



City of Green

Central Administration
Building
1755 Town Park Blvd.
PO Box 278
Green, OH 44232

Meeting Minutes

City Council

Tuesday, December 4, 2018

5:00 PM

Council Chambers

I. Call to Order

The Green City Council met in a special session at the Central Administration Building, 1755 Town Park Blvd., Green, OH. President Humphrey presided over the meeting which he called to order at 5:00 p.m.

II. Pledge of Allegiance

Councilmember Humphrey led the Pledge of Allegiance.

III. Roll Call of Council Members

Present: 6 - Barbara Babbitt, Stephen Dyer, Chris Humphrey, Matt Shaughnessy, Rocco Yeargin and Bob Young

Absent: 1 - Justin Speight

IV. Council Study Session

[2018-R86](#)

A RESOLUTION APPROVING AND ADOPTING THE 2019 ANNUAL OPERATING APPROPRIATION FOR THE GENERAL FUND AND ALL OTHER FUNDS FOR THE CITY OF GREEN, AND DECLARING AN EMERGENCY. Introduced 11-13-18

Sponsors: Gerard Neugebauer

Attachments: [2018-R86 2019 Operating Budget](#)
[2018-R86 re 2019 operating annual appropriation.docx](#)
[2018-R86 re Exhibit A.pdf](#)
[2018-R86 re Exhibit B.pdf](#)

Mr. Humphrey explained that instead of trying to go through the budgets during a regular meeting, it was better to have a special meeting to go over the Operating and Capital Budget.

Mr. Schmidt advised the total 2019 anticipated operating budget is \$32,106,610. If you compare this to last years initial operating budget of \$32,702,823. the increase is 1.27%. If you compare that to where we are at the end of October, the total 2018 plus supplemental budgets total a little over \$35,000,000. If you compare to what is being asked for 2019 Operating Budget, it is actually a decrease of a little less than

10%. Mr. Humphrey asked Mr. Schmidt if that was actual appropriated and not all completely spent. Mr. Schmidt said that is actual spent dollars. He stated the City started the year at \$44,392,106. for total fund balances. The revenue for the year, as of the end of October, is roughly \$45,369,230. That includes what they anticipate ending the year at with an increase from income tax of about \$3,000,000. of what was budgeted. He explained the ending fund balance for 2018 would be \$39,500,000. They are looking at an ending fund balance in 2019 of a little over \$24,600,000. He advised with the operating budget they are anticipating the construction of the new fire station and they are anticipating it being operational by October 2019 so they have included estimated employment cost as well as building cost within the operating budget for next year. The Raintree Country Club purchase for 2018 has not included any capital or operating cost because of the agreement with the management company. However that amount is included in the 2018 budget. He advised there are decreases in the street construction and parks funds for salary and benefits. That is a result of a decrease in seasonal help for 2019 based on the actual 2018 numbers. He said there was also a large decrease of about \$2.7 million, that is attributable to the \$2.6 million defeasance of bonds that occurred because of part of the Spring Hill agreement with DeHoff that was paid off in 2018. He advised in the law budget there was \$270,000.00 with the anticipation of not knowing the status of where that position might end up in 2019. There is no law director salary within the budget currently.

Mr. Humphrey said the amount budgeted for the operating budget last year is an increased request for next year. But that is for the new fire station, 7 new hires, revamp of city website and replacement of some servers that are past their useful life. When you compare 2018 with what was budgeted and what was spent. More was spent this year than what was budgeted.

Mr. Schmidt explained the majority dealt with capital improvements such as the 619 sewer project, additional paving cost of about \$1 million, there were improvements to the IT structure as far as new wireless and firewall at all locations which amounted to about \$200,000 for 2018 as a supplemental measure.

Mr. Humphrey talked about the debt. Springhill will be off the books, which is an interest savings of \$229,000 - \$230,000. Mr. Schmidt said there is about \$2.5 million in interest saved in addition to the \$2.6 million in principle that was paid off. Mr. Humphrey pointed out that since taking office the Mayor has reduced overall debt by around \$13,000,000 was paid off in the last three years Mr. Schmidt said when the Mayor took office the bonded debt was around \$60,000,000. At the end of this year it should be around \$47,000,000.

