



CITY OF TWINSBURG, OHIO

Finance Committee Mtg.

Tuesday, May 26, 2020

6:00 PM via Zoom

CALL TO ORDER

Mr. Barr called the virtual Zoom meeting to order at 6:01pm

1. Roll Call:

Finance Committee Members: Mr. Furey, Mr. Bellan

Finance Director: Ms. Buccigross

Also Present: Mayor Yates, Dave Maistros, Maureen Stauffer, Jo-Ann McFearin, Sam Scaffide, Daisy Walker, Greg Bellan, Bill Furey, Shannon Collins

2. AUDIENCE PARTICIPATION: None

3. CLUBHOUSE NOTE: Ms. Buccigross met with bond council and our Municipal Bond Advisor. They are advising us to hold off on making any decisions until after summer break regarding the Club House note to see how things progress with COVID-19 and the market. More information will be coming at future meetings. We will be able to act at that point with more information, and will then have time to issue a bond or a note. Mr. Bellan suggested that council be present at the finance meeting in August.

4. 2019 CAFR & AUDIT: Per Ms. Buccigross, we are planning on doing a CAFR this year. This is our normal audited finance statements with more data, including ten years of historical data in many areas. This will be helpful information for residents, with more readable information and it will have the ability to turn some of the information into a PAFR. The State of Ohio has extended the submission of the financial Hinkle filing deadline to the end of June.

5. PERFORMANCE AUDIT COMPLETION & ANTICIPATED RELEASE DATE: The performance Audit is complete. Exit conference has been held and we have turned in our performance audit response letter regarding the Auditors recommendations. At this time the anticipated release date is June 9, 2020. Auditors will be on Council agenda to present that report on June 9, 2020. Auditors will be at presentation in person and/or via Zoom.

6. 2020 TAX YEAR / 2021 COLLECTION YEAR TAX BUDGET DISCUSSION: Ms. Buccigross shared slides with meeting participants. Slides show implementation of the 4.9 mills that we have been discussing in a phased in approach. For the 2020 tax year, being collected in 2021, the proposal is presented as doing half and half.

- 2.4 Mills this year, to be collected in 2021. This includes Police and Fire pension and Safety Services capital expenses. At the same time these pieces go on resident's bills, we would have a reduction in Park Land voted debt millage. It would go from 1.3 to about .3, due to the 2021 final payment on that debt. The normal payment on that debt is \$800,000+ each year and our last payment is only about \$170,000. The net increase people will see that year is 1.4 Mills.
- The following year would be the other piece that we have been discussing, which is the operating expenses for Safety and Service department, the remaining 2.5 mills. That last .3 of a Mill will fall off because the last payment on that debt will have been made the year before. The net increase for collection year 2022 will be 2.2 Mills.

A document is forthcoming including a FAQs fact sheet and the slide presentation for residents.

Example Questions:

Is this tax increase in response to COVID-19? No, it is not. We have been talking about this for a few years now. The City is highly dependent on income taxes. Covid-19 has shed some light on that dependency the City has on income taxes. Property values can hold up better in times of economic uncertainty. Reference presentation slide for information of the direct response from leadership and council to COVID-19, such as hiring freeze, limited seasonal and part time hiring, layoffs, reduced over time, etc.

What are property taxes used for? An example: On a \$500,000 home, paying \$10,000 in property taxes, City would receive \$300. Park Land debt gets the bigger piece of that \$300 and it also includes partial support for Police/Fire pension costs.

Why is this not going to vote? It is in the city charter that was voted on by residents. This allows up to 7 mills. The Charter is reviewed by a committee, including residents every 5 years. Council votes on and reviews Charter millage every year.

Why doesn't the City sell the golf course and use the money elsewhere in the City? Mr. Maistros stated that the deed to the course is with Ethan's Commons HOA providing a provision that if the city sells it goes back to HOA and they choose what to do with it what they want, maintain it as course, turn it into park or sell it.

7. COMMENTS / QUESTIONS:

- Mr. Furey stated that the tax increase proposal is fair and a necessary and needed option. Mr. Bellan agreed and shared that he has heard from residents regarding the timing of this tax increase. The multi-year plan may help address any timing concerns and also that the Park Bond is rolling off next year. This may help lessen this burden on residents.
- Mrs. Stauffer stated concerns about not taking this tax increase to the residents for a vote, ever though it is not required. She feels that this is not the time to move forward with a tax increase without a vote, even though we can. Mrs. Stauffer said that she understands that the numbers are not big, but is concerned that many residents are upset and now is not the time to increase taxes for our residents. It is too soon to know the impact of COVID-19. Mrs. Stauffer stated she does not want to be part of something that makes things worse for our citizens.

DRAFT

- Mrs. Walker stated that we really need the millage for our police and fire. Her concern is why this wasn't this done years ago, 2012? or 2016? Mrs. Walker would like to break down the taxes even more, perhaps to 1.7? As a smaller amount, citizens may go for this. She is still undecided, but stated we need to take our time making this decision. Mrs. Walker is in agreement with Mrs. Stauffer that residents need to be informed.
- Mr. Scaffide, stated in his public service experience has never raised any taxes without the approval of the residents. He understands that the need is there and that we are in unprecedented times, however feels that this is bad time to raise taxes. In the middle of this global crisis, challenging and unpredictable time, utility companies and landlords are being sensitive to the needs of citizens and assisting residents. It is difficult for him to say we are going to raise taxes. As things have changed and thinking about what this will cost residents and that it would not be in effect until 2021, this is possibly something he could support, but he still needs to think about presenting another increase the following year. Mr. Scaffide stated the importance of informing the public.
- Ms. Buccigross confirmed that specific numbers will be available to residents. Discussion continued among meeting participants regarding the general fund, what the city should do, Charter inside and outside millage, amount of millage increases, taking some of the pressure off of the city, what the tax increase should be, etc.
- Ms. McFearin commented that if we don't want to do this, we need an alternative. Ms. McFearin asked if we can continue with the services we provide residents if we don't? Residents in surrounding communities pay for amenities that we provide for free to our citizens.
- Mayor Yates commented that after talking to members of council, he understands how difficult these times are for our city. He understands the difficulty council is having with this decision. Our goal is to protect what we have and take care of our residents.

Mr. Barr summarized that he appreciates all member's opinions and hard work. The city needs to take action on this by the last meeting in July.

MOTION: Mr. Furey made a motion that the Finance committee recommend to council that we have legislation prepared for our next meeting that would show 2.4 mills property tax to be implemented for the 2021 collection year and 2.5 mills property tax to be implemented in the 2022 collection year.

Motion seconded by Mr. Barr

Motion passed: 3-0

8. MISCELLANEOUS: Discussion continued regarding need for these tax mills to be on same legislation and a need for continued discussion.

9. NEXT MEETING: **June 23, 2020 at 6pm**

10. ADJOURNMENT: Mr. Barr adjourned the meeting at 7:12pm