

THE CITY OF STREETSBORO, OHIO

FINANCE COMMITTEE MINUTES

Monday, May 22, 2023

This Finance Committee Meeting was called to order on Monday, May 22, 2023 at 7:00 p.m. by Justin Ring, Chairman. Mrs. Field gave an invocation and then Mayor Broska led the Pledge of Allegiance. Mr. Ring welcomed the high school students in the audience and explained this evening's proceedings to them.

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

ABSENT: None.

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

Disposition of Minutes

MOTION: TO ACCEPT THE REGULAR FINANCE COMMITTEE MEETING MINUTES OF APRIL 24, 2023 AND THE SPECIAL FINANCE COMMITTEE MEETING MINUTES OF MAY 8, 2023 AS WRITTEN.

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

Monthly Financial Report

Matt Miller said this was the financial report for the end of April 2023. This was the first report with the new financial software so some of the reports looked a little different. This system was truly cash basis; the old system was not. Matt Miller said it was quite an undertaking to transfer to the new system mid-month, and he was adamant that the books balanced in the old system before beginning the new system. It was like closing twice in one month just to make sure everything was correct. He said he had a good team and had asked a lot of them over the last few months, but it all worked out.

Matt Miller reported the General Fund and All Funds revenues were on target at about 33.33%. The RITA collections YTD were up about \$162,000, so that was about \$133,000 for the General Fund. Net profit was still low, about \$200,000 down, but the withholding was up about \$580,000 compared to last year. Interest Revenue was another \$138,000 received in the month of April; YTD was about \$233,000. The City had budgeted \$20,000. The annual rate was about 5.35% for Star Ohio Bank, so the City was earning a good return.

The City had spent 29% out of the General Fund and All Funds expenditures was about 22% with 33.33% as the target. The Purchase Order Report indicated about \$1,048,000 currently encumbered from the General Fund, mostly carried over from the old financial software system. The new financial software system had only been active for one week, so not a lot of POs were processed in the new system.

The new system did not give a fund balance until the end of the year, so he now relied on the cash balance and had to make sure it matched with the bank. The new system forced the Finance Department to do the reconciliation within the software, and they were able to get it balanced to the penny to close the month of April, which was all new to the Department. The total remaining in the General Fund Carryover above the 25% minimum required, once the transfer for the Community Center was done, was \$3,017,347 (about 43.14%). Matt Miller liked the new system.

Old Business

None.

New Business

Discuss Allocation of JEDD Income Tax Revenue

Matt Miller wanted to discuss this. The JEDD was not in Streetsboro, it was in Shalersville, and Streetsboro got about 27% of the revenue coming in. He wanted to clarify with Council if that money could be directed 100% to the General Fund. The normal income tax revenue was directed 82% toward the General Fund and 18% toward the Capital Improvement Fund. He said the City would not be doing any Capital projects at the JEDD. He needed to clarify this because he would be remitting payment to Shalersville next month; there would be two payments per year. Currently there was only the General Fund account line set up to transfer the money. The money was in escrow until six months was collected, then he gave Shalersville their money and transferred Streetsboro's portion to whatever account City Council wanted it to go to. This JEDD revenue was something new that needed discussed, so he could account for the money in the books. Once it was decided on how to allocate the JEDD Income Tax Revenue legislation would be presented for Council's approval to have it recorded/documented for the State Auditors.

Mr. Ring thought it would just default to the current income tax allocation, but if separate legislation was needed, that was fine. He was willing to put all the JEDD income tax revenue into the General Fund because it could be transferred to the Capital Improvement Fund (or any Fund) later if Council wanted to use it for something. If it was all allocated to the Capital Improvement Fund, it could not be transferred to the General Fund, so it was more flexible to just put it all toward the General Fund, especially if, eventually, there was a lot of revenue.

Mayor Broska said for now, the City would see about \$2,700, and for the time being it could just all go toward the General Fund, and be revisited later if the revenue increased significantly. He added that Mr. O'Malia had a good idea to allocate some of this JEDD revenue toward his salary instead of taking his whole salary out of the General Fund because this revenue was the result of an economic development program. He had proposed not doing anything with the money for the first year and put it into an escrow fund and see what it builds to, then after a year Council could determine how much of the money the City wanted to use for Mr. O'Malia's salary. It was kind of a shell game because the City would get the money anyway, but the Economic Director's salary could be paid out of a special revenue JEDD Fund and the rest could just go to the General Fund. Mr. Ring didn't think there was a need to complicate things with a special revenue fund and just let the revenue go into the General Fund and continue to pay everyone's salaries out of the General Fund, especially at this early stage. Of course, the issue could be revisited at any time.

