

Finance Committee

The Finance Committee met Wednesday, February 26, 2020 at 6:00pm in the Conference room of the Lyndhurst Municipal Center.

Present were Council members Lane Schlessel, David Frey, Joe Marko, Joe Gambatese, Steve Grushetsky, Jeff Price and Chuck LoPresti. Also present were Finance Director Mary Kovalchik, Mayor Patrick Ward, Assistant Law Director Ray Schmidlin and Assistant Clerk of Council Kelly Miller.

The purpose of this meeting was the annual review of budget appropriations for 2020. A copy of the Budget Appropriations 2020 along with the 2020 Estimated Fund Balances were distributed electronically to all members of Council in advance for their review in preparation for this meeting. After calling the meeting to order, Chairman Schlessel thanked the Finance Director for her time formulating the detailed financial packets. He also thanked Council for facilitating their respective committee meetings.

Mr. Schlessel directed the discussion to the summary of the General Fund proposals on page 21 of their packet. The proposed budget is only 2.4% more than last year and 13.5% more than what was actually expended which indicates the continued positive impact that the administration has had on returning funds to the general fund on a yearly basis.

Mrs. Kovalchik stated the proposed appropriations for 2020 can be passed as presented and the city will be able to fund all requests. She reminded Council that 60% of the city's revenue and 58% of the city's operating expenses are budgeted in the general fund. The 2020 proposed general fund budget is \$18,627,829. Of that amount, transfers to support the community center, capital improvements, and Police and Fire pensions account for 14% or \$2,528,941. She indicated the budget includes all estimates for settlements with the CBA's as well as 2 anticipated retirements. This budget also includes the 3% salary increase resulting from the 3rd year of the CBA's as well as the 15% increase in health care costs. It is estimated this increase will cost \$155,000 based on the current census.

Mrs. Kovalchik explained the 3 revenue sources supporting more than 83% of the general fund being income tax, property tax and EMS collections. These 3 combined account for \$13.2 million of the estimated \$15.7 million in collections. She remarked should Council approve all general fund appropriations, it is anticipated that the City will end the year with a healthy recommended reserve exceeding 23% in the general fund. The reserve will continue to fund the 2020 temporary budget as well as mitigate any unknown risks.

The Committee considered and recommended funding the operations of the City as follows:

Police Department	\$ 4,995,165.89
Fire Department	\$ 3,441,711.25
Public Health	\$ 76,305.00
Planning Commission	\$ 12,462.40
Board of Zoning	\$ 12,735.88
Architectural Board	\$ 7,521.53

Building Department	\$ 532,315.81
Parks	\$ 248,172.91
Brainard Spray Park	\$ 100,499.88
Lyndhurst Pool	\$ 317,476.91
Recreation Events	\$ 17,000.00
CPOA	\$ 142,817.00
Refuse Collection	\$ 737,716.53
Recycling	\$ 285,099.87
Leaves	\$ 157,312.53
Trees	\$ 199,540.28
Mayor	\$ 258,065.36
Income Tax Administration	\$ 365,000.00
Finance Department	\$ 553,571.70
Law Department	\$ 214,467.87
Service Department	\$ 555,214.19
Civil Service Commission	\$ 36,933.75
Council	\$ 157,315.12
Municipal Court	\$ 1,275,021.58
General Administrative	\$ 412,515.00
Lands & Buildings	\$ 572,575.19
Statutory	\$ 359,250.00
Transfers	\$ 2,523,941.38
Engineering	\$ 37,781.85
Unclaimed	<u>\$ 5,000.00</u>
For a total GENERAL FUND of	\$ 18,627,829.12

which will leave an anticipated balance, if every appropriated dollar is expended, of \$1,649,463.77 (unencumbered carryover) at the end of the year.

Other Funds are budgeted as follows:

Special Revenue Funds	\$ 2,511,183.90
Debt Service Funds	\$ 2,998,060.00
Capital Projects Funds	\$ 4,757,617.00
Special Assessment Funds	\$ 1,781,150.00
Trust & Agency Funds	\$ 1,342,531.00

For a grand total of ALL FUNDS \$32,018,371.02

The City administers several Court Funds which have been appropriated for and are included in the Special Revenue Funds balance shown above.

Mrs. Kovalchik then referred Council's attention to the Capital Requests which had been presented by the City Departments and the Lyndhurst Municipal Court to the various committees of Council for their consideration and recommendation. She stated the proposed capital appropriations budget for 2020 can be passed as it is presented and the city will be able to fund all requests. She reminded Council that the city continues to buffer from using the capital reserve fund by transferring dollars from the general fund; for 2020 that transfer is set to not exceed \$550,000.

Mrs. Kovalchik explained that the department heads worked in unison with administration to further reduce capital requests by \$143,828. She said the engineering also worked in unison with administration to further reduce capital sewer requests by \$200,000 in order to restore the estimated reserves to a combined amount in excess of \$400,000 as pledged to Council 3 years ago.

Mrs. Kovalchik commented the Fire Improvement Project is not completed enough to provide reporting; as a result she has delayed the capital funds reporting and will send that out upon completion of the project. Mrs. Kovalchik stated that to date the cost overruns by change order are well contained and currently net \$50,975.22 or 1.1% of the original contract sum.

The following department amounts for capital purchases have been approved:

Police Department requests	\$ 220,734
Fire Department requests	\$ 84,000
Public Lands & Bldg. Requests	\$ 45,500
Community Center Requests	\$ 7,375
Finance Dept./Council requests	\$ 9,500
Service Department requests	\$ 514,000
Street Improvement requests	\$1,469,488
Storm Sewer requests	\$ 135,000
Sanitary Sewer requests	\$ 940,000
Miscellaneous Engineering requests	\$1,398,800
Technology Upgrades	<u>\$ 77,168</u>
TOTAL ALL CAPTIAL REQUESTS	<u>\$5,007,224</u>

It was moved by Mr. Gambatese, seconded by Mr. Price that the grand total of \$32,018,371.02 be approved for funding.

The question was put to a voice vote and passed unanimously.

With no other business to discuss, the meeting was adjourned at 6:52 PM.

Respectfully submitted,

Lane A. Schlessel
Chairman