

BUDGET AND FINANCE COMMITTEE

Meeting Summary

November 18, 2020

Attendance:

Brian Mueller, Chair
Scott Gehring, City Council
Tom Henning, City Council
Tom Moeller, City Manager
Lori Thompson, Assistant City Manager
C. Robert Paul, Treasurer
Kristie Lowndes, Assistant 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. **Monthly Financial Reports.** Mr. Moeller reported on the October Financial Report with the following information:

General Fund Revenue

- **Real Estate/Property Tax.** Total for YTD is \$2,597,674 vs. \$2,544,245 YTD 2019 (+2.0%). *NO CHANGE. This should be the final payment received for FY2020.*
- **Earnings Tax Revenue.** Total YTD is \$2,942,316 vs. \$2,946,707 YTD 2019. (-.15%)
- **Admissions Tax Revenue.** Total YTD \$166,112. The tax became effective April 1, 2019 with the first month's revenue at \$16,400 in April 2019. Based on monthly revenue to date (\$17,252/month of October), the tax is still generating what was presented in the 2020 Budget. On track to collect approximately \$200,000/yr. ON BUDGET
- **Rollback and Homestead.** Total YTD \$347,516 vs. \$344,696 YTD 2019 (+1%). We have received the second allocation of Rollback and Homestead. *This should be the final payment for FY2020*
- **JEDZ Tax/Fee Revenue.** Total YTD is \$502,819 vs. \$487,368 YTD 2019. (+3.2%)
- **Fine/Forfeitures/Court Costs.** Total YTD \$77,032 vs. \$81,849 YTD 2019 (-5.8%)
- **Building Permit Fees.** Total YTD is \$104,508 vs. \$143,407 YTD 2019. (-27%) *Still tracking on budget for FY2020*
- **Interest Income.** Total YTD is down \$49,656 over YTD 2019 (-64%).
- Total GF Revenue is up \$61,178 over YTD 2019. (+.8%). *Tracking on budget for FY2020*

General Fund Expenses

- General Fund Expenses YTD 2020 \$5,884,456 vs YTD 2019 \$5,864,623 (+.3%). Expenses are still tracking on budget for the year.

SR-21 Street Fund Revenue

- We are still \$87,478 above revenue YTD 2019. Gasoline Tax Revenue is still ahead of last year due to the increase in the State of Ohio Gasoline Tax Rate in July 2019.
- 2. 2021 Budget and Five Year Forecast.** Mr. Moeller presented the most recent draft of the FY2021 Budget. He noted that the impact of the COVID-19 funding has had a positive impact on the ending fund balance for FY2020 and this will reflect in a more positive outlook for the FY2021 Budget. He noted that Fire Contract will reflect a reduction of \$480,000 as a result of using COVID-19 funding to offset salaries. The General Fund Reserve will be +\$500,000 over the 27% figure provided in the General Fund Reserve Policy for 2020 and +109,000 over at the end of FY2021. Committee members made the following comments/observations:

Mr. Mueller:

- The General Fund Reserve Balance is within appropriate limits and adjustments can be made in future years if necessary to continue to meet the 27% figure.
- He is pleased with the budget insofar as it includes funding for streets and curbs for those streets which do not currently have them through 2026 and this works toward upgrading the Street Repair Program to a 20 year cycle. He noted that for cash flow purposes, several streets (Cherokee neighborhood) were moved from 2025 to 2026. He also noted that streets in Kenwood Hills may be partially funded by the MSD Sewer Project in 2023 so this would also have a positive impact on cash flow and allow for the Cherokee Drive neighborhood to be moved back to the 2025 Street Program.
- The CDBG program has assisted the City with projects and this has a positive impact on the balances in the funds.

Mr. Gehring:

- He noted that by asking for additional funding/tax revenue from the residents through the additional .3% earnings tax credit reduction, it will provide for a more appropriate level of funding for capital improvements and the street repair program.
- He also noted that the Public Works Committee will continue to work on the Street Repair Program schedule to make adjustments as necessary to reflect the funds available in the budget.

Mr. Henning:

- He noted this was his first time through this process and is pleased that we are funding capital improvements at a much higher level than in previous years' budgets.

The committee also discussed funding for the Tree City USA designation. Mr. Moeller noted that expenses we now incur for leaf collection and brush collection will count toward that match. He also noted we contract for tree removal (\$5,000-\$6,000/yr.).

After additional discussion, the committee agreed to recommend the draft budget for the Budget Workshop at the November 23rd council meeting. Mr. Moeller noted that City Council can then approve the FY2021 Appropriation Resolution at the December 14th meeting.

3. **Fiscal Indicators Report Update.** Mr. Henning reported that he was working on the video presentation and hoped to have it available shortly.
4. **Updated Budget and Capital Plan Policy.** Mr. Mueller stated he will review the 2020 Policy and amend it to reflect any changes for the 2021. Mr. Henning asked if there has ever been an Operating Budget Policy. Mr. Mueller stated there has not, but it would appear to be inherent in the Budget and Capital Plan Policy. He indicated he will include a statement to that effect. A copy is attached.

The meeting was adjourned at 7:15 PM.

Brian Mueller, Chair