

DRAFT
CITY OF UNIVERSITY HEIGHTS, OHIO
FINANCE COMMITTEE
OCTOBER 17, 2023

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The Finance Committee met on October 17, 2023 at Wiley Middle School, 2181 Miramar Boulevard, University Heights, Ohio.

Present: Vice Mayor Michele Weiss, Chair
Councilman Christopher Cooney
Councilwoman Threse Marshall
Councilman John Rach
Councilwoman Sheri Sax
Finance Director Dennis Kennedy
(Mayor Brennan arrived after meeting was called to order)

Mrs. Weiss called the meeting to order at 6:00 p.m.

Agenda Items

1. Approval of Three New Lay Finance Committee Members to Refer to Council for Appointment

Mrs. Weiss stated that there are three vacancies on the Finance Lay Committee due to one person being appointed to Council, one being appointed to the Charter Review Commission, and one person resigning. Applications/resumes received were distributed to Council and the Finance Committee. She noted that there was unanimous agreement that Shawn Belt, Charles Patterson and Emily Keen would be great additions.

Motion by Mrs. Weiss, second by Mr. Rach to refer Mr. Belt, Mr. Paterson, and Ms. Keen to the Lay Finance Committee and to refer them to Council for appointment. All agreed.

Mrs. Weiss stated that there are quarterly meetings of the committee, and that the budget season is extremely busy because it has to be approved by March. The season typically starts in October, but it has been postponed this year and will begin in January. Mrs. Weiss explained how the process works and thanked the candidates for their interest.

2. Campaign Donation Ordinance Discussion

Mrs. Weiss noted that this is the fourth iteration of this ordinance, and there have been robust discussions each time it has been reviewed. She explained that the committee works out the kinks before submitting to Council so that all have a clear understanding;

there could also be discussion during Council meetings. Mrs. Weiss discussed items she reviewed with the law director after the last meeting.

Mrs. Weiss looked back at ten years of all City Council Finance and Mayor reports to the Board of Elections. She noted that when she and Law Director McConville started reviewing the data, the average highest donation for Mayor or Council was between \$2,000 and \$2,500, which was the absolute highest. Comparison was made to federal and state donations of \$50,000 – much higher.

Reference was made to 214.02 of the ordinance and it was pointed out that Council and Mayor are basically the same. No individual shall donate more than \$2,500; no PAC or current vendor can donate. An employee of the city, the amount would be \$100. Mrs. Weiss asked whether the committee and lay members felt this was appropriate and if same needed more discussion. Discussion ensued.

Reference was made to the items dealing with the Mayor's office. It was noted that no single contribution or any number of contributions in the aggregate which exceed a total of \$2,500 shall be made; this parallels the Council requirement in item (D). (Mayor Brennan arrived at this point),

Mrs. Weiss briefed the Mayor of the current discussion noting that the Law Director reviewed federal and state requirements and some other cities; it was discovered that the threshold in the City of University Heights is so much lower than any of those institutions.

Reference was made to (B): a PAC cannot contribute more than \$500. (E) refers to the same thing; \$500 is the donation maximum. Letter (C) refers to vendors; vendors are not to contribute. It was noted that there is an error in the language; it should indicate that neither Council or Mayor should receive donations from vendors. Mrs. Weiss stated that it will be updated to reflect zero. Reference was made to corporations, Item G in the proposed ordinance.

Other points addressed: The Campaign Finance Review Board title was streamlined because it referred to "hearing" rather than "board".

Also, more days were granted to the Law Director to dismiss a complaint or refer to the Review Board,

Regarding violations, it was determined that any person or candidate or campaign committee violating any prohibition shall be required to return the funds back to the contributing party. A second or subsequent violation shall cause a fine of up to \$200. It was pointed out that this does not carry criminal liability. The money does have to be

returned, however. Mr. Rach confirmed that the first violation does not have a fine, but the money has to be returned. Mrs. Weiss stated that this will be forwarded to Council and it can also be discussed there. She noted that she will correct the language in letter (F).

Motion by Mrs. Weiss, second by Mrs. Sax to refer this ordinance to Council so that it can be placed on the next agenda. On roll call, all voted “aye”.

In response to Mr. Cooney’s question, Mrs. Weiss stated that this is not a misdemeanor and that this policy is brand new; nothing has been enforced because this was not in place. If there is a violation, the matter would first be reviewed by the law department and then the Review Committee. This is not intended to be complex, but to be self-monitoring.

Mrs. Sax asked about the time limit violators would have to pay back funds. Mrs. Weiss believed it is 21 days. She stated that the review committee is going to determine whether the fine has to be paid back. The amount can be a factor. Mrs. Weiss stated that a time deadline window can be inserted as Mrs. Sax suggested.