Mrs. Field agreed to not use the JEDD income tax revenue toward a salary and just receipt this revenue as extra toward the General Fund that could be used for anything. Mr. Lampa confirmed the amount received from the JEDD could be tracked by an account line if it all went to the General Fund. Matt Miller said the Law Department could prepare an ordinance for the next Finance Committee meeting for Council's approval to clarify things for the auditors.

T-7425 Amend Civil Service Code to Allow Lateral Transfers

Mrs. Lockhart-Reese said this would be an update to the Code to allow lateral transfers for police officers and police dispatchers. The Civil Service Commission had finally approved the rules to allow for lateral transfers, but the Code needed updated as well. This would be for lateral transfers within the Streetsboro Police Department and other departments too. The candidates would still have to go through the Civil Service process, but it would exclude them from the Civil Service written exam. Any open positions would be posted, the applicants would go through the Civil Service process and an eligibility list would be presented to the Civil Service Commission who reviewed and approved and then it went back to the appointing department.

Ms. Wagner asked if the applicants would still have to do the fitness test and psych test, etc. even though they did those for their current department. Mrs. Lockhart-Reese said yes, they would need to do the tests; the only exclusion was they would not have to sit for the written competitive exam. All the other things within Civil Service still applied.

The written exam was useful for the entry level police officer with no experience, but not as much for the people that were already sworn officers with at least one year of experience as an officer.

Mayor Broska said a benefit of lateral transfers was the applicants would already have had one or more years of experience, so the training of these people would just be with regard to Streetsboro's specific procedures, not police work or the laws in general. Streetsboro's wages in the Police, Fire and Service Departments had become very competitive over the years and were favorable compared to departments out east or further out west. He said Streetsboro should be able to get some good candidates without having to go through the Civil Service test. He added that they would look at doing something similar for the Fire Department next.

Ms. Wagner felt the lateral transfers were probably a necessity because there were so few people coming into these jobs. Years ago, there used to be 100-200 people applying to take the entry level exams, now maybe a dozen would apply and not all of them were appropriate for the job, so the lateral transfer option was needed. Lt. Polivka agreed that this was necessary for Streetsboro to stay competitive with other departments because a lot of other departments were doing lateral transfers, and if Streetsboro didn't do it, Streetsboro could lose out on a lot of good quality officers.

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

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

T-7426 Amend Departmental Staffing Code Sections

Mrs. Lockhart-Reese said when reviewing the current staffing of the departments it was realized a lot of the departmental Code Sections had not been update in years, and some departments were never defined. So, the administration went through the current staffing and developed this new staffing ordinance.

MOTION: TO AMEND T-7426 TO BE EMERGENCY LEGISLATION.

Moved by Mrs. Field, seconded by Mr. Lampa. Mr. Beni had prepared the amended legislation and the Clerk had it available for signatures tonight, if approved. Upon voice vote, **motion carried.**

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

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

Executive Session

MOTION: TO RECESS INTO EXECUTIVE SESSION TO CONSIDER AN ECONOMIC DEVELOPMENT PACKAGE, PENDING LITIGATION, AND EMPLOYEE DISCIPLINE.

Moved by Mr. Michniak, seconded by Mr. Hannan. Upon roll call vote, **motion carried unanimously and the meeting recessed at 7:23 p.m.**

MOTION TO RECONVENE FROM EXECUTIVE SESSION.

Moved by Mr. Hannan, seconded by Mrs. Field. Upon voice vote, **motion carried and the meeting reconvened at 7:59 p.m.**

T-7427 Amend Ord. No. 2021-30 re Legal Services

Mr. Beni said this was an ordinance to increase the amount for counsel legal fees for the Sahbra

Farms litigation based on anticipated increased costs as was just discussed in Executive Session.

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

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

T-7424 Amend 2023 Annual Appropriations [#6]

Matt Miller said this was some simple budget adjustments. Most everything was cancelled out with increased revenues or transferring money between account lines. The only one that was drawing from the fund balance was for the CHIP home repair fund.

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

Moved by Mrs. Field, seconded by Mr. Michniak. 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 Mrs. Field, seconded by Mr. Hannan, this meeting adjourned at 8:01 pm.

ATTEST:

Caroline L. Kremer, Clerk of Council

Justin Ring, Chairman