



**CITY OF TWINSBURG, OHIO**

**Finance Committee Mtg.**

**Tuesday, May 12, 2020**

**6:00 PM**

**CALL TO ORDER**

Mr. Barr called the virtual Zoom meeting to order at 6:00PM.

**1. Roll Call:**

**Finance Committee Members:** Mr. Furey, Mr. Bellan

**Finance Director:** Ms. Buccigross

**Also Present:** Councilperson Ms. Walker, Mr. Scaffide, Mrs. Stauffer, Mr. Maistros and Mayor Ted Yates

**2. AUDIENCE PARTICIPATION**

**3. APPROVAL OF 3/19/20 MINUTES:**

**MOTION:** Mr. Furey makes a motion to accept the minutes as submitted. Mr. Bellan seconded the motion. Motion passes unanimously.

**4. PROCUREMENT CARD EXPANSION**

Ms. Buccigross discusses the procurement card program. The city entered phase two of the program last year and has been receiving rebates on the purchases made through this program. During the Covid Pandemic we have issued Virtual cards to the Police and Fire departments so that they could have quick access to purchase the needed PPE items and cleaning supplies.

Currently the Mayor and the Parks & Rec department are utilizing procurement cards. Ms. Buccigross would like to issue additional procurement cards to Police, Fire & Service department heads.

Mr. Bellan, Mr. Furey and Mr. Barr have no issue with expanding this program to include these departments. Council members have no objections to the expansion of the program. Waste Management and Worker's comp payments are made with this program. We receive a .50% rebate on purchases, plus another half percent on the total if we go over \$1,000,000 in a year. Ms. Buccigross explains that the rebates are recorded in a separate account.

**5. PRESENTATION OF UPDATES FOR 2020 & PLANNING FOR 2021**

Ms. Buccigross shares a power point presentation via the Zoom meeting screen. 85% of the General Fund Revenue comes from income tax. Most of the General Fund expense is in Safety & Service departments. Healthcare is the next largest expense.

Ms. Buccigross discusses departmental changes that have been discussed over the past couple of months.

(From Power Point Slides)

**Fitness Center**

- Reduced 3 of 6 FT staff members
- Technology upgrade to allow for better auto-access
- Credit Card payment equipment upgrade for “touch-less” payments
- Increased safety precautions for employees and patrons

**Gleneagles Golf Course**

- Golf Maintenance reduced 1 FT staff member
- All Capital expenses cancelled for 2020
- Request for Proposal issued to run restaurant space
- Eliminated all A&M staff
- Increased safety precautions for employees and patrons

**Building & Engineering**

- Combine similar city services into “one-stop shop” accessible to public
- Shared responsibilities will be communicated more efficiently under new structure
- Sharing of duties allows for reduction in FT staffing costs
- Implement updated technology to better service residents & contractors
- Technology may allow for electronically submitted plans/applications

**Service Department**

- Reduced 4 FT staff members
- Return 12 employees to work on May 24, 2020 from lay-off (Day Shift only until Shelter Rental re-opening)
- No seasonal hiring for 2020 Fair-weather season
- Resume the following city services with increased safety precautions
  - Branch pick-up and Tree trimming
  - Park Maintenance (including restrooms)
  - Crack Sealing & Slab Jacking
  - Repairs & Painting

Ms. Walker asks if overtime will be required when service resumes full operations. Mayor Yates does not anticipate that overtime will not be needed.

Ms. Stauffer and Mayor Yates discuss the slab jacking that the city has been doing for the residents.

**Safety Services Commitments:**

Ms. Buccigross discusses Safety Services commitments. In addition to stabilizing the pension funds for police & fire, the City will maintain officers & sergeants at the current staffing levels. We will continue to monitor the Dispatch Center for staffing needs. Capital commitments include lease payments for fire trucks and cruisers. Fire staff will include a staffing increase of 3 new firefighters.

Ladder trucks will need to be replaced over the next couple of years.

Mr. Scaffide discusses the striping at the new roundabout. Mayor Yates believes this is still going forward as part of the contractors punch list.

**Expense Reductions in the 2020 Budget:**

On legislation tonight is the proposed reduction to the 2020 capital budget of just over \$1.1 million.

Reduced employee costs include an initial 20% reduction in staffing from mid-April until the end of May. We maintained a continued 10% reduction in staffing after the May 24<sup>th</sup> call back. This 10% reduction in staff will result in a \$1.7 million cost savings annually. (some savings will be offset by unemployment costs) Ms. Stauffer asks what the unemployment costs will be. Ms. Buccigross will get that number to Ms. Stauffer.

**2020 Tax Budget:**

The City of Twinsburg currently has the lowest levied millage in Summit County.

The City of Twinsburg is the only Summit County City with no general fund or non-pension safety service support millage. (The millage that we have for Police and Fire is state mandated.)

Our millage is the lowest it can be, with the exception of the voted Park Bond.

