and they believed they needed a liquor license to be successful. Mr. O'Malia thought this would be reasonable since another business in town (Tai Wah) had just used the same process to TREX out a liquor license and this new business could TREX one in. City Council did not need to approve the TREX, it was an administrative process, but at some point, the liquor license would be presented to City Council for an approval and he wanted Council to be aware of this and get Council's feeling on it before the business owner would spend a lot of money to get a license that Council may not support.

Mr. Ring thought the TREX process was a great tool for communities that ran into issues like Streetsboro where there were a lot of restaurants or businesses in town and there was a need for more D-class liquor licenses than were originally issued. Mr. O'Malia explained that this wouldn't actually be a restaurant but an activity/entertainment spot called Laser Defense that was a gun range type place with lasers instead of bullets that wanted to be able to also sell some food and drinks to

its patrons. It would be almost entirely staffed by retired police officers, so Mr. O'Malia had very few concerns about them over-serving or any other dangerous situations. He did not expect much kid activity.

Mr. O'Malia clarified that TREX was not a one-time thing; it could be used as often as the private sector could bear it. If this business got a liquor license through TREX, other business in the future could also use the process to get a liquor license, but there was a substantial cost to the person who was purchasing the license.

Mr. Lampa asked if it was difficult for Streetsboro to attract businesses if there were no liquor licenses available. Mr. O'Malia said it was challenging to attract a sit-down white-tablecloth type restaurant without a liquor license available. There were few tools Streetsboro could use to get more licenses. The Designated Outdoor Refreshment Area (DORA) did not grant more licenses. A Community Entertainment District wasn't available for a town the size of Streetsboro. The TREX process was about the only tool Streetsboro could use, but it could be expensive for the business wanting to come to town. Mr. O'Malia had contacted the U.S. Census Bureau because he felt Streetsboro was undercounted in the 2020 census during the pandemic. In 2025 the Census Bureau would release 5-year population estimates and he was trying to get ahead of it now because once the City reached 20,000 in population, Mr. O'Malia thought the City would get more D-class liquor licenses.

Mr. Michniak asked for clarification on what type of D-class liquor license this potential new business would be requesting because there were a lot of different kinds of D-class licenses that allowed service until certain hours or allowed customers to carry sealed drinks off the premises. Mr. O'Malia said the application would be for D-1 – Beer only for on premises consumption or in original sealed containers for carry out only until 1:00 am; D-2 – Wine and mixed beverages for on premises consumption or in original sealed containers for carryout only until 1:00 am.; and D-3 – Spirituous liquor for on premises consumption only until 1:00 am. [Mrs. Field joined the meeting at 7:23 p.m.]

Mayor Broska noted that a liquor license had more value than face value when there were none available in a town. Mr. Ring agreed: although a license might cost \$2,500/year he had heard of people selling them for \$80,000 to \$100,000.

#### T-7416 Renew Contract for Dental and Vision Insurance

Mrs. Lockhart-Reese said this legislation was to renew the dental and vision insurance for the City employees for 2022-2024 plan year. There was a price stay, so no increase in the rate.

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

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

#### T-7417 Purchase Additional Dell Computers

Matt Coffman said these were all within budget for the year. There would be two laptops for the Police Department (one for a new detective to be promoted soon, and another to replace a faulty

device). There would be a laptop for the Fire Department that was inadvertently forgotten when the previous order was placed. There would be one laptop for the Finance Department that would replace an existing laptop that would then be used by the incoming Intern.

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

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

T-7418 Amend Budget to Approve Chart of Accounts Crosswalk

Matt Miller explained that with the upgraded financial software system the Finance Department staff had to make the accounts uniform among departments. He said the Finance team cleaned up about 600 Expense accounts and about 200 Revenue accounts to standardize the descriptions and remove redundancies, etc. He felt it was important, especially since Streetsboro used line item budgeting, that Council realize what the old accounts were and the new accounts, and that there had been no increase to the 2023 budget at all. He had provided the original 2023 budget that Council passed in December 2022, with the budget amendments #1 through #4 passed in 2023. He felt it was important because some of the General Ledger (GL) lines did change, but overall there was no change to the budget Council had approved. Today was the “go live” day with the new financial system, and the Finance team spent a lot of the day making sure the new system balanced with the old system. This was to show the accounts that had changed; it was just a reorganization of the GL account numbers and descriptions, and a big step forward for the 2024 budget. Matt Miller said they had redone a lot of the Capital Accounts and the Salary accounts to make the analysis easier for the 2024 budget because the structure of the chart of accounts would be more uniform, standardized, and organized. They used to just create a new account for every new project; now this system could handle project accounting much better with project numbers tagged to account numbers. This was necessary to make sure City Council was informed and to demonstrate to the State Auditors during the 2023 audit that City Council was informed.

Mr. Ring mentioned that there were two Senior Trip Expenses and a Senior Program Expense listed for the Senior Citizen Service Department all with the same GL number, which he had pointed out to Matt Miller earlier to separate the trip expenses from the program expenses. Matt Miller said he would definitely look into it and thanked Mr. Ring for letting him know of the issue. He would provide an amended chart of accounts once that discrepancy was clarified. Council decided to forward the legislation to Regular Council for first reading and hoped the amended exhibit would be ready by second ready to be passed as emergency legislation.

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

Moved by Mr. Lampa, seconded by Mrs. Field. Upon voice vote, **motion carried.** Mr. Lampa asked how the transition went if today was the “go live” date. Matt Miller said they had balanced the accounts, the budget was loaded, and the MTD (April) and YTD expenses were correct. The Finance team essentially “closed the year” with the old system last Wednesday and loaded everything over the weekend so the new system was starting to be operable this week. This new system would be a lot more robust and Mr. Ring was looking forward to more in depth reports, etc.

T-7415 Amend 2023 Annual Appropriations [#5]

Matt Miller said this would be the fifth budget adjustment for 2023. Most of the departmental transfer requests netted to \$0. There was a Transfer Out from the 101- Fund balance to the 405 – Transfer In for the New Community Center construction. There was also an Exhibit “B” for the Builder’s Risk insurance for the Community Center. He said they used the 405- Fund because over the year’s there was money sitting in that Fund, so he was able to use some of that, but he needed to move an additional \$4,000 in order to pay for the Builder’s Risk insurance as part of the new asset going into place. There could be a conversation regarding this insurance, if Council wanted, but he had provided it to be included tonight.

Mr. Ring clarified that these were just appropriations to the 405- Fund; there was to be no money spent until Council agreed on a contract for the Community Center and authorized any expenditures.

**MOTION: TO MOVE THIS TO TONIGHT’S REGULAR COUNCIL MEETING AS AMENDED WITH EXHIBIT “B.”**

Moved by Mr. Lampa, seconded by Mr. Lombardo. 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 7:35 pm.

ATTEST:

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Caroline L. Kremer, Clerk of Council

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Justin Ring, Chairman