



City of Powell Finance Committee

MINUTES
November 14, 2006

Attendees: Rich, Cline, Tom Counts, Debra Miller, and Steve Lutz

Call to Order

The meeting of the Finance Committee began at 7:37.

Approval of Minutes

Mr. Cline asked if there were any corrections or changes to the minutes from the October 24, 2006 meeting. The minutes were approved as submitted.

Finance Reports

Ms. Miller brought to the committee's attention the monthly general fund chart that shows the revenue collection per month to the expenditures per month. October was the second month this year that the monthly revenue did not exceed the monthly expenditures. However, the revenue collections for the month were also the lowest this year. Ms. Miller also noted that you can begin seeing the small savings department made through out the year in their expenditure budget. Most departments are under expectations.

A question was asked about personal services expenses and since they were high was that going to be a problem. Ms. Miller stated that the personal services expenses were a lot higher than last year but within range what had been projected in the budget.

Request to Credit Building Permits

Mr. Lutz reviewed the background of the permit credit request. He noted that certain costs on permit #20030395 could not be credited or refunded because they paid for actual costs that occurred on the first permit.

After some discussion, the finance committee agreed to credit a portion of the prior permit. Mr. Lutz was to research whether the committee's okay was enough to issue the credit or whether legislation would be needed.

2007 Proposed Budget

Mr. Lutz and Ms. Miller utilized the draft budget message to guide the finance committee through the expenditures side of the budget.

Mr. Lutz reviewed the process of utilizing the index to adjust the salary ranges. He also gave a brief history of how the range started including the job analysis survey (Circuit Rider) a few years ago. Mr. Lutz talked about the raises negotiated with the unions and the percentage pool that he would be requesting City Council give him for the non-union employees.

Ms. Miller went over the healthcare choices that were being reviewed – Health Reimbursement Accounts with a high deductible and Co-pay premiums. This would assist the City in lower than yearly percentage increase that has been experienced these last years. Mr. Lutz is waiting on legal representative's opinion and the insurance representative assurance that we can offer two choices. The mandated OPERS pension increase was also mentioned.

Mr. Lutz highlighted the contingency, transfer to capital improvement fund and general fund reserve proposed in the budget. Mr. Counts asked what is customarily used of the contingency and the answer was that it varies considerably year-to-year. A transfer to capital improvement fund is not being proposed due to the declining revenues but continuing adding to the general fund reserve has been included in the budget. Mr. Lutz stated that the general reserve in 2007 will represent 14.3% of the personnel and operating expenses and the goal is to have the reserve in the 15 – 20% range.

Mr. Lutz reviewed the proposed changes, freezes, etc of department's budgets. Including:

- Community Affairs – froze the special events budget
- Development – part-time Downtown Coordinator initiative
- Engineering – NPDES, Phase 2, an unfunded federal mandate
- Finance – RITA fee increases due to increase income tax revenues
- Information Technology – the various requests
- Lands and Building – maintenance and cleaning costs increased; new carpet for Council Chambers/Community meeting rooms.
- Police – gasoline, state LEADS lease and accreditation on-site visit costs increased
- Public Service – gasoline and repair costs increased; replace dump truck

Mr. Lutz then reviewed additional staff that had been requested but were not included in the budget due to insufficient revenues such as: police officer; police clerk; assistant public service director; zoning/property maintenance inspector; and intern.

Changes recommended by committee to proposed budget: (a) percentages on page 44 (b) reword note on IT (c) page 43 – balances not tying.

Capital Improvement Program

Item postponed until January.

Status of Tax Policy Review

Ms. Miller stated the consultant should have the recommended changes ready late in November. She questioned when the committee wanted the consultant to come to the meeting to review. The committee wanted the document distributed in December and the consultant to come in January to discuss.

Other Business

Ms. Miller handed out the Development Departments Recreation Fee evaluation that had been requested at the last City Council meeting.

Ms. Miller reviewed the 2006 Ohio Compliance Supplement section where it stated that agency funds did not require budgeting.

RITA requested reported anticipated to be received by year-end. This started a discussion on income tax reports, when the City should get the download from RITA, and other income tax reports that should be created.

Adjournment

The Finance Committee meets the 2nd Tuesday of each month with the next meeting being scheduled for December 12th. The meeting was adjourned at 9:54 p.m.