2020 Tax Year / 2021 Collection Year – Ms. Buccigross explains that the proposal would generate revenue through the tax budget. The hope is to reinstate 4.9 mills that the city previously levied. This will generate approximately \$3.2 million in property tax revenue.

In the 80's the city levied up to 5.7 mills. In 1996 the City reduced millage to 4.9 for the General Fund. In 1997 the City reduced the General Fund millage to 0. The income tax was increased in conjunction with a levy for the schools.

Ms. McFearin, Mayor, and a council person discuss if schools will be coming back requesting additional taxes. It is stated that Mr. Curtis from the school board believes that the schools will be looking at an \$850,000 loss of revenue from state funding due to Covid-19 pandemic.

Ms. Buccigross reviews the following (from Power Point slide):

- ▶ Safety Services Pension & Capital
  - ▶ .70 Additional Police Pension
    - ▶ Total of 1 Mill
  - ▶ .70 Additional Fire Pension
    - ▶ Total of 1 Mill
  - ▶ 1.0 Capital – Safety Services
- ▶ Dedicates Pension and Capital resources for Safety Services instead of dependency on General Fund for support
- ▶ Safety & Service Salaries & Wages
  - ▶ 2.5 General Fund
  - ▶ Includes commitments:
    - ▶ 3 Additional Firefighters
    - ▶ Maintain PD Officers/Sergeants
    - ▶ Increase Dispatch staffing
    - ▶ Maintain Post 5/24/20 Service Department Staffing Level

2014-2019, the General Fund has subsidized the Fire Pension Fund \$2,802,804 and the Police Pension Fund has been subsidized \$2,435,852. There has been a total of \$5,238,656 in General Fund subsidies to the Police & Fire Pension Funds since 2014 (thru 2019).

Ms. Stauffer asks if the amounts going into each fund for specific purposes can be changed at any point in the future, or if it is set in stone. Ms. Buccigross explains that millage is set every year and is voted on by council every year.

Mr. Barr explains that the Finance Committee has been discussing ensuring that any un-voted tax increase is dedicated to safety services (Police, Fire, and Service) to maintain the level of services that residents expect. Mr. Bellan agrees.

Ms. Stauffer asks if the Finance Committee has discussed why this will be un-voted on. Mr. Furey explains that we would be reinstating what we already had. We've been underfunded through property tax support since 1997. This may not be a popular thing, but it is the right thing and Mr. Furey also supports this. We will still have one of the lowest property tax rates, lowest sewer rates, and free trash service.

Mayor Yates explains the increases in wages and healthcare costs over the past several years. We have continued to cut other expenses in the budget every year. While we have continued to cut costs, we now need to move forward with increasing revenue. It is getting more difficult to support the level of services that Twinsburg has with the same budget.

Mr. Barr and Mr. Furey explains that Finance committee has been recommending these changes for years, and while not a popular choice this has been needed for quite some time.

Ms. Buccigross discusses the impact on Twinsburg homeowners (based on Summit County estimates)

- \$171.50 annual increase or \$14.29/month in property taxes per \$100,000 of home value
- Average home value in Twinsburg is \$240,000
  - Annual cost to household on an average home is \$411.60 or \$34.30/month
- Historically, property tax revenue is more stable than Income Tax
- Decreasing City dependency on Income Tax is important to maintain City services throughout economic downturns
- Property tax difference would be seen in 2021 billing statements

## **6. COVID-19 IMPACT**

Ms. Buccigross discusses Covid-19 Revenue impacts. RITA estimates a \$2 million loss and \$3.5 million in delayed payments. The Gas Excise tax is anticipated to be \$250,000 less than expected. Guidance suggest that this impact could last 2+ years. We have also had lost revenue due to the mandated closures and cancellations in Parks & Rec, Fitness and Golf.

## **7. COMMENTS / QUESTIONS**

Ms. Walker asks if the city receives lottery money, like the schools do. Ms. Buccigross explains that the city does not receive lottery or casino funding.

Mr. Barr asks about the timeline. Mayor explains that Finance Committee can recommend to council to move forward with this proposal tonight if they so choose. It could be on legislation at the next council meeting, then will be on three readings (six weeks). Mr. Barr states that this must go through all three meetings. He will not support this being rushed through on emergency. Mr. Bellan agrees.

**MOTION: by Mr. Furey**

**Finance Committee to recommend to council putting forth legislation for an increase in property tax millage of 4.9 mills to be covered towards Police, Fire and Service as outlined in the presentation.**

**Mayor Yates clarifies that the motion should clarify that 0.7 would go to Police Pension, 0.7 would go to Fire Pension, 1.0 would go to Capitol for Safety Services, and 2.5 would go to the General Fund for Safety & Service Salaries & Wages.**

**Mr. Bellan seconds the motion. Motion passes unanimously to present to council for review.**

## **8. MISCELLANEOUS**

**9. NEXT MEETING: May 26, 2020 at 6PM, most likely via Zoom.**

**10. ADJOURNMENT: Mr. Barr adjourned the meeting at 6:57 PM.**