

FINANCE COMMITTEE MINUTES

OF JANUARY 13, 2020

Municipal Council of the City of Vermilion
Municipal Complex, 685 Decatur Street, Vermilion, Ohio 44089

In Attendance: **Vermilion City Council:**
Steve Herron, President of Council; Monica Stark, Council at Large; Emily Skahen, Ward One; Frank Loucka, Ward Two; Steve Holoavacs, Ward Three; Brian Holmes, Ward Five; Gwen Fisher, Certified Municipal Clerk. ABSENT: Barb Brady, Ward Four

Administration:
Jim Forthofer, Mayor; Chris Howard, City Engineer; Amy Hendricks, Finance Director; Chris Hartung, Police Chief; Tony Valerius, Service Director

Call to Order: Frank Loucka, Vice Chairman, RESOLVED THAT this Finance Committee comprised of the committee of the whole does now come to order.

TOPIC ONE: **2020 Budget Review**

Amy Hendricks distributed to City Council a Revenue Budget Worksheet and Fund Details for period ending December 2019. She explained they are collecting final long-range planning and capital expenses they made need in various departments so they can incorporate them into the final version of the budget. The Fund Details spreadsheet indicates year beginning cash, actual revenue, actual expense, change in fund balance, and the current cash balance. The general fund did have growth at over \$1.5 million, which is in part due to health insurance conversion. There was over \$400,000 of savings in the reduced rates, and they were able to pay a significant amount of the city's premiums through the course of 2019 from reserves that were in fund 703 for the insurance claims because the runoff claims from BAC did not materialize. They kept the budget contained during the year and have some revenue growth.

She conveyed that Fund 200 (Road) is due to the increases in income tax over the course of the year. With pending retirements, they have Funds 208 (Police Pension) and Fund (320) Retirement in place and they made a little bit of a larger transfer to the general fund into these funds during 2019 in preparation for knowing they had some increased numbers of retirements. They will have additional retirements in the police department and other departments as well and they will be looking at more sizeable transfers into those funds to maintain their health.

She said Fund 810 (State Highway Patrol Transfer) shows a reduction of almost \$112,000, which is the law library fund and they did disbursements that caught up about two years' worth of payments.

She referred to the Detailed Revenue History Report, which provides notes to give information on why there may be variances up or down in several line items. Overall, revenue is as anticipated and the real estates taxes in all funds grew by 8.4% because of the increases in the property values last year.

She noted they had a reduction of about 20% in the court revenue and she referred this to the court to look at whether it's a decline in case load.

In the general fund the city received \$173,000 in repayment from the water fund because of monies that were advanced years ago and did not get repaid. This is one of the things Moody's wanted the city to address. She said the city did have an increase in revenues in the utility fund for water of a little over \$400,000. This was close to what was estimated based on the rate increase.

She reported the interest income will probably drop this year closer to \$275,000 verses the \$324,000 the city received in 2019. The city has been fortunate in the last couple of years as they doubled their interest income in 2018 over the prior year to \$173,000, and \$324,000 in 2019, so this has contributed to things they have needed to purchase – technology and things like that.

In closing, she said there will be more information to follow as they just closed the 2019 financial year today.

S. Herron asked the finance director if she could have the 2020 budget ordinance prepared by the February 3 Council meeting and A. Hendricks replied yes.

After no further discussion came before the committee, F. Loucka adjourned the meeting.

Next Meeting: February 10, 2020 @ 7:00pm

Gwen Fisher Certified Municipal Clerk