

FINANCE COMMITTEE MINUTES

February 20, 2019

ATTENDEES

Alex Goetsch, Chairperson

Nickol Sell, Fiscal Officer

Also in attendance: Council Members Kathleen Hale, Ryan Rubin, and Ken Kvacek, and Mayor Spremulli

The meeting was called to order at 6:00 p.m.

Minutes from the prior meeting were reviewed and approved.

Accounts Payable for the month of February 2019 were reviewed and approved.

Financial Statements were reviewed and approved. The Committee noted that both real estate tax and RITA revenues are significantly down compared to 2018. This may simply be a matter of timing of collections, which will be revealed in the coming months.

Old Business: The Committee discussed the anticipated road projects over the next 5+ years, and how the Village would pay for those projects, likely through the issuance of bonds, to amortize the cost of those projects over 10-20 years. The Mayor, Goetsch, and Kvacek met with a bond consultant to start the process of gathering information necessary to explore this option further. While the numbers are currently estimated, it appears that the approximately \$1,600,000 needed to complete Village infrastructure projects can be amortized over 20 years for the Pepperwood North resurfacing, and 10 or 15 years for the remaining projects. Debts service for bonds covering those costs would likely be in the range of \$120,000 to \$140,000 per year. Current revenue for the Street Fund is approximately \$55,000 per year from the Street levy, which must be renewed or replaced this year. Thus, annual transfers from the general fund of \$70-90,000 would be necessary to cover the debt service on the proposed bonds. Because those funds are not readily available in the current budget, the Committee discussed whether the Village should seek a replacement street levy to generate increased revenue, or whether Council should consider eliminating the .25% RITA credit, which would generate an estimated \$150,000 in annual revenue to the General Fund. In that event, excess revenue would primarily be used to restore reserve levels in the General Fund and to “bank” funds for future capital projects not covered by the proposed bond, or necessary after the ten-year bonds are satisfied. The Mayor proposed inviting the bond consultant to the next Finance meeting or a special meeting when all council members can be present.

New Business:

Council President Kvacek questioned the status of debt service for the Chagrin River Road slope study. The Village currently budgets \$6,384 per year to service that debt from the Debt Service Fund. That obligation should be paid in full in the next few years. The Fiscal Officer was asked to determine whether the financial statements should show a transfer from the General Fund to cover that obligation, and to determine whether grant funds are incoming that cover that expense, but not currently shown in the financials. Kvacek also requested additional information as to the debt obligations for the bonds related to the water line and CVT road special assessments versus the revenue received from those assessments.

The meeting adjourned at 7:05pm.

Respectfully submitted by Alex Goetsch, Committee Chair