

FINANCE COMMITTEE MEETING

September 13, 2018

The Finance Committee of Chardon City Council met on Thursday, September 13, 2018, at 6:00 PM in the Conference Room on the second floor of the Chardon Municipal Center.

Daniel Meleski, Chairman of Finance Committee presiding.

Members of Finance Committee present: Deborah Chuha, Daniel Meleski.

Others present: City Manager Randy Sharpe, Finance Director Mate Rogonjic, Clerk of Council Amy Day, Nancy McArthur, David Lelko, Jeffrey Smock, Joe Koziol.

Mr. Meleski called the meeting to order at 6:01 PM.

APPROVAL OF MINUTES

Mrs. Chuha moved and Mr. Meleski seconded to accept the minutes of the September 12, 2017 Joint Water/Sewer and Finance Committee Meeting as presented.

Upon voice vote the motion passed unanimously.

Regarding revisions to the Financial Management and Debt Policy, Finance Director Mate Rogonjic, stated that revisions to the Section F of the policy are being proposed because the City's General Operating Reserve Fund became fully funded at the end of 2017. Because the City now has available reserve funds that could be used for unexpected situations, he is suggesting that the policy be modified to allow a reduction in the reserve threshold in the General Fund (from 10% to 5%) when the operating reserve is fully funded. He also suggested an additional restriction on the use of the additional funds and suggested the policy also be modified to require that the difference between a 10% reserve and the actual appropriated reserve would have to be earmarked for infrastructure improvements and fixed asset purchases and not for typical operating expenditures.

Mr. Meleski asked if there are any risks in modifying the policy.

Mr. Sharpe stated that staff does not see any risks with modifying the policy.

Mr. Meleski asked how the change would take effect.

Mayor Smock stated that Council would pass a motion to amend the policy.

Mayor Smock stated that he does not oppose the amendment to the policy because the reserve fund is fully funded.

Mr. Lelko stated that this is a policy and Council has the ability to deviate from it.

Mr. Meleski stated that if there is a situation where the City would be deviating from the policy, it needs to be made apparent before Council votes on it.

Mrs. McArthur asked when it would take effect.

Mr. Rogonjic stated that if Council votes in favor of it, it would take effect immediately for the next budget year.

Mr. Meleski moved and Mrs. Chuha seconded to recommend the revised liquidity policy to Council.

Upon voice vote the motion passed unanimously.

EXECUTIVE SESSION - none.

ANY OTHER BUSINESS - none.

ADJOURN

Mrs. Chuha moved and Mr. Meleski seconded to adjourn. Upon voice vote the motion passed unanimously.

The meeting adjourned at 6:16 p.m.

Attest:

AMY DAY
Clerk of Council