

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

Monday, October 23, 2023

This Finance Committee Meeting was called to order on Monday, October 23, 2023 at 7:46 p.m. by Justin Ring, Chairman.

PRESENT: Justin Ring, Jon Hannan, Marianne Glenn, Jennifer Wagner, Julie Field, Anthony Lombardo, Steve Michniak

ABSENT: None.

ALSO PRESENT: Glenn Broska, Mayor  
Frank Beni, 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  
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 SPECIAL FINANCE COMMITTEE MEETING MINUTES OF OCTOBER 9, 2023 AS WRITTEN.**

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

**Monthly Financial Report**

Matt Miller said this was the monthly report for the end of September; the target was 75%. The General Fund expenses were about 74%, the Overall expenses/encumbrances were about 76%, which Matt Miller was comfortable with. The General Fund revenues were at 85%, the Overall revenues were at 76%. The income tax was up about \$86,000 from this time last year. Net profit was a little down by \$700,000 and he wished it was higher. Withholding was up about \$700,000. The interest earnings were just under \$90,000 for September; the year overall was up by about \$572,000. As a whole the City was down in cash balances by about \$918,000. That was expected because the City was getting payment requests for the Community Center and the City Center infrastructure work, but the General Fund was actually up by \$91,000.

Matt Miller provided some information about the water billing as had been requested in a previous meeting. The third quarter bills had gone out to be collected in the fourth quarter. In the budget there was about \$901,000 left to collect in the Water revenue line and the billing was sent out for \$976,000, so the Water fund would hit its revenue projections for the year.

Matt Miller said the City would not hit the water connections revenue projections. For 2024 the projection was lowered because not as many people were connecting to the water system, but there was some savings in the Water Department in regard to salaries because there were two positions that had gone unfilled for a little while, so he hoped that would offset.

The General Fund carryover above the required minimum 25% was \$3,022,000 which was before the transfer that was authorized for the architect for the new City Hall.

### **Old Business**

None.

### **New Business**

#### **T-7492 Authorize the Annual Appropriations for 2024**

Matt Miller presented the 2024 budget and hoped to have it go to the Regular Council Meeting tonight for first reading. He explained that this was the first year of the new financial software, so things were a little different than in the past; the department heads had been able to enter their own requests into the system for discretionary things after discussions with the Mayor and Finance Director in the third column in the budget report. The fourth column, labeled "Finance Review," was the actual 2024 budget for each account line after review by the Finance Director and Mayor. It included salary information with wages, pension, etc.

The budget binder books Matt Miller had provided to Council included the proposed 2024 budget, amortization tables for the different debt the City had, income tax numbers from RITA, and a timeline of the various construction projects going on in the City to help monitor the cash flow so there would be money to fund these different initiatives. He had also provided an updated five-year Capital Plan with road projects, City Center things, equipment for the Service Department, equipment for the Parks and Recreation Department, etc. to help keep focused on where the City wanted to put the Capital Fund dollars.

The 2024 budget had some new General Ledger lines to break out the costs better, especially in Contractual Services to see the different software expenses, which was reviewed by the auditors. They also broke out more wage lines and matched the lines with the positions in the CBA contracts instead of lumping all "service workers" into one budget line. They also broke out Medical this year: the costs for the first five months of the year were known until the medical insurance renewed then the costs were not known and a projection was put in where they thought the costs would impact (the 101-, 201-, 501- funds that paid medical bills). Matt Miller noted that the FOP, Parttime Firefighters, and AFSCME contracts did not expire until the end of 2024, but the Fulltime Firefighters were currently in contract negotiations, so there were no increases in the 2024 budget wage lines because that information was not known. When the negotiations were finished, he would present Council with any necessary changes, or any retroactive payments, if needed. One

of the larger issues right now was the Police and Fire Pension out of the 101- fund; it was very off. There was a 701- fund that handled part of the Police Pension that was received from property taxes, but Matt Miller had applied it to Fire and not Police, so it needed fixed before the second reading of the budget. He had also not budgeted for Summer Camp for the Parks and Recreation Department, so that also needed fixed. He would also provide a printout of the five-year plan for the 402- Fire Department Capital Fund and the 501- Water Operating Fund to add to the budget binder; they had not really changed--the water meter change out and the Arrowhead Subdivision replacement waterline were still included.

Matt Miller asked for questions on this proposed 2024 budget. Mr. Ring asked that the Service Department have enough money for road salt, which Matt Miller confirmed would be done. Mrs. Field wanted to see the five-year plan for 402- Fire Department Capital and 501- Water Operating Fund that had not been printed now, instead of waiting for the second reading of the 2024 Budget. Matt Miller noted that \$1.3 million had been allocated from the Water Fund for the Arrowhead subdivision waterlines. The Fire Department planned to re-chassis ambulance #2611 in 2024 for about \$220,000 from the 402- fund that was funded by ambulance fees. Those items were reflected in the 2024 budget appropriation lines but Matt Miller would try to get a copy of the whole five-year Capital Plan to Council tonight if there was a break in the meeting.