Mrs. Sax asked about the language referring to a requirement that two members of the same political party cannot be on the same committee. It was mentioned that this ordinance is modeled after the City of Cleveland’s policy. University Heights is non-partisan, and in response to Mrs. Weiss question to the Mayor regarding whether the city has such language, Mayor Brennan stated that the Civil Service Commission is the only commission that specifies that members cannot all be the same political party.

In response to a resident’s question in the audience, Mrs. Weiss stated that the goal of this ordinance is to ensure that there is no bias with any campaign donations; that we are depending on self-monitoring and personal ethics with whomever the elected candidate is. The Board of Elections does publicly post campaign finance reports for every candidate that participates in the process, and that is where someone could see what is in those reports regarding donations, etc..

Mr. Rach suggested that an information sheet be distributed by the Board of Elections specific to University Heights detailing requirements for candidates and voters similar to others he noticed distributed by the Board.

3. Financial Update through September 3, 2023

Finance Director Kennedy provided highlights of the first three quarters.

The General Fund year-to-date revenue through September is
\$13,880,985

General Fund expenses charged this year through September are:
\$12,196,539

Total expenses in open encumbrances through September 30 represent about 70% of the total budget for the year. The excess revenue over expenses through September as far as unexpended balance is \$8,041,133. There is about \$1.4 million in open encumbrances; the unencumbered General Fund balance for the first three quarters is \$6,530,700 – just for the General Fund.

When you add all other funds, total revenue through September 30 is \$17,000,541.847. The total current year expenses, what is charged against this year's budget for all funds is \$15,394,807. The total for expenses and encumbrances for all funds is also roughly 70% of the budget – what we have budgeted for the entire year.

The unexpended balance through September 30 for all funds is \$11,685,897.

There is a total of \$2.65 million of opening encumbrances; when you subtract those from our unexpended balance.

Mr. Kennedy stated that he is still waiting for final reconciliation from ODOT and the Cedar Road resurfacing project; he has corresponded with the City Engineer who is trying to follow up with ODOT. Mr. Kennedy stated that he has received some unofficial numbers from the City of South Euclid. It was mentioned that the reimbursements to the city are about \$396,000. That amount was not budgeted because the money had to be placed in escrow. Some funds were received from NOACA and some funds have been received via charge-offs. Mr. Kennedy noted that these numbers are unofficial. He will keep everyone posted when GPD hears from ODOT and when he hears back from the City of South Euclid regarding University Heights' share of costs for the Cedar Road project.

There will be at least one, possibly two more budget amendments before year-end. Mr. Kennedy stated that this current year's budget will probably have to be amended to provide for the 4% raises contained in all of the approved bargaining agreements; the salary adjustments are retroactive to July 1. This was not in the original budget. Another amendment will be needed if there is going to be wage increases for the administrative staff. Mr. Kennedy will provide further information on these items shortly.

Mr. Kennedy reported that tax collections through September 30 are about half a percent higher than last year amounting to roughly \$11.8 million. There will be about \$100,000 more than last year's collection. Mr. Kennedy stated he doesn't see anything big coming in the last few months. The investment portfolio balance at the end of September was \$8,357,822. Reports were sent out, and if there are questions regarding investments, let Mr. Kennedy know.

Mrs. Weiss reported that Police Chief Rogers noted that vehicle prices are skyrocketing; he has an opportunity to purchase at the current rates before the rates go up at the end of November. Chief Perko indicated that there are currently four vehicles that are in poor condition. Mrs. Weiss advised Chief Perko to bring this to the Safety Committee. It was mentioned that factors affecting the price hikes are the UAW strike, COVID, and the amount of time it takes to retrofit these vehicles is a consideration; it can take up to 24 months. Mr. Kennedy mentioned a dealer in Indiana that may have surplus vehicles, and he shared that information with Chief Perko.

Mr. Rach suggested that the 10-year capital plan should be reviewed, and since there are supply chain issues, it may be necessary to shift things up a year. Mrs. Weiss agreed that would be a good idea. She asked Mr. Kennedy for a copy of the updated 10-year capital plan for the next Finance meeting.

Mrs. Sax thanked Mr. Kennedy for all of his work, adding that he makes it user-friendly

Mrs. Weiss thanked everyone for attending and stated that hopefully on November 6, three new Finance Committee members will be appointed.

Motion by Mrs. Weiss, second by Mr. Rach to adjourn the meeting.

Jeune Drayton, Assist. Clerk
of Council

Michele Weiss, Vice Mayor and
Chair, Finance Committee