

**NORTH RIDGEVILLE CITY COUNCIL  
FINANCE COMMITTEE  
MINUTES OF MEETING HELD  
FEBRUARY 5, 2018**

**To Order:**

Chairman Martin DeVries called the meeting to order at 5:45 p.m. in Council Chambers at North Ridgeville City Hall, 7307 Avon Belden Road.

**Attendance:**

In attendance were Committee members Dennis Boose, Bruce Abens and Chairman Martin DeVries.

Also in attendance were Safety-Service Director Jeff Armbruster, Councilman Bob Chapek, Assistant Clerk of Council Tara Peet, Law Director Brian Moriarty, Mayor David Gillock, Auditor Jeff Wilcheck and President Kevin Corcoran.

**Minutes:**

Chairman DeVries asked for any additions or corrections to the December 11, 2017. No discussion was offered. The minutes stand approved as submitted.

**T 4-2018:**

Chairman DeVries turned the meeting over to Auditor Jeff Wilcheck for an explanation.

Auditor Wilcheck stated the Ordinance was to create a fund to set dollars aside for a new ambulance every three years. This would break out the dollars from the Ambulance Fund so the City could see it is not available for spending. Ohio Revised Code Section 5705.03(C) permits it. Auditor Wilcheck stated if the City decided to rescind it in the future, the leftover dollars go back where they came from and nowhere else.

Chairman DeVries asked if these dollars have been allocated in the budget for this year.

Auditor Wilcheck stated it was authorized. In 2017, Council approved a new ambulance.

Chairman DeVries asked for any questions or comments.

Mayor Gillock stated he was uncertain if the City would purchase a new ambulance every three years. He asked what if the City needs those dollars for operation. He did not feel as though the fund was necessary.

Auditor Wilcheck stated it was a fund permitted by statute. He further added from an accounting perspective it makes sense. It paints a clear picture of what is available for operation expenses.

Councilman Abens asked if the funds would be put into an interest bearing fund.

Auditor Wilcheck stated no but interest is prorated to all funds which would include his fund too.

Councilman Abens asked if it would be possible to do it.

Auditor Wilcheck stated the dollars would be much smaller and the City could earn interest on larger dollar amounts.

Chairman DeVries thought this fund was a good idea with the growth of the City and the potential for additional ambulances with a new fire house.

Councilman Boose asked how often the City currently purchases ambulances.

Mayor Gillock stated about every five years.

Auditor Wilcheck stated the dollars come from ambulance run billings.

Mayor Gillock stated the ambulance run billings started just a few years ago. The Ambulance Fund has been used to buy ambulances forever. Once the billing started, a good portion went to Westcom and the rest went to the Ambulance Fund which goes to operations and ambulances.

Councilman Boose suggested taking perhaps twenty-five percent of the cost of an ambulance out and put it in the new fund so it is set aside.

Mayor Gillock stated he liked Councilman Boose's suggestion.

Auditor Wilcheck stated the cost of an ambulance averaged \$225,000. Creating the fund does not lock the City into purchasing an ambulance every three years.

Mayor Gillock stated he didn't want to have excess money. He further suggested transferring \$50,000 a year or 1/5<sup>th</sup>.

Councilman Boose suggested discussing this matter with the Fire Chief and the Auditor to find out what has been done in the past and what the anticipated needs are for the future. He further noted he liked the idea of setting dollars aside.

Councilman Abens asked if the legislation to establish the fund had to be written exclusively for just replacing ambulances.

Auditor Wilcheck stated it would only cover EMS vehicles. Other funds can be established for other things. He noted the max that can be accumulated is up to ten years and if the City doesn't use it then it returns to where it came from.

Moved by DeVries and second by Boose to table T 4-2018 until further research can be done on the matter.

A voice vote was taken and the motion carried.

Yes – 3

No – 0

**T 5-2018:**

Auditor Wilcheck stated the Ordinance creates a fund to retire debt that is payable from income tax revenues. The purpose is to retire debt as required by statute. This will make the City in compliance with the pledge to the City's debt. Currently six percent of income tax dollars pay debt. He asked the Committee if the City should allow for more debt to be issued against the fifteen percent. In the current budget, debt is budgeted to be retired in this fund.

Chairman DeVries asked for any comments or questions. No discussion was offered.

Auditor Wilcheck distributed an amended version of the Ordinance removing the reference to the five percent.

Moved by DeVries and seconded by Boose to recommend City Council adopt T 5-2018 as amended by the Committee.

**T 6-2018:**

Auditor Wilcheck stated the City garage has typically serviced City vehicles. The departments that have vehicles were only charged for parts and not labor. The fund helps the City account for the cost and some departments will be charged more that they have in the past. The budget is currently structured this way and establishing the Ordinance is to just try and catch up with how his office is handling it.

Chairman DeVries asked for any comments or questions.

Councilman Boose asked how he will go about understanding what needs to be in the fund.

Auditor Wilcheck stated currently there is software that tracks time and tracks the parts purchased and will be charged back to the department. It will be charged back to the department once a month. He also noted this will assist the City in determining when it is time to dispose of a vehicle. Auditor Wilcheck noted he will need to come to Council to request an advance to the Garage Fund.

Councilman Boose asked if adjustments will need to be made to catch up.

Auditor Wilcheck stated yes. When he budgeted, he just made his best guess.

Moved by DeVries and seconded by Abens to recommend City Council adopt T 6-2018 as submitted.

A voice vote was taken and the motion carried.

Yes – 3

No – 0

**Allocation of income tax funds:**

Auditor Wilcheck distributed a proposed amendment to Chapter 878.01(B)(2) to amend allocation of income tax revenue. Currently the City has an unrestricted income tax. In order to have a special fund to account for income tax, it must have a restriction and a specific purpose per Ohio Revised Code. The amendment eliminates the net and changes it to gross 85/15. This allows for a split of 85/15 and some of the fifteen percent can pay debt and comply with pledges in debt.

Chairman DeVries asked what happens to the remaining dollars out of the fifteen percent if not paid to debt.

Auditor Wilcheck stated it will return to the Capital Improvement Fund. Currently the City is right about six percent for debt rather than five percent as he had previously stated.

Councilman Boose asked what the difference was going from net to gross.

Auditor Wilcheck stated R.I.T.A. collects the income tax and handles the refunds. The City receives the gross collections minus R.I.T.A.'s three percent administrative fee.

Councilman Boose asked if Auditor Wilcheck was counting what was received from R.I.T.A. as gross.

Auditor Wilcheck stated that was correct.

Moved by DeVries and seconded by Boose to recommend legislation be introduced to City Council in substantially the same format and adopted by City Council.

Chairman DeVries adjourned the meeting at 6:21 p.m.

These minutes were approved on \_\_\_\_\_.

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Tara L. Peet, MMC  
Assistant Clerk of Council