Mr. Ring asked why account #401-11-5704 Police Building Improvement had nothing appropriated when \$16,000 - \$185,000 had been spent in each of the past 5 years from that line. Matt Miller explained that in the five-year Capital Plan for 2025 there were building renovations for \$60,000 and a boiler replacement expected, so the 2024 had money for equipment and not Building Improvements. Chief Wain said a big expenditure expected in 2023 or 2024 was the roof, but Bill Miller was now in charge of building improvements and he had the roof checked and they had said the roof was good for a couple more years. Mr. Ring just wanted to be prepared in case building improvement issues arose in 2024. The ignitor systems in both of the Police station boilers were replaced in 2023 for about \$24,000. The boilers would be reviewed after 2023 for possible replacement in 2025 or 2026.

Mrs. Field said she was seeing red flags with the budget because there were some things left out that were clearly crucial to have budget for. She was hesitant to pass this on to first reading right now when things had been left out of the budget (summer camp, road salt) and the whole 5-year Capital Plan had not been provided to Council yet. Matt Miller explained that the City was using new financial software this year and this was the first time the budget module software had ever been used. The road salt was something that was split between three funds. For the Police building, there was actually something on tonight's agenda to appropriate money to finish the air conditioning in the server room this year. He said if something might break next year and need repaired for \$7,000 or \$8,000, that could be absorbed into the 401- fund. A large project like the boilers was put into the five-year plan so Council would be aware that it was being considered, not forgotten, and there was preventative maintenance service on the boilers, which was not a Capital expense, it was just normal operations. Last year was the first year Council had been provided a five-year Capital Plan to show what was expected and planned in the future. He apologized for not printing the 402- and 501- part of the five-year Capital Plan for tonight, but he would get a copy to Council as soon as possible.

Matt Miller explained that Council only had to vote on the 2024 budget appropriation lines, not the supplemental material. Mrs. Field felt Council should have all the information for review before voting on the 2024 budget appropriation lines. Matt Miller added that there was a little over \$3 million to work with. There was also a fund balance of about \$500,000 that he left in 401- as a buffer so that an unexpected major repair could be absorbed; it was hard to budget for emergencies because they were unexpected surprises.

Mayor Broska noted that nothing was appropriated in 2024 from 401- for the police station because the City had spent an enormous amount of money on the police station in the last few year (new windows, renovated the dispatch center, etc.) so no large capital expenditure was planned for the police station in 2024. He said Bill Miller was put in charge of the maintenance of the buildings, as directed by Charter, because he had a better understanding of what was needed.

Mr. Ring said he had no more questions at this time, he'd only gone through the budget once and may have more questions at a later time. Mrs. Field wanted to keep this issue in Committee for more discussion and not send it the Regular Council where it was likely to just get voted on without further discussion. Mr. Ring noted that the budget would get three readings where it could be discussed further but a budget had to be passed before the end of the year. Mayor Broska said the concerns Mrs. Field expressed could be addressed in a few minutes and there was really no reason to delay the first reading.

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

Moved by Mr. Hannan, seconded by Mrs. Glenn. Upon voice vote, **motion carried with Mrs. Field opposing the motion.**

T-7491 Authorize Premium Pay for Members of the Fire Department from Grant

Matt Miller said the City had received a state grant for \$20,000. The Fire Chief had determined who in the Fire Department would receive the bonus for work during the COVID-19 exposure period. The full \$20,000 would be distributed among 42 firefighters, but the City would need to absorb the associated Police and Fire Pension contributions.

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

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

T-7488 Amend 2023 Annual Appropriations [#12]

Matt Miller said this was the twelfth appropriation adjustment. It was a lot of ins and outs. The Fire Department pension just mentioned in the last agenda item was in this adjustment, along with the grant for \$20,000. The hotel/motel tax was up, so the revenues would be increased for that. The other large item on this exhibit was for the Floyd North Bicentennial Park because the City had received a grant for about \$250,000 and had spent about \$35,000 out of the 403- Fund. The grant money needed to be spent before June 2024, but the 403- Fund did not have enough fund

balance to absorb the remaining \$215,000, so instead of doing a lot of transfers or advances, he decided to take it out of the 401- Fund so it could be spent in time to meet the grant requirements. The City would be reimbursed the \$215,000 right from the state once it was spent. The cash would be expended in 2023 and it would be refunded in 2024. The City had to match these grant funds and it had been included on the five-year plan in 2024. Matt Miller clarified that he would capitalize the asset whether it came out of 401- or 403- and it was just easier to take it out of 401- that had enough liquid funds because 403- just didn't have enough money, and it would all be reimbursed later. The reimbursement was not shown in the 2024 budget because the City could not alter the 2024 budget revenue until January 2024; it was set by the County and locked down in June 2023 when the tax budget was done (it was not just for tax revenue, all funds were monitored).

Mr. O'Malia commented that the City would try to go after the State Capital Improvement Fund again to get money for the City Hall/City Center complex, and it would look better to those awarding the new grant funds if all the previously awarded grant money for the Floyd North Bicentennial Park project was all spent.

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

Moved by Mrs. Field, 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 Mrs. Field, seconded by Mr. Hannan, this meeting adjourned at 8:20 p.m.

ATTEST:

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Caroline L. Kremer, Clerk of Council

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Justin Ring, Chairman