

## MINUTES

### KIRTLAND CITY COUNCIL FINANCE COMMITTEE

October 2, 2023

The meeting of the Kirtland City Council Finance Committee (Council as a Whole) commenced at 6:38 p.m. Council members present were: Ronald Fenstermaker, Suzanne Grazia, Scott Haymer, Richard Lowery, Matthew Schulz, Joseph Smolic and Eric Ziegler.

Also in attendance were Mayor Kevin Potter, Law Director Matthew Lallo, Finance Director Louis Slapnicker, Service Director Joseph Fornaro, Police Chief Brian McCallister, Fire Chief Anthony Hutton and Senior Center Coordinator Teresa Szary.

Mr. Slapnicker advised that the month of September is not yet closed, but he has numbers through September, which he does not expect to change.

With regard to the revenue side, Mr. Slapnicker said that the income tax is budgeted at \$4.6 million, and current year-to-date revenue is \$3,878,832.05. It is 84 percent collected, so the City is running slightly ahead by approximately \$200,000. Mr. Slapnicker noted that income tax, property tax and local government funds accounts for 91 percent of all General Fund revenue.

With regard to property tax, Mr. Slapnicker said that both settlements have come in for this year; he noted the City has to receive the homestead rollback, so those numbers are not yet posted. He noted that \$758,000 in property tax revenue was received in the General Fund; \$705,000 was budgeted. He noted the County reduction factor is taken into account.

With regard to local government funds, Mr. Slapnicker said it is consistent with last year. It is running at 77 percent collections, and it is received monthly.

With regard to motor vehicle registration and gas tax in Fund 220 and Fund 221, Mr. Slapnicker said those are split by law; 92.5 percent is in Fund 220 and the remaining 7.5 percent is recorded in State Highway Fund 221. He noted it is at 75 percent collections.

Mr. Slapnicker noted he will provide a comparison of September 30, 2023 vs. September 30, 2022. Income tax revenue for this year is \$3,878,000, and this time last year it was at \$3,673,000. This year is up 5.6 percent.

Referring to the General Fund property taxes and special levy funds 200 through 204, Mr. Slapnicker said year to date collections is \$1,837,000 for 2023; and this time last year it was at \$1,800,000. He noted that homestead rollback has not yet been posted. Mr. Slapnicker said it is up 2.04 percent.

Mr. Slapnicker said that local government is at \$251,748 this year; this time last year the City was at \$246,775, which is an increase of 2.02 percent.

Mr. Slapnicker said that motor vehicle registration combined for the two funds is at \$94,823; this time last year it was at \$94,344, which is a difference of .51 percent. For this year the gas tax is at \$327,290; this time last year it was at \$330,544, which is a .98 percent reduction.

With regard to the expense side, Mr. Slapnicker said all transfers have been made, except for one \$47,500 transfer from Fund 201 into the pension fund. He noted there is still some work on capital outlay items.

Mr. Slapnicker said that labor costs are at \$2,870,000; he noted this includes gross wages, longevity, and overtime, but does not include matching Medicare, FICA, pensions or medical. Through September 30, 2022 the City was at \$2,700,000, which is an increase of 6.3 percent. He noted there was one additional police officer hired this year and the three new firefighters, with one individual retiring. Answering Councilman Schulz, Mr. Slapnicker said with regard to the employer share of the pension, Police is 19.5 percent and Fire is 24 percent. Isolating overtime, Mr. Slapnicker said this year overtime is at \$147,350 through September 30; this time last year it was at \$164,447, which is a reduction of 10.41 percent. Answering Mr. Schulz, Mr. Slapnicker said that overtime wages out of the General Fund for the Police Department for 2023 are at \$74,651; the Police Department last year was \$73,559. He noted that overtime wages out of the General Fund for the Fire Department for 2023 are at \$12,146; this time last year it was at \$6,296 out of the General Fund. Mr. Slapnicker noted there is also overtime in Fund 204; he will put together the information for Council.

Mr. Slapnicker noted there is an increase of \$55,000 to fund the pensions coming out of the General Fund, which is an increase of 14 percent with the hiring of one new police officer and three new firefighters. An additional \$215,000 has been transferred this year toward capital items, which is an increase of approximately 25 percent. He noted there have been increases in the revenue sources, and a lot of that was put toward capital needs. There was discussion regarding encumbrances. Answering Councilman Schulz, Mr. Fornaro said that the senior center parking lot paving will be happening this year. Mr. Schulz requested some additional information from Mr. Slapnicker regarding the encumbrances.

The meeting adjourned upon the unanimous consent of Council at 7:00 p.m.

---

President of Council

---

Clerk of Council