

FINANCE COMMITTEE MINUTES
JUNE 14, 2021

In Attendance: **Vermilion City Council:**
Steve Herron, President of Council; Monica Stark, Council at Large; Emily Skahen, Ward One; F. Loucka, Ward Two; Steve Holovacs, Ward Three; Barb Brady, Ward Four; Brian Holmes, Ward Five

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

Call to Order: Barb Brady, Councilwoman, RESOLVED THAT this Finance Committee comprised of the committee of the whole does now come to order.

TOPIC ONE: Tree Commission Funding

E. Skahen, Council Representative to the Vermilion Tree Commission said they have all heard about the benefits of trees in the community and the environment. They use grants and donations for their planting of trees and maintenance, but removal of the trees can be a hazard and it is also as important as planting trees. The volunteers put time into planting, watering, and maintaining trees so they will thrive, but they are also volunteering their time to have an arborist make a list of risk assessments of which trees need to come down. They also remove the stump. The Tree Commission has asked the city to assist in funding with removing the trees. She said they are helping the city by getting a discount on the removals and they help the city to provide a safe thoroughfare. Their donations and grants can only be used for the planting and maintenance of the trees. The money they have left in their account is for planting and maintenance because the money is from donations. She said Jerry Western put in for a grant through the State of Ohio but has not received word about it yet. She said previously Barb Brady had asked about the Great Lakes Restoration Grant and the State of Ohio Urban Forestry Group also applied for the grant and the lowest amount you can ask for is \$50,000 and the city has to match 20 percent, so he has not gone ahead with it. There is still time if the city wants to proceed. She said all the money the city gives them can go towards the removal of city trees and not private trees. As far as the last risk assessment report, there are 94 trees listed and the cost to remove them is \$54,480.00. They will have another risk assessment done next year.

B. Brady said there is a \$6,000 cash balance and \$5,000 in other revenue listed in the budget. She asked the finance director if this money can only be used for plantings and maintenance. A. Hendricks said this is local restriction, but this is what it has been used for in the past.

S. Herron said he was the previous Council Representative to the Tree Commission, and they do incredibly good work and they are very detailed, and very specific on what trees are dangerous. He said council should drive around the community after a windstorm and look at the branches and destruction because this is safety matter, and it is very important to the residents when the trees come down.

B. Brady asked how much the Tree Commission is asking for. E. Skahen said they would accept \$20,000, but whatever Council decides on will help. F. Loucka said 20% of the city's portion to the grant requirements would be \$10,000. B. Brady said the \$10,000 would give them the 20% to apply for the \$50,000, so this would make sense. E. Skahen asked if they receive the \$10,000 then they can only use it for the grant and not for any removal of trees. B. Brady said no the grant is for removal of the trees. E. Skahen said they were uncertain if the Great Lakes grant would cover the removal of trees. They can apply for the grant, but it does not guarantee they will receive it. B. Brady asked who made the local restrictions with the money the tree commission has. A. Hendricks said it is the bylaws of the Tree Commission pursuant to the Charter. E. Skahen said any donations they receive and grants they apply for is strictly for planting, so unless it is said otherwise, they have to use it just for that.

B. Holmes said they need to find out if the grant covers tree removal and if it does, then he would say they should give the Tree Commission \$10,000. B. Brady agreed. E. Skahen said they can apply, but it does not mean they will get it. B. Holmes said if they get it then the city's 10% towards the grant is available. E. Skahen said if they do not get the grant, then she is coming back to Council.

M. Stark said \$54,000 for removal of 94 trees is a good deal. To put it in perspective, she had three trees removed from her back yard last year and she paid almost \$5,000, so to get this many trees removed for \$54,000 is pretty amazing.

M. Stark MOVED, F. Loucka seconded to allocate \$10,000 to the Tree Commission to apply for the grant. If they do not get the grant, then they can use this money for whatever they need it for. Discussion: S. Holovacs asked if the city had the \$10,000 available. A. Hendricks said it would come from the general fund with the budget and revenue set today. The income extension deadline was May and they talked about June as the time to do this. However, while things are looking favorable for the income tax settlements coming in for 2020, they still have about another month before those get finalized. She said they are looking at about \$3.7 million as the balance for the general fund by December 31, which is about what they carried in to start this year. The current year looks like they have in excess of \$37,648 in the general fund. It would have the ability to erode this down to \$27,000, but they may pick up more income tax, but then fuel prices are a \$1 more a gallon than they were at this time last year and she did not budget for this. However, the pool is short about \$15,000. B. Brady said Council needs to understand if they take this \$10,000 out of the budget, there is only \$27,000 left, so they will not be doing much

