

CITY OF TWINSBURG, OHIO

Finance Committee Meeting

Tuesday, November 23, 2021

5:30 PM

Meeting Called to Order: Mr. Scaffide called meeting to order at 5:30 PM.

Roll Call: Mr. Scaffide, Mrs. Walker, Mrs. Stauffer, Mrs. Labbe, Mr. Bellan, Ms. Buccigross, Mayor Yates, Mr. Maistros

2. Audience Participation: None

3. Approval of October 26, 2021 Finance Committee Minutes: Mrs. Walker motioned to approve the 10/26/2021 meeting minutes. Motion was seconded. Minutes were approved unanimously as submitted.

4. Ohio Checkbook Presentation: Alaina Bowers and Becca Armstrong for the Ohio Treasurers Office presented the Ohio Checkbook program/website with accompanying Power Point. Presentation included complete overview of the Checkbook program, examples of its utilization and proposed applications for Twinsburg City. Finance Committee will discuss if the City will publish and have the site “go live” and how frequently we would update the data if we choose to move forward.

5. 2022 Temporary Appropriations: Tonight we have the legislation on first reading. We will do three readings and then on the third reading we would have to pass on emergency so that we will have the budget in place by January 1st.

General Fund:

- 2022 General Fund Temporary Appropriations are balanced
- The General Fund budget has been reduced 4.13% from the 2021 Permanent Appropriations. The budget reduction is due in part to:
 - Reduced need for transfers from the General Fund to support Police and Fire Pensions and Safety Capital needs due to Property Tax support.
 - Anticipated reduced healthcare costs due to Self-Insured status.
- Income Tax revenues are currently estimated at \$22.75M. Permanent Appropriation will include a review of January and February collections. The 2022 estimate is based on:
 - 2019 collections reduced by an anticipated 10% work from home continuation which translates to a 3% reduction in collections.
 - 0% estimated increase in collections based on wage increases.

General Fund Spend by Type:

- 62% is to provide for employee costs for all General Fund Departments.
- 22% Operating Expense includes: Utilities, Insurance, Contracts, Operating/Office Supplies, Repairs and Maintenance.
- 3% Administrative Costs include: Audit fees, County Charges, Judgements, Election Costs, Economic Development agreement payments.

General Fund Spend by Use:

- 34% of General Fund Spending is to provide for Safety & Services costs.
- 26% is to provide for Service costs which includes expenses for Service, Building, Engineering, Planning and Economic Development Departments.
- 14% is Administrative costs including Civil Service, Council, Mayor, Law, IT, Finance, HR, County and Audit fees, Economic Development payments, etc.
- General Fund Appropriations have been reduced by 4% compared to 2021.

Additional Funds:

Infrastructure Pricing Watch:

Amy Mohr stated that the bidding for Dooridge project came in about 30% higher than estimated. There will be a Public Works meeting in January to discuss what changes need to be made and how to proceed.

- The current 2022 Infrastructure program includes \$4,262,000 in projects.
- Funding for the projects comes from seven different Funds, using reserve balances in some, including: SCMR, Muni Motor, Permissive Tax, State Highway, Federal Grant, ARPA Local Fiscal Recovery, and Sewer Improvement.
- Increases in asphalt, labor, pipe, etc. may lead to adjustments in budget and/or projects for 2022 program.

Police & Fire Levy Fund

- Collections on the 2.40 Mills will begin in 2022, estimated \$1.7 million in revenue.
- Police & Fire Pension expense is anticipated to be fully funded by Property Taxes in 2022.
- The full 2022 Safety Capital Budget of \$678,600 is also expected to be fully funded by the new millage.
- A small reserve balance in the fund is budgeted for ending balance 2022.

General Bond Retirement

- 29% reduction in budgeted Debt Service from 2021 due to payoff of 2011 Bonds in December 2021.
- 2022 Budget includes:
 - OPWC Interest fee Loans \$250,000
 - Darrow Road Land Acquisition \$215,000
 - Gleneagles Clubhouse \$403,000
- The Final payment of the Darrow Road bonds is in 2022. 2023 will have another budget reduction due to this payoff.

Enterprise Funds

Sewer Revenue

- Sewer Revenue fund continues to be self-sustaining.
- Online billing enrollment is expected to grow and should generate cost savings with a reduced mailing costs.
- Plant upgrades/maintenance are planned to begin in 2023 with \$2.6 million in anticipated project cost for: Ultraviolet Disinfection Process, Drying Bed Modifications, Sanitary Collection System Modifications and Equalization Basin Upgrades.
- Committee discussed Sewer and Water Utility fee planning.

Gleneagles Golf Course

- Budgeted Subsidy of \$146,250.
- Includes Capital Budget expenses of \$170,500.
- Clubhouse bond is paid under the General Bond Retirement Fund.
- Operating revenue estimates are based on YTD golf course income and will be reviewed again after year end close.
- Increase in budgeted expenses is needed due in part to salary and wage seasonal adjustments made in 2021.

Twinsburg Fitness Center

- Budgeted Subsidy is \$178,245.
- Includes Capital budget expenses of \$158,000.
- Updated operating plans for the Fitness Center are being finalized and should generate renewed interest in the facility.
- Operating revenue estimates are based on YTD income as well as discussions with Parks and Recreation/Fitness leadership regarding operations and Waterpark expectations.

2022 Budget Process- Next Steps

- Finance Committee will meet on December 14th at 6:30pm to discuss remaining Temporary Appropriation questions and vote on whether to recommend to Council to pass the legislation.
- January, February and March 2022 Finance Committee meetings will include individual Department presentations for the Permanent Budget.
- The 2022 Permanent Appropriations will be on legislation for the 2nd meeting in February and will need to be passed on emergency on March 29th (this date will be checked for compliance).
- There will also be legislation for a year end 2021 appropriation amendment that, in total, will be a budget reduction.

6. Comments / Questions: None presented.

7. Miscellaneous:

1. Sarah received a request for a new CERT Team Trailer

- The current trailer is city-owned. It no longer supports the needs of the CERT team.
- Over 225 hours of volunteer time has been provided to the City by CERT.
- \$15,000 has been requested for the new trailer and up-fitting needs for its use.
- The funds can be included in the Year End Appropriation Amendment that will have a net reduction in budget for 2021.
- Finance Committee members unanimously support this request.

2. Finance Committee members discussed the Ohio Checkbook program and will finalize the participation decision at the 12/14 meeting.

3. Amy Mohr discussed the Dooridge Road project and the City's options for proceeding forward. She would like to rebid this project in October/November of 2022, so construction can start in February 2023 and have this project completed in one season. Committee members are in full agreement of this plan. A letter will be sent to Dooridge residents explaining the project changes.

8. Next Meeting Date: December 14, 2021 at 6:30pm

9. Adjournment: Mr. Scaffide adjourned meeting.