



CITY OF TWINSBURG, OHIO

Finance Committee Mtg.

March 27, 2018

6:00 PM

1. CALL TO ORDER

Mr. Scaffide called the meeting to order at 6:00PM.

Roll Call:

Finance Committee Members: Scott Barr, Sam Scaffide

Other Council Members Present: JoAnn McFearin

Finance Director: Sarah Buccigross

2. AUDIENCE PARTICIPATION - None

3. APPROVAL OF THE January 23, 2018 MINUTES - approved as written

4. MILLAGE RATE

Ms. Buccigross presents documents pertaining to the millage rate for discussion.

She will be preparing the tax budget in the coming months; the tax budget sets the millage rate for the city (the city’s portion of the property taxes). Our Charter states that the city can go up to 7 mills. We currently have a total of 0.6 out of the 7.0 that we can go up to (0.3 is fire pension, 0.3 is police pension).

The tax budget can be used to relieve some of the stress on the general fund. The distributed documentation shows that the general fund has continued to decrease since the .25% tax was rescinded. The county has provided numbers that show a breakdown of what the city could collect as tax revenue for the general fund, as well as what the potential cost to homeowners would be. Currently, the annual cost to a homeowner of a \$100,000 home is \$21.00. The estimates provided by Summit County show what that number would be in various increments if the inside millage was increased.

Estimated Annual Cost to Homeowner of \$100,000 Home

	Police Pension	Fire Pension	Combined Police & Fire Pension
Current inside millage of .6:	\$10.50 (0.3)	\$10.50 (0.3)	\$21.00
Increase to 1.0 total	\$17.50 (0.5)	\$17.50 (0.5)	\$35.00
Increase to 1.6 total	\$28.00 (0.8)	\$28.00 (0.8)	\$56.00
Increase to 2.6 total	\$45.50 (1.3)	\$45.50 (1.3)	\$90.00

Increasing to 2.6 would get us to the point where it would cover the cost of police & fire pension. The General Fund currently subsidizes approximately \$1.165 million dollars to cover that cost. Council needs to decide if we want to start closing the gap for collection year 2019.

The .6 went into effect in 1972. The city has not increased the millage since that time. Ms. Buccigross continues to review additional documentation of estimates that she had prepared showing the potential effect to homeowners, as well as the positive impact it would have on the general fund balance. She reviews comparison charts of neighboring communities in Summit County. Twinsburg's city millage is the lowest in Summit County, as is our income tax rate. Twinsburg also has the lowest sewer rates in Summit County, and the lowest trash rates (\$0 cost to homeowners).

Council members discuss city comparisons. Twinsburg is a very competitive city to live in within Summit County. Twinsburg has the best services at the lowest rate. Ms. McFearin states that last month she presented where Reminderville and Twinsburg Township stand in relation to the City, since those are the communities that attend Twinsburg City Schools. Mr. Scaffide states that he would like to explore other creative ways to address increasing the general fund. He explains that he has never been an advocate for raising taxes. He states that if an increase in millage went before council that he would vote "no". Ms. McFearin asks if such an increase would need to go to the residents for a vote, and Ms. Buccigross explains that it would not go to the residents for a vote; based on our charter, the city can increase millage up to 7.0, with only a majority vote from council.

A resident (Bob Thewes, 2229 Meadowood Dr Twinsburg, Oh) comes to the microphone to ask if it is specified in the charter where the money collected from the millage is allocated to. Is it rolled into the general fund? Ms. Buccigross explains that the money could be specifically allocated if we chose to go that route. Currently, the money collected must go to support Police & Fire pensions, per the Ohio Revised Code.

Mr. Barr explains that in order to be good stewards of the city's finances, he may support the increase if it was specifically ear marked to cover the Police & Fire pension, and not just dumped in the general fund for unspecified use. Currently, the Police & Fire pensions drain the general fund over 1.1 million dollars annually. Mr. Barr explained that he is concerned that the number going into Police & Fire pension from the general fund is just going to continue to grow. Ms. Buccigross explains that if council decides to go this route, she would have conversations with the law Director and with Summit County to determine how to specifically ear mark the funds for Police & Fire pension.

Mr. Barr states that there has been ongoing discussion pertaining to raising sewer rates in order to keep that fund self sustaining. All are in agreement that a sewer rate increase is a good thing. The state average for annual sewer rates in 2016 was \$661. Twinsburg is by far the lowest at \$182.00.

Mr. Barr and Mrs. Scaffide explain that the additional school levy will begin to appear on resident's property tax bills in June this year, and that is going to be a significant hit to residents. Mr. Barr recommends watching the timing of potential changes / increases and phasing items in so that everything wouldn't hit at once. The school is also putting a renewal out there in May.

Mr. Scaffide asks if the current millage covers police and fire pension. Mr. Barr and Ms. Buccigross point to the handouts which show that the current millage is not even coming close to covering the police and fire pension. It is currently over 1.1 million dollars short in covering that, and that shortage is currently subsidized by the general fund. By increasing the millage from .6 to 2.6, we would be able to cover the entire pensions.

Mr. Barr inquires what the cost trash cost is per household. Ms. Buccigross states that the annual cost to the city is approximately \$1 million dollars. The residents pay nothing towards that cost. Mr. Scaffide explains that Mr. Campbell would be able to provide a breakdown once the new contract comes up.

5. COMMENTS - none

6. MISCELLANEOUS

Ms. Buccigross would tentatively like to schedule the mayor to speak about the clubhouse at the next Finance Committee meeting. This next meeting is currently scheduled for April 24, 2018. Ms. Buccigross would also give a quarterly update to the committee at that time.

Ms. Buccigross will be meeting with the city's financial advisor to discuss the clubhouse debt, so that she may be brought up to speed on where we stand with that.

There will be discussions over the coming weeks / months regarding updating our Timekeeping software. The update would lesson manual entry, and allow us to process payroll for employees that receive tips. (current software does not support this.)

7. NEXT MEETING: April 24, 2018

8. ADJOURNMENT: Mr. Scaffide adjourned the meeting at 6:30 PM.