

FINANCE COMMITTEE MINUTES

OF OCTOBER 15, 2018

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. Absent: Barb Brady, Ward Four;
Brian Holmes, Ward Five*

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

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

TOPIC ONE: General Finance Update

Amy Hendricks reported they had a rating review call with Moody's and it's too aggressive to expect an upgrade from the A2, but she wanted to assure they can maintain it. She felt the city was able to provide them with good information as far as businesses coming to the community and overall economic activity, as well as stressing they have taken new approaches to the city's financial management and they are situating the city better for the future. She expects the city's rating will be back by next Tuesday. There was a lot of preparation to this and the official statement, which will accompany the sale of the city's bond financing that's going to be done in early November, which replaces some of the notes the city had that were shorter term. She noted with the rising interest rate market it will be important to lock these in. She hopes it will ease the city's cash flow on the debt service.

The September Financial reports will be submitted to council on October 16. She thanked Teresa Mosely in the Accounts Payable office for helping to implement accounts payable payments by ACH rather than by check. This helps reduce the risk of fraud of somebody getting bank account information off a check and it reduces bank fees, as well as better efficiency in processing, mailing, and reconciliation of checks. She looks forward to getting this system in place as all the preliminary testing has gone well.

She said with closing of the pool it appears they will need about \$30,000 of the \$63,016 that was raised in donations this year for the pool and it should allow \$33,000 for the pool in 2019. She believes they will still have one more gas and phone bill.

She was asked to report back to council on the changes in procedures in the utilities and building departments as they were making those payment windows cashless. Pursuant to legal requirements the city does have a written opinion from legal counsel that it's within the city's legal perimeters to do this. People can also reference information on the Federal Reserve website about the options for cashless collections in businesses and organizations. Some of the reasons behind this in addition to the efficiencies, is the fact that the city has a very small staff to maintain the internal controls that should be in place. While managing and accepting cash the city doesn't have enough staff to effectively divide those duties to keep auditors happy. Also, it takes a lot of time and efficiency for the other city departments to recount, get change from the bank, prepare deposits of which the bank charges more for those deposits, along with sending a person daily to the bank for those cash deposits. However, as they convert to the new ACH

scanning program the staff will be making fewer trips to the bank, so it would be an additional cost for an employee to spend an hour going to and from the bank and incurring mileage. The city offers many other options for the residents to pay and many of them are free. There is another community in the area that has closed their collections window, but Vermilion doesn't want to do this, so they are trying to be more efficient and allow the employees in City Hall the opportunity to answer phones, return calls and answer questions. She said they had their second due date on Friday utilizing the cashless payment process and the staff reported very little mention of the practice. She said it's an adjustment and change for the residents but feels once they are accustomed to it they will find ways to make their payments in other ways.

J. Gabriel suggested applying this same process in the court system but wasn't aware of any laws restricting what they can or can't do as well. A. Hendricks said they would have the same abilities and she plans to work with the Clerk of Courts on some issues in the coming months.

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

Next Meeting: November 19, 2018

Gwen Fisher Certified Municipal Clerk