Finance Committee
Tuesday, October 15, 2024 - 5:00 PM
MINUTES

1. Call to Order/Roll Call

Committee Chair Donald Barnard called the Finance Committee meeting for October 15, 2024 to order at 5:05 pm

Members Present - Don Barnard, Bob Orsini, Jeff Barr
Absent - None

Staff present - Sean Staneart, Dave Delande, Jack Liggett, Rusty Smart, Dave Selan, Ryan Green, Teresa Monroe.

Public present - Nick Hubbell, David Tiggett, Charles Wise, Dr. Philip Wagner, Tim Swauger

2. Legislation Review

a. **RESOLUTION 2024-38** A RESOLUTION ACCEPTING THE AMOUNTS AND RATES AS DETERMINED BY THE BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY AUDITOR

Committee review of legislation for council agenda tonight, this is given to the city by the county, no questions.

b. **RESOLUTION 2024-39** A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AND EXECUTE CONTRACTS WITH THE DIRECTOR OF TRANSPORTATION TO COMPLETE RESURFACING AND RELATED WORK INSIDE THE CITY OF JOHNSTOWN

Committee review of legislation for council. Sean Staneart said this is for the traffic signal at Leafy Dell as well as the resurfacing project from the corporation limits on SR 37 to the south side of Johnstown near the city administrative building, paving to take place in 2026. The total estimated project cost is $1.7 million, our local match is $339,435. This legislation says we will commit to the project so they can move forward with the hard costs associated with it. Bob Orsini asked if this would affect the crosswalk improvements previously discussed in the downtown. Sean Staneart said we would want to have any improvements in place prior to the resurfacing project, it is not known if we can achieve that, it depends on the income tax passing. Some discussion on the potential to expand the ODOT project to include the crossing improvements. Sean to check with ODOT on expansion of their project and if they would do the design and engineering associated with downtown crosswalks and curbing. Discussion on previous conversations on roundabout versus traffic light at Leafy Dell Road.

c. **RESOLUTION 2024-41** RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A DEVELOPMENT AGREEMENT WITH TECH INTERNATIONAL LLC AND IWR HOLDINGS LLC (COLLECTIVELY TRC)

This resolution authorizes the City Manager to enter into the development agreement with Tech as previously discussed. This legislation is on the council agenda tonight. Mr. Staneart said if expanded conversation on this is desired, they could go into the Executive Session for more specific details.

3. Bond Rating

David Tiggett and Charles Wise with KeyBanc Capital Markets Inc. attended to provide a credit rating update to the committee. Mr. Tiggett reviewed the city's bond rating history from 2015 to 2024 which steadily declined from a Moody's A2 rating to its rating being withdrawn in 2024 due to delayed financial audits, declining financial reserves and liquidity and reliance on sensitive income taxes. Mr. Tiggett said removal of the rating may be a blessing in disguise, it is better than being downgraded further. If the city can get its audits in place, the rating agencies are comfortable reassessing the rating, they might be able to get the city back in to the A2 category because of the growth and increase in income tax revenue.

4. Financial Audit updates

Finance Director Dave Delande said he spoke with the State Auditor, they are hoping to complete 2020-2021 next month, this is also delaying the city's 2022-2023 audit report. Mr. Delande said he thinks switching to an annual audit rather than two-year would be beneficial to the city.

5. Budget 2025

Mr. Delande provided materials to committee members, looking at revenue through September we are about 7 1/2% above budget. He is projecting a 3.4% increase for 2025 to generate approximately $100,000 in additional income tax revenue, 72 % of that will go to the General Fund and 28% to Capital Fund. On the expenditure side, he met with health insurance, we are looking at about an 18% increase in coverage, normally it is a 10-12% increase, however positively, when we switched last year, we had about a 13% decrease, so cumulative over a two year period it is about a 6% increase. Employees will be paying an additional 5% contribution across the board for a total 10% of the premium. Committee will see the first look at the budget end of the month.

6. Local Waste Contract

The contract is up at the end of the year, the city does have the ability to renew. Currently, if we choose to renew the contract, our rate would increase to $18.78 per month, which is a ten percent increase. A concern or calculated risk of putting this out to bid is that bids could come in higher than the renewal rate offered. Sean Staneart shared pricing of other communities that have recently gone out to bid, most were higher, ranging from $19.95 - $29.96. Committee discussion and recommendation to council for renewal. Committee direction to ask Local Waste if the rate could be locked in for five years instead of three.

7. Executive Session to consider the purchase or sale of property

ACTION:	Bob Orsini moved to enter Executive Session to consider the purchase or sale of property, to include the committee, City Manager, School Superintendent and School Board President; Jeff Barr seconded and the vote was as follows:
AYES:	Bob Orsini, Mayor Barnard, Jeff Barr
NOES:	None
ABSTAIN:	None
	Passed 3 - 0

8. Executive Session to discuss Confidential Business Information of an Applicant for Economic Development Assistance

ACTION:	Bob Orsini moved to enter Executive Session to discuss confidential business information of an applicant for economic development assistance, to include all members of finance committee, City Manager, School Superintendent and School Board President; Jeff Barr seconded and the vote was as follows:
AYES:	Donald Barnard, Bob Orsini, Jeff Barr
NOES:	None
ABSTAIN:	None
	3 - 0

Council entered Executive Session at 5:52 pm and returned to Regular Session at 6:35 pm.

9. Other Business

No further business.

10. Adjourn

ACTION:	Donald Barnard moved to adjourn; Bob Orsini seconded and all were in favor.
AYES:	Donald Barnard, Bob Orsini, Jeff Barr
NOES:	None
ABSTAIN:	None

Passed 3 - 0

The meeting adjourned at 6:35 pm.