

FINANCE COMMITTEE MINUTES

OF MARCH 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. Absent: Brian Holmes, Ward Five

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

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: Building Department Staffing

Mayor Forthofer said prior to 2018, there was one additional employee in the City Hall departments of Building, Utilities, and some of Finance. They eventually lost this individual and never replaced them. They are basically running the building department with 1.5 people during the summer and through the efforts of council there is some new additions being made which require the assistance of the building department. Therefore, the department is strained, so he asked for council's approval to resume the staffing level by adding another person to be a building department employee and a float. He said the Building Department will now be overseeing the GIS System, which will save the city money in the long-run, but it will take a lot of labor intensity upfront in training. This person will be one of the critical employees in learning the GIS System. He said they are looking at the normal step range of \$17.00 to \$18.00 starting. M. Stark asked if this is a full-time 40-hour week position and Mayor Forthofer concurred. F. Loucka asked if there is budget money available. M. Stark asked if this would be a civil service position. G. Fisher believed there was still an active civil service list for this department and Mayor Forthofer concurred.

Chief Hartung said when the building department has nuisance issues where they don't get compliance, then they will send those matters to the Police Department for help. He said the volumes of issues they get is tremendous, so he would strongly recommend this position because it will help them tremendously. J. Gabriel agreed because just in managing delinquent properties would fill the job. He said they will need help in other departments when vacations come around as well. He said council just adopted food truck and Airbnb legislation which involves the building department.

S. Herron said if the city has the money then they need to proceed forward. F. Loucka agreed. M. Stark said if it's civil service and there is a job description would there be a problem with this employee working in other departments. Mayor Forthofer said if they hire this position as a clerk then they can assume other duties in other departments.

B. Brady asked if the building department is getting enough support from the prosecutor's office with prosecuting people. T. Valerius said yes, as it has gotten better with the addition of another prosecutor. F. Loucka asked if this person will be out in the field or is this position strictly an office position. Mayor Forthofer said this position is intended as an office position.

M. Stark asked if this position will be filled soon as they are looking at a new vacation policy for new hires. Mayor Forthofer said they plan to move forward immediately.

F. Loucka MOVED; M. Stark seconded to authorize the mayor to hire a building clerk from the active civil service list. Vote 6 YEAS. **MOTION CARRIED**.

TOPIC TWO: Debt Policy Discussion

Amy Hendricks provided council with a draft debt policy and explained that during 2018 when they started the project of refinancing some of the city's existing debt to help with the cash flow and to pay down some of the notes that were in place, the city engaged with Sudsina & Associates to help advise the city. They have continued through that process with the refinancing that occurred in November and they have been assisting in the planning for the fire station project. As a part of the process, the city did go through Moody's to have a rating review and the city was able to get an upgrade. As part of the financing of the fire station this will happen again in early April. One thing they feel that other clients have had good luck with; not only from a ratings standpoint, but also from a best practice standpoint within the council and the administration and in administering debt the best thing to have in place is a debt policy. This policy brings a lot of best practices into place. The policy has goals and guidelines the city will be reaching towards. For instance, the policy addresses parameters for annual note issues as the City's goal is to annually pay down the maximum amount allowable within the budget, but not less than 5% of the outstanding note balance, rather than rolling those perpetually. It also outlines the various procedures and types of services that can be engaged to ensure the city is doing the best processes and getting the best rates. The policy also states the city will strive to commit 10% of the property taxes raised from the balance of available inside millage, to capital. These revenues will be used to fund annual capital projects. This benchmark helps the city focus on not only day to day operations but bring in those revenues towards those maintenances of those infrastructures. The policy also talks about a five-year projection, which she thinks the city is ready to start putting together. She reviewed other guidelines as defined in the debt policy. She asked council to put this on the agenda for a first reading at the next council meeting as it needs to be adopted by April 11.

B. Brady said it was exciting to read this debt policy because she felt the city grew up! J. Gabriel said the debt policy is required reading for council members. He said the city now is saving \$90,000 a year thanks to A. Hendricks. He said future finance directors should read this and council should always quiz them on this policy as it's the playbook for financial success and he thinks it's a great idea.

B. Brady MOVED; S. Herron seconded to have an ordinance prepared to enact the debt policy. Roll Call Vote 6 YEAS. **MOTION CARRIED**.

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

Next Meeting: April 8, 2019 @ 7:00pm

Gwen Fisher Certified Municipal Clerk