

FINANCE COMMITTEE MINUTES

APRIL 12, 2021 @ 6:00 p.m.

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

Administration:
Jim Forthofer, Mayor; Chris Howard, City Engineer; Amy Hendricks, Finance Director; Tony Valerius, Service Director; Chris Hartung, Police Chief; Chris Stempowski, Fire Chief

Call to Order: Steve Herron, Council President, RESOLVED THAT this Finance Committee comprised of the committee of the whole does now come to order.

TOPIC ONE: Review of Ordinance 2021-19 (Appropriation Amendments)

Amy Hendricks reported she sent out revised Appropriations to City Council last week with mostly implementing the purchase decisions and authorizations that were made on April 5. She provided reports on the following subject matters as follows:

Appropriation and Amended Certificate 2021 Updates

The information for the 2nd Reading the amendments to the 2021 Appropriations, Certificate of Estimated Resources and Transfers on the agenda for April 12 has been updated to include purchases and projects authorized at the April 5, 2021, Regular Meeting. Highlights are as follows:

Fund 207 Fire Capital Revenue increase \$102,000 for insurance proceeds from fire rescue vehicle. Appropriation increase \$617,000 for purchase of replacement vehicle.

Fund 233 Recycling Grant - Revenue increase \$18,689.89 for collected 2020 allocation.

 Appropriation increases \$18,689.89 repay 2020 Advance from General Fund

Fund 200 Street increase appropriation \$254,700 (includes equip new plow truck)

Fund 601 Water increase appropriation \$779,460

Fund 602 Waster Water increase appropriation \$16,730

Fund 604 Storm Water increase appropriation \$33,500

Fund 212 Transfer of \$7,225 General Fund to Cemetery Operating for fund prepaid services previously collected that were provided in 2020.

Cemetery Contract Renewal

The administration has met with Mark Riddle and the consensus is to do a much deeper review of the nearly 30-year-old contract before recommending changes. Mr. Riddle is working on recommendations for the fees for services that were last revised in 2018 as well.

General Financial Update with American Rescue Plan Impact

While we are through the 1st quarter of 2021, she has not noted any significant variance from the city's initial estimates across the various departments for revenue or expenses. The movement in the tax filing deadline for RITA will delay solid measures on 2020 income tax collections.

We do have a bright spot with the estimated \$2,040,000 from the American Rescue Plan. Based on the earliest guidelines the following are planned for the funding:

1. Revenue replacement for 2020 v. 2019 would take a little over \$300,000 across all funds.
2. Renew of the various software purchases used to promote social distancing and communication, such as Zoom, Granicus, etc. as well as some new things being evaluated such as the live streaming of Council and other meetings going forward, etc.
3. The administrative team are compiling costs estimates and other data to evaluate infrastructure type projects once final guidance is available. At this point, all sources say that street/road projects are excluded.

She updated the project planning spreadsheet that includes the items approved at the April 5 meeting (net final project amounts that have been under budget making funds available) as well as the revenue replacements from ARP by fund. Note: This eliminates the operating deficit for the current year in the General Fund.

G. Fisher asked if she could proceed with the live stream process since they could use the Rescue Plan money towards this purchase. A. Hendricks said this is something they are looking at, but she was not prepared to give it a go this evening, but once they get the final guidelines, then they can probably proceed.

Homer Taft of 3972 Edgewater asked if it was his understanding that the Rescue Plan money can be used for water lines and sanitary sewers, but not storm sewers. A. Hendricks said the water and wastewater are specifically mentioned, but storm water is not addressed from what they have seen so far.

TOPIC TWO: Lorain County Resident Assessments – Maplevue Ditch

Mayor Forthofer stated at a previous Council meeting he was asked to recommend a place for the construction assessment of the Maplevue Ditch. He recommended

that the City's one-time construction assessment of \$1,689.04 for the Mapleview Ditch be drawn from the storm sewer fund. He further recommended that the 11 Vermilion property owners' one-time construction costs be drawn from the storm sewer fund. This amounts to \$5,133.80. The reasoning is the Vermilion residents along the Mapleview Ditch have been paying taxes to the City. The case could be made that the City should have been maintaining the ditch. It seems unfair that the residents and property owners should have to pay again for re-construction of a ditch that was not maintained by the City regardless of what entity ordered the ditch reconstruction.

S. Herron agreed 100 percent the city should pay for this, but there should be some discussion on whether this should get paid from the stormwater fund or the general fund. He said frankly it is not a lot of money.

S. Holoavacs said he would agree with this now, but his previous disagreement was through the entire process as it was not a city project but instituted by Brownhelm Township to the county. The city had nothing to do with it from step one and at one point it got shut down because everybody got heated over this and everyone knew there were going to be assessments from day one. The city should have stepped up for the Vermilion residents. He told the mayor these residents do pay into the stormwater fee every month and this may be the last time they will ever see anything done for their property, so he will agree with paying these costs, but the city should have probably taken a bigger role back in the beginning, which is probably some of his fault too because this is part of his ward.

B. Holmes felt they did not want to put this hardship on the residents and if the stormwater committee agrees, then he thinks it is a fair assessment they can take care of.

S. Herron MOVED, S. Holoavacs seconded to authorize the administration to proceed with allocating from the stormwater fund \$1,689.04 for the one-time construction assessment of the 11 Vermilion property owners, along with \$5,133.80 for the one-time construction costs. Roll Call Vote 4 YEAS. **MOTION CARRIED**.

S. Holoavacs said the stormwater committee should be advised they approved these funds to be taken from the stormwater fund. G. Fisher said she would send the stormwater committee the minutes.

TOPIC THREE: Fulper Lot

Mayor Forthofer explained that in February of 2020, he proposed a plan to turn the Fulper Lot on the corner of Grand and Liberty into a multi-purpose parking lot.

- Council approved a motion for the Administration to go out for bids for the construction of the Fulper Parking Lot at the February 10th, Streets, Buildings and Grounds Committee.

- Early 2020, COVID began to take over our society. With the Governor's shut down of business our City's future revenue stream became uncertain. He stopped the project in March 2020.
- At the beginning of 2021, city revenues remained uncertain as payroll taxes were still not established. There was a prospect of deficit spending. He did not propose the parking lot plan as opposed to other more necessary road projects.
- With the recent American Recover Act funds granted to the City of Vermilion, he now believes the city's financial profile is stabilized.
- He proposed resuming construction of the Fulper Lot.
- It is unlikely construction could begin before June as this project will have to go out to bid. Construction would probably take three months. It is certainly not the preferable timeline, but the city's financial picture has changed in the past month.
- To review, the Fulper Lot will accommodate 26 vehicles. There will be an alleyway to the rear City lot along the tracks with approximately 50 parking spaces.
- Construction costs are expected to be \$122,000. Grants can pay for lighting.

He asked if Council would need to make new motion to go out to bid or does the original motion continue? G. Fisher said the motion was approved favorably by City Council, so he can proceed without an additional motion, but she questioned if the money was available since Council just approved the recommended street projects earlier in the evening. A. Hendricks said the money is in the current appropriations. S. Holovacs asked the administration to provide them with another copy of the plans since this was over a year ago.

After no further discussion came before the committee, S. Herron adjourned the meeting.

Next Meeting: May 10, 2021 – 7:00 p.m. @ Vermilion Municipal Complex, 687 Decatur Street, Vermilion, Ohio.

Transcribed by Gwen Fisher Certified Municipal Clerk