Finance & Judiciary Committee Meeting
MINUTES
April 12th, 2011
6:00 p.m.

Members: Ben Kessler, Chair, Richard Sharp, Rick Weber

Roll Call: Mayor Brennan, Lou Chodosh, Beecher Hale, Bill Harvey, Mark Masser, President McClelland, Jed Morison, Bruce Langner, Michael Price, Chief Rinehart and Gary Qualmann.

Review of Minutes: March 15, 2011- Approved with changes.

Presentation and/or Special Guests: None.

Ordinances & Resolutions –
Third Readings.

Third Readings.
None.

Second Readings.
None.

First Readings.

Ordinance 09-11 to appropriate $5,000 from the Main Street Public Improvement Tax Increment Equivalent (TIF) Fund for the purpose of paying Property Tax collection fees for 2011, introduced by Mr. Kessler (Introduced on April 12, 2011) **No Action**

Mr. Langner said this Ordinance pertains to a payment to the County Auditor for administering the TIF Fund. Mr. Kessler asked if it is based on a flat fee or a percentage of the funds. Mr. Langner was not sure but said Mr. Hale would be able to answer that question. Mr. Hale said it is based on the amount of the funds. The first number represents the previous distribution and the second number represents the current distribution.

Ordinance 10-11 to appropriate $7,525.41 from the unencumbered General Fund for the purpose of sharing payroll tax revenue from 2010, derived from the Bexley Gateway project, with the Bexley City School District in accordance with Section 5709.82 of the Ohio Revised Code, introduced by Mr. Kessler (Introduced on April 12, 2011)

Mr. Langner stated under the Tax Abatement law, projects with more than one million a year in payroll, must pay a portion to the school system. The amount

applies only to Jeni's Ice Cream, Moshi Sushi and the Rusty Bucket. This does not include Hummel Title. Out of this payroll amount, $11,577.55 goes to the school system (35% of that credits our debit service on Main Street). The companies provide the payroll information and we compare it with the figures received from R.I.T.A. If you take the amount and divide by 2% = payroll. Moshi Sushi is the only company that did not match. They had underestimated their payroll. Vote was 3-0 to recommend to Council for passage.

Ordinance 11-11 to appropriate $1,712 from the General Fund for the purpose of paying for the City's usage of the Franklin County Municipal Court, introduced by Ben Kessler (Introduced on April 12, 2011) **No Action**

Mr. Hale said every year is a moving target in attempting to estimate costs for the Franklin County Municipal Court bill. The City receives this bill once a year. The amount is based on usage and there have been more cases this past year. President McClelland asked if the city receives credit for fines collected by Franklin County. Mr. Chodosh said he was 95% sure but we should check on it further. Mr. Chodosh said it works similar to the costs of renting a hall. There have been more cases going downtown. President McClelland asked Mr. Hale to check on how this process is handled.

Second Readings.
None.

First Readings.
None.

New Business: Mr. Kessler wanted to discuss the update with the Governor's budget. It appears the local government fund will be reduced by 25% the first year. (12.5 – 2011; 37.5 – 2012; 50% - 2013)

The estate funds issue will be on hold until 2013. In light of the other funds being in effect, he doesn't think that will happen.

Mr. Kessler said he had asked the Auditor to prepare a five year forecast for the city budget. The cuts will be phased in over the five year period. The Auditor distributed the five year forecast. He explained they will be phasing out the local funds gradually beginning with a 25% reduction in 2012. The handout was based on a five (5) year projection which included the future reductions in local funds.

Mr. Qualmann said the debt service figures are flexible. We have a debt service bond that is included in this budget based on the passage of the House Bill. This will cause an affect on the current budget and the local funds that are going to be phased out. He said the debt service of 1 million thirty dollars as listed is more normal because it applies the excess bond service from the police building.

He said he compiled a list containing the "most likely case scenario". Mr. Qualmann said the debt service demonstrates a decrease to employees' salaries by 2%; 15% increase for the healthcare costs; and 5% additional for the Fire Department contract. Mr. Qualmann said he tried to apply these scenarios to the City of Bexley. He also ran another projection for 2012 – 2013 reflecting a 0% wage increase and totals less than $200,000 for both years.

Mr. Morison asked if the affects of House Bill 5 were included in these projections. Mr. Qualmann said they were not factored in the equation. He said last year's line items included a 2% increase in income taxes; and 1.5 million increase in estate taxes. The city received 3.4 million for the year we just completed.

Mr. Masser asked if the ending balance reflected the use of the rainy day fund. Mr. Qualmann said it did not. He said there is a 2.5 million dollar problem that needs to be fixed from the operating side. Mr. Qualmann said this is based on if we continue unspent appropriations of $500,000. Mr. Kessler suggested as Council looks at the numbers; think of new tax scenarios and options so we can discuss both cuts, and to what extent, to balance the budget.

Old Business: None.

Motion for Executive Session was initiated by Mr. Kessler and seconded by Mr. Weber pursuant to 223.03(a) regarding personnel issues. Vote was 6-0 – Executive Session began at 6:25 p.m.

Adjourned 7:00 p.m.