additional stuff. E. Skahen asked the finance director to explain what items come out of the general fund. A. Hendricks said it includes the police department, building department, city council/clerk, mayor/administration expenses, anything but the utilities/roads. It is the general operating aspects of the city. E. Skahen asked if the general fund is usually used up each year. A. Hendricks said prior to 2018 it had been used up. Since that time, they have been able to grow this balance significantly based on some of the changes they have been able to make in the city's budget. Mayor Forthofer said before the relief money came, it looked as though the city was going to be in the deficit, but the relief money came and some of that can be used to level the city out. However, if they spend this down, they will be back in a deficit situation again. B. Brady asked if they should take a year off on the Tree Commission. E. Skahen asked if they should just give them \$5,000 instead of the \$10,000 towards the grant. S. Herron said this is a good deal on what he sees to be a safety issue, so he thinks \$10,000 is well spent and important. It is not frivolous, but it is an important infrastructure issue, so he is in favor of it. He appreciates the reality check. B. Brady said it will not put them in the poor house. Roll Call Vote 7 YEAS. **MOTION CARRIED.**

TOPIC TWO: Appropriation Review/Financial Updates

Amy Hendricks said the only thing that has changed on the appropriations since the first reading on June 7 is that she has added in the general fund line the \$47,800 that completes the bid amount from the Fulper Lot that was in excess of what was budgeted at the beginning of the year. She said B. Brady had asked her to give a review of how the project budget update form is working. She said knowing that they are frequently coming up against projects and if they have money, then she is keeping this up to date on a monthly basis for the funds that are key for these projects, so Council knows what they started their cash at with revenue estimates, which gives in total what is available for the year for that fund. She said they have estimated expenses and she added a column that shows the net effect of any additional projects they have accrued or also they have had some projects come in under budget and cancelled off portions of those purchase orders that had been out there. She also added the ARP's revenue replacement they are estimating to possibly be available with those funds. She is becoming more confident that at least the general fund number will remain based on the final preliminary rules and guidelines. The next column is the remaining dollars that are left in the fund for projects or for carryover for the following year. B. Brady asked if these numbers will all be unencumbered, and A. Hendricks said this is correct. B. Brady asked if the \$37,000 is based on copying last year's carryover or similar to it. A. Hendricks said no as the current year number is this year's revenue and this year's expenses. B. Brady asked her if she at one time said the ARP money cannot be used for roads, but she has some on her permissive use – the \$7,000, and M&R has \$843.00. A. Hendricks said the tentative rules talk about no utilities and strictly a comparison of the revenue year over year, so those are possible. They are small numbers if they have to take them out. B. Brady said originally, they talked about it for sewer and

water. A. Hendricks said they are not required to use it for revenue replacement. It is not a huge material number if they do not do this with some of those special revenue funds. She is waiting on the final rules before they take those out. B. Brady asked if the city was supposed to get \$2 million. A. Hendricks said correct. B. Brady asked if the city is still getting this amount in one way or another. A. Hendricks said she has not gotten the final numbers yet and so far, as she knows this has not changed. They have given final numbers to the cities that are \$50,000 population and above. Those below this amount are considered non-entitlement and Vermilion will not get their money directly from the federal government – they will get it from the state, so the city is waiting. They are assuming they will get this original payment dollar estimate and then they can look at the growing project list the administration has been working on to present. B. Brady said if they cannot use some of this ARP money for the additional waterline on Liberty, then they may not be able to do this. Mayor Forthofer said all that S. Holovacs asked for is to get the numbers. B. Brady said she understands this. S. Holovacs said until they get the numbers, they do not know what they are looking for and they also have a water fund they can look at. A. Hendricks said the \$828,000 does include the cash carryover balance they started with this year in the water fund.

S. Herron asked how they donate to the pool. Mayor Forthofer said they can write a check to the ‘City of Vermilion’ and note in the memo a pool donation, and they can drop it off at City Hall to Anne Maiden. A. Hendricks said anyone can go on the city website under the payment portal to donate.

Amy Hendricks said on the next agenda they will need approval for a \$2,000 grant application to NOPEC that will go toward some community activities at the pool, and \$28,873 in the Energize Community Grant that is planned to be designated towards the lighting for the pool. G. Fisher said she prepared this legislation (Ordinance 2021-42) which will be on next week’s agenda.

After no further discussion came before the committee, B. Brady adjourned the meeting.

Next Meeting: July 19, 2021 – 7:00 p.m. @ Vermilion Municipal Complex, 687 Decatur Street, Vermilion, Ohio.

Transcribed by Gwen Fisher Certified

Municipal Clerk