

FINANCE COMMITTEE MINUTES OF OCTOBER 16, 2017

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

In Attendance: S. Herron, M. Stark, F. Ostrander, F. Loucka, J. Forthofer, B. Holmes, B. Brady, G. Fisher, B. Keller, Chief Hartung. T. Valerius. Absent: L. Miggins, Mayor Bulan.

Call to Order: Monica Stark, Chairperson, RESOLVED THAT this Finance Committee of the whole does now come to order.

TOPIC ONE: Review of Ordinance 2017-43 (Flood Damage Reduction/Chapter 1460)

S. Herron noted this matter was brought up by the city engineer at the September 18th Legislative committee meeting. She noted currently the flood damage permit fees are \$500, but felt the residents should be paying the real cost of their permit reviews, because otherwise it's coming out of the general fund which means the rest of the city is paying for it. He addressed J. Gabriel's email relative to this matter in which he expressed concerns regarding the proposed changes. S. Herron asked if this increase is just something that happened this year or is it something that is going to be permanent. He questioned if increased fees will inhibit development which they don't want to do, and is the administration having problems with plans that are being submitted. He tabled this matter to the November 13 meeting so L. Miggins can address these concerns again.

F. Loucka requested from the city engineer or finance director an accounting on what the actual costs have been for the last four or five years as excessive costs were raised by the city engineer. He thinks council needs to review the actual costs for the past permits, which includes the application fee and what the total cost was to the city to process them.

F. Ostrander said he would like to see how other communities charge these costs out to see how Vermilion compares.

John Gabriel representing Romp's Water Port addressed his concerns because the ordinance really becomes a blank check. He said as it is written, anyone developing in the Flood Plain would pay the city's costs for reviewing those plans which is open-ended. He asked what the city engineer's hourly rate is and B. Brady replied \$90. J. Gabriel said council should certainly come up with a hard cap because this is just not fair. He felt it was a conflict of interest for a director to submit an ordinance that would directly benefit that director's income.

B. Brady wondered if the \$500 flood plain permit would actually cover the costs of reviewing the flood plain, without incorporating additional fees. The city charges one consistent building permit fee which covers inspections, so she would think this would be the same thing. T. Valerius said the city engineer has to review everything that's in the flood plain as it has to comply with FEMA rules and so forth, and he thinks if her review runs over the \$500, then she still charges the city, and instead of the city paying for it the homeowner would pay for it. B. Brady said if she is in charge of the flood plain and the permit fee is \$500, then she should do the job for \$500. F. Loucka said this is why they need to look an accounting of what the actual costs have been in the past, because regardless of what the city engineer does, the taxpayers foot the bill.

M. Stark tabled this issue to the November 13 meeting and asked the finance director to pull the records from the past five years on all the hours billed for flood plain reviews.

J. Gabriel said the housing marketing has improved in the last five years, so he questions if they will get a fair number. He said they may need to look a little deeper, plus looking at what other communities charge which would be fair. The clerk will contact lakefront communities such as Huron, Lorain, Port Clinton, Rocky River, Sandusky, and Erie County.

S. Herron said to be fair all around he wanted to remind everyone that this is a time consuming situation as they need to meet FEMA rules, etc.

TOPIC TWO: Review of 2017 Budget

M. Stark noted that she had asked the finance director if he would present to council a review of the budget as to where the city is today since they are nearing year-end.

B. Keller reported they have issued over 1,000 purchase orders this year and all the departments within the general fund are operating pretty well. They have had significantly less legal fees than they had last year; also he expects the part time wages in the police department to be lower than last year. They had \$183,000 in part time wages in 2016 and half way through October 2017 they are at \$96,000. He said there will be some year-end appropriation amendments coming. The Street M&R fund (201) should finish right on budget. He said T. Valerius has been able to buy some extra stone for the durapatcher that has been out frequently. They may need to transfer some additional monies from the general fund to the recreation department. The fire department is doing well and they may see an appropriation amendment for the command vehicle depending if they get it this year. They are pretty much breaking even with the cemetery fund. However, their only trucked died and T. Valerius is working on some quotes for a new truck which will be forthcoming. He said the general fund was supporting the Tree Commission with a \$20,000 transfer, but they received around \$16,000 or \$17,000 in grant money. The museum fund needs some attention and they will need to reclassify some expenses as they did an engineering analysis to see what to do with the museum. He expects a positive carryover in the water fund this year and the wastewater fund is pretty healthy. He said last year they spent \$19,000 in lift station maintenance and so far this year as of mid-October they have spent \$43,000. Relative to the stormwater fund, they were able to do the Kensington/Edgewater project, the Sunnyside Ditch Rehabilitation, the Main Street Green Infrastructure, the Woodside Ditch Rehabilitation project, and were able to get some catch basins done around the city. There were some wage increases in the stormwater fund because last year they spent about \$12,000 and currently they are at \$36,000 in wages. He said they had several major surgeries this year from a handful of employees, but last year they had \$932,000 worth of claims, and this year they are at about \$645,000. They also had increased prescription costs as well.

M. Stark said when she asked the clerk to email the finance director on having budget reports ready to review; she had thought maybe council would have received a spreadsheet with numbers. Therefore, she asked the finance director to bring a spreadsheet for council at the November meeting as it's always better to see the numbers on paper. She asked why the recreation department is down. B. Keller said they operate on a bare bones budget and they are limited to the amount of money they bring in from their fees. M. Stark asked if council generally transfers money to the recreation fund each year and B. Keller said yes. M. Stark asked if the numbers are higher or lower on the participants. B. Keller said last year they raised fees and participation decreased, so they cut back this year on fees and they saw an increase in participation, so they are trying to find that fine line. M. Stark asked how the carryover is looking at this point. B. Keller guessed around \$200,000 to \$300,000 in the general fund.

J. Forthofer asked if the money for the museum engineering analysis was supposed to come from the leftover original acquisition money that was raised. B. Keller said there are maintenance costs that are factored in as well.

F. Ostrander asked if incomes are sticking towards the budget and B. Keller said yes for the most part. B. Brady said in comparing past estimates it looks as though the road improvement levy is up \$100,000 from the original estimate and wondered where that came from. B. Keller said he would need to look into this.

M. Stark asked if the new accounting system is up and running smoothly and B. Keller said yes. M. Stark asked if the finance department can get on a regular monthly schedule in providing financial reports to council so they can keep track of where they are at because it was July when they received their last financials. B. Keller said they only have three people in finance and they are trying to fix this. They had a department meeting last week and this was one of the things they talked about.

F. Loucka said at the Port Authority meeting last week the members were in sticker shock over \$6,000 for their phone and internet. They thought with the improvements they made last year this would bring this number down as historically it had been around \$2,000 to \$3,000. He said they aren't even active a whole year as they shut down on November 15. B. Keller said they are working on a solution in this matter.

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

Next Meeting: November 13, 2017 @ 7:00 p.m.

Gwen Fisher Certified Municipal Clerk