Mayor Neugebauer said they have made a decision not taken on debt unless it was an investment. Mr. Humphrey said the plan is to reduce debt by \$3,500,000. in 2019.

Mr. Humphrey talked about the 6 month reserve that the City keeps. Mr. Humphrey talked about the general fund carry over of \$20,716,882.70. That is the six month operating reserve that the City maintains as a City. Mr. Schmidt explained that includes both the income tax fund and the general fund. He talked about the benefits the City sees by maintaining that fund as opposed to taking out as much debt as we can; therefore, increasing our debt payments or spending a good portion of these dollars.

Mayor Neugebauer explained city financing and how the interest rates work. Mr. Humphrey also detailed how the financing works for the City. He advised that when going through the CIP process this year, next year CIP we will be able to fund 13 of the 16 projects. Mr. Schmidt explained the other three projects were for storm water.

Mr. Dyer talked about the spread sheet that in 16 and 17 the City spent 15% less than what was budgeted. Is that what contributes to the unencumbered balance fund or the rainy day fund? Mr. Schmidt briefly explained that encumbrances are not included in the report. At the end of both years there was around \$5,000,000 in outstanding encumbrances. He explained the CAFR and how it works with the budget. Mr. Dyer asked how there wasn't a single line in 16-17 that spent more than what was budgeted. Mr. Schmidt explained the ORC 5705.41 prohibits him from spending more than was budgeted. Every time the City comes close to spending what is budgeted he has to come back to Council to ask for a supplemental appropriation measure.

Mr. Schmidt advises the City's bond rating in 2016 was AA+ for general obligation bonds. The Income Tax Bonds have been AAA. He explained how the City has maintained the rating.

Mr. Dyer asked how much more does the City collect because of the 1% increase to income tax? Mr. Schmidt said it is about \$12,000,000. The Mayor added that part of the deal was money would be given to the schools and they retired some of the safety levies. Mr. Schmidt said In 2019 the unencumbered fund balance is anticipated to be \$20.7 million. Mr. Dyer asked if there was an ordinance or resolution that said the City will set aside a certain percentage of the overage to this fund. Mr. Schmidt said there is no resolution or ordinance requiring that. He stated the government finance officers association did a study and recommend that governmental entities establish, at a minimum, a two month operating reserve. Mr. Dyer said he would like to more formalize the rainy day fund and what that money is there for. Discussion took place regarding transparency and the new software being used Mr. Dyer said he would like to formalize this fund to make it as transparent as possible over the next year.

Mr. Humphrey asked Mr. Schmidt to explain the difference between a rainy day fund and an operating reserve fund balance. Mr. Schmidt did so. Mr. Schmidt researched neighboring cities about our size and what they have as far as an unrestricted fund balance, Green is a little higher but we also have a significant more amount of debt than they do. Green's unrestricted fund balance is about \$16.4 million, North Canton has a balance of \$14.9 million, Hudson has \$11.2 million. Procedure to tap into that reserve was discussed.

Mr. Dyer asked if the transfer of the Nexus money for Fire Station #3 was run by the auditors. Mr. Schmidt explained when they were putting together the capital budget he reached out to the State Auditors office. They requested a legal opinion from the Law Director. He received that and gave to the Auditor and that allows the transfer to take place. (See attached) Mr. Dyer said his concern with the unencumbered fund balance is there is nothing in code or resolution that requires the City to set aside anything and prescribes how that money can be spent. If future leadership decides to foolishly get rid of it, they could do that. He said he is trying to protect that fund so it last beyond the political winds.

Mr. Humphrey talked about the decrease in seasonal wages and Mrs. Carr and Mr. Schmidt explained. Resurfacing was also discussed. Mr. Pickett explained three different possibilities for repaving. (See attached)

Mr. Humphrey asked Mr. Schmidt about the timing on voting for the capital vs the operating budget. Mr. Schmidt said they would like to delay the vote of the capital budget to the first meeting in January and explained why. He said they are hoping to fund an additional \$1 million into the road resurfacing program. To help Mr. Pickett reach the goal to complete all his projects.

