

BUDGET AND FINANCE COMMITTEE

Meeting Summary

February 24, 2020

Attendance:

Brian Mueller, Chair
Tom Henning, City Council
Scott Gehring, City Council
Tom Moeller, City Manager
C. Robert Paul, Treasurer
Kristie Lowndes, Assist. Treasurer

The meeting was called to order at 6:30 PM.

Mr. Mueller congratulated the Committee on the work they have done and offered his appreciation for all of the time and discussion on the City's finances.

1. **Monthly Financial Reports.** Mr. Moeller reviewed the reports for January, 2020. He noted the following in the General Fund:

Revenue

- **Real Estate/Property Tax.** Total for YTD is \$535,000 vs. \$375,000 YTD 2019 (+42%)
- **Earnings Tax Revenue.** Total YTD is \$358,000 vs. \$351,000 YTD 2019. (+2%)
- **Rollback and Homestead.** No Revenue.
- **JEDZ Tax/Fee Revenue.** Total YTD is \$49,000 vs. \$41,300 YTD 2019. (+21%)
- **Fine/Forfeitures/Court Costs.** Total YTD \$16,500 vs. \$11,500 YTD 2018 (+44%)
- **Interest Income.** Total YTD is down \$200 over YTD 2019 (-.5%).
- Total GF Revenue is up \$197,000 over YTD 2019. (+24%)

Expenses

1. General Fund Expenses YTD 2020 \$542,835 vs \$686,626 YTD 2019 (-21%)
2. **Review of 2020 Budget.** Mr. Mueller noted potential changes to the 2020 Budget relative to the expense of the replacement of the Municipal Building Lift that will need to be included in the Capital Improvement and Replacement Fund.
3. **Euclid Avenue SCIP Project Update.** Mr. Moeller updated the Committee on the status of the grant funding and timing of the project. The total project cost is estimated at \$900,000; the City is to receive \$450,000 from the State of Ohio and has already received \$100,000 from Hamilton County in Municipal Road Funds. The City's share will be \$350,000 to be expended from the SR-21 Street Repair Fund. Mr. Mueller noted that this amount was moved to 2021 as the City had not expected to be awarded the project grant in 2020. He stated the City will have to transfer the \$350,000 to FY2020; however, the reserves in the Fund will cover the expense. The Committee also discussed the scope of the project and

timing. Mr. Moeller noted that a sidewalk is to be constructed on the south side of the street to connect Maple Avenue with Hosbrook. This completes another section of the City's Sidewalk Master Plan. He also stated that there is a substantial amount of storm water system replacement work that will be accomplished between Miami and Camargo. Much of the system consists of corrugated metal pipes that have completely failed. The project would begin some time after July 1 as the State funds are not available until after that date.

- 4. Camargo Road Project Discussion.** Mr. Mueller noted that the intersection of Euclid and Camargo could be redesigned to provide for a safer location for both motorists and pedestrians. Mr. Moeller stated that the Camargo Road Corridor Study identified potential improvements/realignment of the roads. Although the area is probably too small to install a roundabout, realigning the streets and reducing the speed of southwest bound Camargo traffic onto westbound Euclid is possible. The City Engineer is going to evaluate this as part of the Euclid project, but, if the improvements are a major cost item and cannot be accommodated in the Euclid Project budget, they will be included when application for grant funds is made for improving Camargo Road. Mr. Moeller also noted that the Camargo Road Corridor Plan recommended sidewalks and potential streetscape improvements on the northwest side of the street to improve the aesthetics of the area.
- 5. Water Main Replacement/Indian Hill Water System Update.** Mr. Moeller stated that Indian Hill officials are calculating the potential rate structure to accommodate the addition of the Madeira Water Mains to their replacement budget. The City is providing updated street repair schedules so this information can be included in their analysis. Mr. Gehring noted that this may take another few months before any final recommendations are made.
- 6. Earnings Tax Credit Reduction.** Mr. Mueller referenced the discussion at the previous Council meeting regarding adding language to the legislation, which requires the additional 0.3% credit revenue to be allocated to capital improvement expenses. Mr. Moeller stated, based on the Auditor of State's opinion, these additional funds can only be allocated to the Capital Improvement and Replacement Fund (CI&R) based on State statute. However, the funds cannot be transferred to another capital fund (e.g., SR-21 Street Repair Fund) once they have been funded to CI&R. The Auditor did state because Madeira is a Home Rule City that the Law Director could write an opinion that supports an additional transfer if the City's Charter allows. He also stated that it is not a hardship to the City if the funds must remain in the CI&R as the budget appropriation would simply reflect the expense directly from it rather than as a transfer to another capital fund. Mr. Gehring and Mr. Henning both stated they were in favor of "earmarking" the additional revenue to capital expenses only. Mr. Mueller also concurred.

The Committee also discussed the suggestion by Council Member Moormann to consider a "sunset clause" in the legislation. Mr. Henning noted that we should think about thresholds and have some manner of "stress test" for future spending related to the tax credit reduction. Mr. Gehring stated he believes the 27% General Fund Reserve in the Budget Policy effectively does this. Mr. Mueller prefers not to have a sunset provision as there will always be ongoing/perpetual increases for both operating and capital expenses. Mr. Gehring stated that City Council can always increase the credit in the future. He also

stated that a critical ongoing expense will always be street repairs and infrastructure maintenance. After further discussion, the Committee agreed to not recommend a sunset clause to City Council.

- 7. Planning Commission/Zoning Code Update.** The Planning Commission is undertaking a comprehensive review of the Madeira Zoning Code and, due to the amount of effort this may take, is requesting funding from City Council to engage a consultant to assist with the process. A maximum amount for the work is estimated at \$70,000. Mr. Moeller noted that the City's Law Director may be able to include some of this work in his regular legal responsibilities, which would reduce this amount to the consultant. As well, he noted that the Planning Commission is probably not going to need a consultant for the entire code re-write. Rather, they would designate those sections that need the most work and take on the sections that require less effort and less expertise. The Committee agreed to table this for future discussion with City Council.

The meeting was adjourned at 7:15 PM.

Brian Mueller, Chair