

FINANCE COMMITTEE MINUTES
OF OCTOBER 19, 2020
VIA ZOOM

In Attendance: **Vermilion City Council:**
Steve Herron, President of Council; Emily Skahen, Ward One; Frank Loucka, Ward Two; Steve Holovacs, Ward Three; Barb Brady, Ward Four; Brian Holmes, Ward Five. Absent; Monica Stark, Council at Large

Administration:
Jim Forthofer, Mayor; Chris Howard, City Engineer; Amy Hendricks, Finance Director; Tony Valerius, Service Director; Ken Stumphauzer, Law Director

Call to Order: Barb Brady, Chairperson, RESOLVED THAT this Finance Committee comprised of the committee of the whole does now come to order.

TOPIC ONE: CARES Funding

Amy Hendricks updated council by stating that last week the city received the third round of funding from both Erie and Lorain counties bringing the city's total since March to \$701,637.00. The city has a deadline tomorrow to do their first reporting and any monies that are not spent or encumbered would need to be returned to the respective counties for possible redistribution. She worked on completing the activity report today so she could get it filed at the office of Budget and Management. She reported that the city did expend or have all the funds encumbered as required prior to this interim report. She said there was an additional \$18,000 that was a remote technology grant that the courts received from the Ohio Supreme Court that was later converted to a federal grant. This grant was fully expended as well. She said they have public safety and police department payroll that is the major area of expense, in addition to some technology expenses they incurred for remote work, as well as some software packages that have helped with enhancement in the building department that helped avoid person to person contact, such as building permits on line and things like that. She said they have expended on protective equipment and sanitization items as well.

TOPIC TWO:2020 Appropriation Amendment

Amy Hendricks said there are increases due to the last round of funding that was approved by Governor DeWine after the city had their last appropriation approved. There were minor adjustments.

TOPIC THREE: Planning for 2021 Budget

Amy Hendricks said it will be helpful to have their Collective Bargaining Agreements in place for the next two years, so they will have salary amounts. She said they are making some staffing adjustments in different departments, so they will include this information as well as working with departments on their capital needs.

B. Brady asked if she felt the city would come out with a net gain with the \$701,000 Cares money as far as the general fund. A. Hendricks said right now there is a potential, but it is a little early to tell as the city has had somewhat positive numbers while they have had losses on the RITA income taxes. They're not as big as originally been forecasted from the state level, but they are getting past the revenue that has finished up the filings for 2019, so the next couple months could be telling as to where the city is going. She said it is wait and see, but she thinks the city will break even for 2020 overall with the help of the CARES funding.

TOPIC FOUR: Update on Property, Fleet, and Liability Insurance

Amy Hendricks said she felt this issue needed some guidance and additional expertise, so she has talked with the people at NFP that manage the city's health insurance to evaluate the proposals for the city. She advised NFP that it should be inclusive of all the local agents who are interested in bidding. The insurance world keeps changing and they need someone with the expertise to let the city know if they are over-covered or under-covered in some areas. She noted that it is almost \$285,000 a year that is paid in premiums, so they need to make sure the city is getting what they need.

TOPIC FIVE: 2021 Benefit Plan Renewal

Amy Hendricks said this feeds in to the 2021 budget and for the second time around, all staff members were required to complete the Form Fire process, which is collecting information on the covered employees and their dependents for health information. Having this date in place is important for the insurance consultants to be able to negotiate the best rates from the various carriers. She said this year was much easier for everyone and within just a few days she thinks they had everyone completed, so they appreciate the staff's help.

She said they are in the process of doing health screenings which allows all the participating employees to have medical reimbursement contributions loaded onto their cards, so they can start using the benefits right away when the year starts. She said this was well-received by the employees last year, so everyone is anxious in signing up again this year.

B. Brady asked if she knew what the renewal rate will be. A. Hendricks said for groups the city's size, a conservative number would be in the 10% to 12% range for increases. It has been an unusual year with COVID because there are many elective

or non-emergency services or procedures that people have put off. She said it's harder for them to tell claims history due to things that people may have put off during the pandemic. She said it's hard to tell how the underwriters will look at these factors when they look at the rates. She said the city should have these numbers within the next month.

B. Brady asked if she needed the bond ordinance passed tonight. Amy Hendricks said yes as it is an amendment for the resolution that was passed on September 14 that authorized the refinancing of the bonds that is coming up. After their work with Moody's and looking at some of the things going on in the market, if the city revises their escrow agreement that is related to this particular refinancing, then it allows the city to save over \$117,000 right up front because they have already budgeted those expenses into the December payments and they will be able to escrow them out of the proceeds.

B. Brady asked for an overview of bonds and escrow accounts. A. Hendricks said when bond financing is done it is usually done with call dates and those are dates prior to maturity where the person or entity that issued the bonds are able to pull that debt back in and take an opportunity to refinance it, so rates right now are advantageous and they're able to get much lower rates that are on those bonds currently. They have had refinancing's for the last two years as Sudsina & Associates is tracking and looking at any bonds that have callable periods within the year and then they will package those together and will look and see what the city's overall rate reduction and cost savings could be by refinancing. Not all are refinanced at the same time so that they are staggered in through the process because of when the call dates are. She said they will easily be saving over a half million dollars for the city over the maturity. B. Brady asked if the escrow account is a holding account for this money. A. Hendricks said this is correct.

TOPIC SIX: Executive Session

S. Herron MOVED; F. Loucka seconded to recess the finance meeting until after the Special City Council meeting to go into executive session to discuss personnel matters (hiring/firing/compensation). Roll Call Vote 6 YEAS. **MOTION CARRIED.**

After no further discussion came before the committee at the conclusion of executive session, B. Brady adjourned the meeting.

Next Meeting: November 9, 2020 @ 7:00 p.m. at the Vermilion Municipal Complex, 687 Decatur Street, Vermilion, Ohio