Mayor Neugebauer explained the capital budget process past and present.

[TMP-2348](#)

Law Directors Legal Opinion

Attachments: [City of Green legal opinion fire station 3](#)

[2018-R87 A](#) A RESOLUTION APPROVING AND ADOPTING THE 2019 ANNUAL CAPITAL APPROPRIATIONS FOR THE CITY OF GREEN, *MAKING TRANSFERS*, AND DECLARING AN EMERGENCY. Introduced 11/13/2018 Amended January 4, 2019

Sponsors: Gerard Neugebauer

Attachments: [2018-R87 A re AMENDED 2019 Capital Annual Appropriations](#)
[2018-R87 re Amended Exhibit A](#)

Mr. Schmidt gave an overview of the Capital Improvement Budget.

Mr. Humphrey asked how the Raintree acquisition will affect the Parks Budget and that was briefly discussed.

Mr. Yeargin noted that the Administration has provided a 53 page budget full of spreadsheets. It has been very helpful to understand what money is coming in and where it is going. He stated he was appreciative that the department heads were willing to answer his questions. One of the questions he had, as he looked at the budget, is essentially to make sure the City is providing the level of service that the residents of Green deserve and expect. He advised the department heads feel like there is no major needs that are not being met in the budget while maintaining the reserve. If there was one low number, it was the number for resurfacing the roads that Mr. Pickett has addressed. We are waiting until the end of the year to see how much we come under budget to apply money for the resurfacing commitment. The rating scale for roads was discussed. Mrs. Babbitt asked about the rating scale, was it out of 100. The Mayor said that was if everything was just paved.

Mr. Yeargin asked if Nexus fixes haul routes will that impact the City's paving. Mr. Pickett explained it could. He said they deferred a couple roads last year because they were on the haul routes. He said a practical way to do would be for us to do and them reimburse the City but that has not been discussed.

Mr. Dyer asked for legal opinion from Mr. Chris regarding transfer from from Nexus fund for Fire Station #3. (See Attached)

Mr. Dyer asked about the Charter requirement of the Director of Law and no budget for that. Mr. Schmidt explained within the law department budget there is legal services budget at \$270,000. to retain outside vendor to provide legal services to the City. If a law director does come on board that money can be transferred to salaries. It is in legal services for legal contractor included in the budget. The current law director is being paid out of legal services.

Mr. Schmidt gave a shout out to his staff for their hard work putting the budget together. Mr. Humphrey also thanked them.

V. Unfinished Business

Present: 7 - Barbara Babbitt, Stephen Dyer, Chris Humphrey, Matt Shaughnessy, Justin Speight, Rocco Yeargin and Bob Young

Executive Session

A motion was made by Council Member Humphrey, seconded by Council Member Dyer, to enter executive session at 6:21 p.m. to interview Civil Service Commission applicants for Council appointment and also to discuss personnel issue. The motion carried by the following vote:

Aye: 6 - Babbitt, Dyer, Humphrey, Shaughnessy, Yeargin and Young

Absent: 1 - Speight

Mr. Speight arrived at 6:22 p.m.

VI. Adjournment

A motion was made by Council Member Humphrey, seconded by Council Member Dyer, to to adjourn executive session and reconvene the regular meeting at 9:07 p.m.. The motion carried by the following vote:

Aye: 7 - Babbitt, Dyer, Humphrey, Shaughnessy, Speight, Yeargin and Young

Mr. Dyer moved to adjourn at 9:07 p.m.

ATTEST: _____
MOLLY KAPELUCK, CLERK OF COUNCIL

APPROVED: _____
CHRIS HUMPHREY, PRESIDENT

Upon approval by City Council, this official written summary of the meeting minutes shall become a permanent record and the official minutes shall consist of a permanent video recording, in accordance with Green City Council Ordinance 2014-12, adopted on November 25, 2014.