

BUDGET AND FINANCE COMMITTEE
Meeting Summary
June 22, 2020

Attendance:

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

The meeting was held via Zoom Teleconference in accordance with the laws and regulations of the City of Madeira.

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

1. **May Financial Report.** Mr. Moeller reported on the following budget summary:

General Fund Revenue

- **Real Estate/Property Tax.** Total for YTD is \$1,364,530 vs. \$1,336,872 YTD 2019 (+2.0%)
- **Earnings Tax Revenue.** Total YTD is \$1,290,722 vs. \$1,707,529 YTD 2019. (-24.4%)*
- **Admissions Tax Revenue.** Total YTD \$81,973. The tax became effective April 1, 2019 with the first month's revenue at \$16,400 in April 2019. April 2020 Revenue was also \$16,400. Based on monthly revenue to date, the tax is still generating what was presented in the 2020 Budget.
- **Rollback and Homestead.** Total YTD \$173,440 vs. \$171,909 YTD 2019 (+.08%).
- **JEDZ Tax/Fee Revenue.** Total YTD is \$267,229 vs. \$265,518 YTD 2019. (+.06%)
- **Fine/Forfeitures/Court Costs.** Total YTD \$33,286 vs. \$34,321 YTD 2019 (-3%)
- **Building Permit Fees.** Total YTD is \$57,563 vs. \$71,542 YTD 2019. (-19.5%)
- **Interest Income.** Total YTD is down \$11,000 over YTD 2019 (-34%).
- Total GF Revenue is down \$306,000 over YTD 2019. (-8%)

***Earnings Tax Returns and Payments are due July 15.**

General Fund Expenses

- General Fund Expenses YTD 2020 \$2,957,497 vs \$2,781,817 YTD 2019 (+6.3%). Expenses are still tracking on budget for the year.

SR-21 Street Fund Revenue

- We are \$63,925 above revenue YTD 2019. This is still primarily due to the additional gasoline tax revenue generated from January through April by virtue of the gasoline tax rate increase in 2019 by the State of Ohio. As previously noted, we can expect a decrease in gasoline tax revenue from projections beginning April 1 as the full impact of the “stay at home” orders has taken effect. However, with recent relaxing of the “stay at home” orders from the State of Ohio, we may not have the substantial loss of gasoline tax as was initially anticipated. We will continue to closely monitor this as it will have an impact on future road programs.
- 2. **CARES Act Funding.** Mr. Moeller reported that Hamilton County is to receive \$25 million in federal funding to assist local governments with COVID-19 related expenses for FY2020. The City of Madeira is to receive up to \$128,000 which can be used to refund any costs related to materials, staffing, overtime, etc. for addressing the COVID-19 Pandemic. The amount of funds is based on the County Local Government Formula which considers population, number of lane miles and sales tax revenue. Any funds not used by December 31, 2020 must be returned to the County. Mr. Moeller noted that staff has been tracking all COVID-19 related costs and has set aside these costs for the reimbursement program.
- 3. **Indian Hill Water System Update.** Mr. Moeller and Mr. Gehring reported on the recent meeting with Indian Hill officials about the potential transfer of the water mains to Indian Hill. Indian Hill officials have performed a financial analysis of the additional capital costs related to the inclusion of Madeira’s remaining water mains. As Indian Hill uses General Obligation (GO) debt to fund their water main replacement program, they have concern that including all of the remaining water main costs will harm their debt limitation as the additional costs would count against the GO debt limitation. Madeira would have to continue replacing water mains under the current program funded by the local water usage surcharge for another 3-4 years. Mr. Gehring is preparing an analysis of future water main replacements and street repairs to determine the next step in the discussions. He reported that he believes an agreement can be reached before the end of FY2020. Mr. Moeller noted that any agreement would be an amendment to the current water contract the City has with Indian Hill.
- 4. **Financial Indicators Report Update.** Mr. Henning presented an updated version of the Financial Indicators report he prepared earlier this year. He noted he has added additional descriptions of risks and milestones to the report to help better explain the findings. He also noted he is working toward a “testing” of indicators using a ratio of total infrastructure costs vs. street repair costs. He stated he is still working on this for the final report. It was again suggested by Mr. Mueller that a video presentation of the final report by Mr. Henning that can be posted on the City’s website would help residents understand better the importance of maintaining and even enhancing the City’s infrastructure and the costs associated with it. The committee will review this again at the July 27th meeting.

The meeting was adjourned at 7:20 PM.

Brian Mueller, Chair

