

FINANCE COMMITTEE MINUTES

OF FEBRUARY 11, 2019

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; John Gabriel, Ward One; Frank Loucka, Ward Two; Steve Holovacs, Ward Three; Barb Brady, Ward Four; Brian Holmes, Ward Five; Gwen Fisher, Certified Municipal Clerk

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

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

TOPIC ONE: Review of Ordinances 2019-5/7 (Transient Accommodation/Excise Tax

Amy Hendricks said on behalf of Ordinance 2019-7 she spoke with the Erie County Auditor's Office about when it may be a good time to implement the tax in Vermilion for the transient rentals, and because of their financial reporting and collections being done on a quarterly basis, they felt the city would have time to adopt legislation to be effective April 1. This will give people time to register their rental units with the city.

Lois McQueen of 3750 Cooper Foster Park Road (Ward Five) said she lives in a rural area and it's been proposed by her next-door neighbor (Connie Ruth) that she would like to have a Bed & Breakfast or Airbnb. She would like assurance that the tranquility of the neighborhood is going to be preserved as it's very quiet. She has had good neighbors, and the Ruth's have been as well. However, it's been her observation that people tend to ignore property rights and use rural land without respect for the owner. She owns the adjacent 14.92 acres on the east property line of the Ruth's, which is zoned agricultural. Through the years she has had to contend with four-wheelers, snowmobiles, hunters, dogs/cats, horseback riders, walkers, and violations of the Ohio Open Burning laws. Also, she is concerned that people come to a rural area with a party mentality; loud music and yelling, and little respect for others. Most of her neighbors have been good neighbors and she would like to see the area remain quiet, residential, and agricultural, and she realizes there is legislation being proposed, so she would like council to consider the neighbors as well as the revenue and the fire code. If they can all live within the parameters of the legislation and keep it quiet and rural then this will be fine.

J. Gabriel explained there is two pieces of legislation. One is being done already at the county level and this legislation brings money back to Vermilion. The second ordinance creates Chapter 873 which deals with Transient Accommodation, Rooming or Boarding Houses. He noted that Council reviewed legislation from many communities and trimmed legislation down to one page that says a safety/fire inspection must be performed, and if a property becomes a nuisance, disturbs neighbors, and if there are frequent calls to where the city is getting involved and having to quiet the use of the property, then the permit could be revoked which ends the ability to operate in this fashion. L. McQueen said she provided Councilman Holmes with some regulations from Columbus, Ohio and a one-page sheet she would like to see enacted because it's a little different than some of the existing Bed & Breakfasts that operate in Vermilion.

S. Herron said if there is a pattern of nuisance behavior, law enforcement needs to be notified. It's unfortunate that sometimes there's a problem and law enforcement is never notified and then somebody comes in with a whole list of issues, but there is no record of it. He said for the City to enforce these issues, there must be complaints filed.

TOPIC TWO: 2019 Budget (Ordinance 2019-6)

Amy Hendricks said Ordinance 2019-6 remains the same as the one that was on the February 4 council agenda for second reading as far as revenue and expenditure estimates. When they get into the areas of special projects, the things that have been preliminarily accounted for, such as the Vermilion Road Phase I Project, the Hollyview Drive Project, and Adams Street Water Line Project could change once the city receives the final bids. It's comforting to know they are budgeting about \$200,000 less in the general fund than they did last year, and the city was able to close the 2018 calendar year with almost \$375,000 more available in the operating fund, which will make a big difference for the community and planning moving forward in 2019. She said it's a critical time to strike this balance between continuing to assure the city has an adequate balance to insure financial stability, along with addressing various programs and projects that are needed for the community. The cooperation with the collective bargaining process and to be able to reprice the health insurance plan has made a huge difference across the board. She felt comfortable in stating that the city has a balanced budget in all funds this year.

J. Gabriel said they mentioned before keeping a watch on the retirement obligation, but he is happy to see that stormwater funding is returning to the stormwater portion. A. Hendricks said it appears that given the balance that was able to accumulate from a rate increase that had been approved previously and collected through the course of 2018, it will be part of the planning for 2019. J. Gabriel thought those maintenance and ditch cleaning projects can move forward along with potential bigger projects that are out there. A. Hendricks said they have a significant amount of retirements that will be happening over the next couple years and based on the estimates she has had thus far, she has a transfer of \$140,000 scheduled into this budget from the general fund to 320 "Retirement Liability Fund". This should be more than what's needed for the current year if things stay as estimated. This is part of the financial stability as they begin to set money aside for upcoming retirements.

J. Gabriel MOVED; S. Herron seconded to adjourn into executive session at the end of the committee meetings to discuss personnel matters (compensation). Roll Call Vote 7 YEAS. **MOTION CARRIED.**

S. Herron said it's good to have a budget in hand by February 11 because what they went through last year was extremely difficult, but it's paying off this year in terms of not only the more money the city has, but also where they are going.

TOPIC THREE: Audit Updates - Single Audit

Amy Hendricks said as a part of the early closing process, it has brought auditor's on board earlier. The auditors from Charles E. Harris have been on site for the last two weeks and they were able to rap things up on the cash side. The city's Gap financial statements should be approved in the next month or so and Lennon & Associates has completed their review of these. She said one of the things that became apparent is that federal dollars that the city received through the State through ODOT in 2018 for the Highbridge Road Bridge project and the Traffic Signal project exceeded \$750,000 in that portion, so it subjects the city to single audit

requirements for 2018, which is for some additional testing they need to do, which is about 30 estimated hours for audit time. Therefore, it will cost an additional \$2,021 to the audit expense.

After no further discussion came before the committee, Chairman Holmes adjourned the meeting.

Next Meeting: March 11, 2019 @ 7:00pm

Gwen Fisher Certified Municipal Clerk