BRUNSWICK CITY
FINANCE COMMITTEE

Agenda

SEPTEMBER 26, 2022
6:25 PM
or Immediately Following
Planning & Zoning Committee

1. Discussion Items

   ORD. NO. 88-2022 - An emergency ordinance amending ordinances #110-2021, #15-2022, #37-2022, #53-2022 and #66-2022 to include amendments to the Appropriation Budget for the year ending December 31, 2022 as incorporated in Exhibit "A" attached hereto. - **1st Reading** (To be brought from the Finance Committee, *Administration/Todd Fischer*)

   RES. NO. 90-2022 - An emergency resolution authorizing the City Manager to enter into a five-year contract to engage James G. Zupka, CPA, Inc., to audit the City of Brunswick for the fiscal years ending December 31, 2022 through December 31, 2026. - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

2. General Discussion

3. Adjournment

THE CITY OF BRUNSWICK

PROPOSED LEGISLATION

DATE:	9/26/2022
TO:	Vice Mayor Nicholas Hanek and Members of City Council
FROM:	Carl S. DeForest, City Manager Todd Fischer
COPY:	Mayor Ron Falconi
LEGISLATION:	**ORD. NO. 88-2022** - An emergency ordinance amending ordinances #110-2021, #15-2022, #37-2022, #53-2022 and #66-2022 to include amendments to the Appropriation Budget for the year ending December 31, 2022 as incorporated in Exhibit "A" attached hereto. - **1st Reading** (To be brought from the Finance Committee, *Administration/Todd Fischer*)
BACKGROUND:	In order to comply with the Ohio Revised Code Section 5705, any and all activity of the City must be included in the budget. As actual information is obtained and compared to estimates or new items are requested to be added or deleted by the respective departments, it is necessary and required to present the proposed budget amendments to Council for approval. This process is required by law and audited under the direction of the Auditor of State for compliance every year.
PURPOSE AND EXPLANATION:	See the fiscal section and related attachments for additional information.
IMPLEMENTATION SCHEDULE:	Discuss at the September 26, 2022, Finance Committee meeting and move to the September 26, 2022, Council agenda as an emergency with the suspension of the rules.
FINANCIAL INFORMATION:	
FINANCIAL SUMMARY:	The total financial impact of this legislation is a net increase to the overall City appropriation budget by $581,660.18. The largest components of the net increase, in no particular order, relate to: 1) $704,876 increase in the allocation of income taxes to various funds. This increase is not an expenditure of funds but merely a transfer of income taxes to various funds to comply with City Council Ordinance #17-2022. A recent upward revision to the City's income tax revenue estimate by 4% to be filed with the Medina County Budget Commission was the main reason behind this change. The estimate was adjusted because the original income tax revenue estimate on net profits was too low and the

original estimate did not include income tax withholdings for people who switched to working from home versus their old workplace sites (outside of the City of Brunswick). This situation was particularly more noticeable in the insurance and banking industries during 2022, but was unknown and unable to be predicted when the original FY 2022 budget and income tax revenue estimates were compiled.

2) $200,000 total increase in future capital set aside for various departments. This includes $50,000 each for the city's 4 largest departments: Police, Fire, Service & Parks. This increase is not an expenditure of funds either but merely a transfer of funds to a separately identified capital reserve account. These funds will be used for future capital purchases and help each department better achieve their long-term goals in funding their 5-year capital plans.

3)$136,698 increase in appropriations for the Plum Creek Trail Phase II project. This increase is based on updated information received from the City Engineer on September 16, 2022 and anticipated increased costs relating to the construction of a bridge relating to the project.

4) $386,393.80 reduction in appropriation for several road programs that were completed or no longer needed in FY 2022. The reduction will also allow the City to re-budget these same funds in FY 2023 or set aside for future road improvement projects.

All other items not specifically listed in this summary are detailed with a description and listed amounts in the attached Exhibit B.

Exhibit A is the legal document required to be reviewed and adopted by Council pursuant to Ohio Revised Code Section 5705 for these budget amendments to be adopted.

Exhibit B is provided for informational and review purposes only.

It’s important to note that this legislation only has a budgetary impact and actual expenditures are still subject to state and local laws.

RECOMMENDED ACTION:

One Reading	Yes
Two Readings	No
Three Readings	No
Emergency	Yes
Suspension of Rules	Yes

If emergency or suspension of the rules, why the request?
Recommended approval as an emergency with the suspension of the rules. The

emergency clause is necessary in order to remain in compliance with the Ohio Revised Code, allow for the daily operations of the City of Brunswick to continue without interruptions, meet grant deadlines, and keep the budget as up-to-date as possible in order to provide accurate accountability to the City's financial readers and interested parties.

ADDITIONAL INFORMATION:

CITY OF BRUNSWICK, OHIO
ORDINANCE NO. _

By:

AN EMERGENCY ORDINANCE AMENDING ORDINANCES #110-2021 #15-2022, #37-2022, #53-2022 AND #66-2022 TO INCLUDE AMENDMENTS TO THE APPROPRIATION BUDGET FOR THE YEAR ENDING DECEMBER 31, 2022 AS INCORPORATED IN EXHIBIT "A" ATTACHED HERETO.

WHEREAS: Ordinance #110-2021 adopted appropriations for 2022; and Ordinances #15-2022, #37-2022, #53-2022 and #66-2022 regarding amendments to the 2022 appropriation budget, were previously adopted by Council; and

WHEREAS: "Exhibit A" reflects the appropriations as required by the Ohio Revised Code Section 5705.38(C); and

WHEREAS: The amendments are described in detail and attached hereto as "Exhibit B" for informational purposes only; and

WHEREAS: In order to properly budget in accordance with State law for expenditures presently anticipated it is necessary to amend Ordinances #110-2021, #15-2022, #37-2022, #53-2022 and #66-2022.

WHEREAS: THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY ORDAINS:

SECTION 1: Ordinances #110-2021, #15-2022, #37-2022, #53-2022 and #66-2022 are hereby amended to reflect the appropriations as attached hereto and incorporated herein as Exhibit "A."

SECTION 2: That this Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public health, safety and welfare, and for the usual daily operation of a municipal government and for the additional reason that Council wishes to maintain accurate appropriations. Therefore, the same shall be in full force and effect from and after its passage by the required number of votes.

PASSED: 1st Reading __

RULES SUSPENDED: AYES ____ NAYS ___

ADOPTED: _________________________ AYES ____ NAYS ____

ATTEST: ________________________
Clerk of Council
Laura E. Timura

EXHIBIT A September 26, 2022

Fund Number	Fund Name / Department	Personal Service	Other		Total
General Fund					
001	General Fund				
	City Council	179,403.00	88,181.75	$	267,584.75
	Mayor	101,410.00	96,204.26	$	197,614.26
	City Manager	192,145.00	155,823.73	$	347,968.73
	Information Technologies	176,705.00	511,231.52	$	687,936.52
	Engineering	24,363.00	409,270.00	$	433,633.00
	Building Department	340,192.00	280,854.59	$	621,046.59
	Cemetery Maintenance	-	19,075.00	$	19,075.00
	Janitorial Contract	-	21,627.00	$	21,627.00
	City Hall Building & Grounds	17,800.00	66,938.00	$	84,738.00
	Administrative Services	96,258.52	62,321.17	$	158,579.69
	Economic Development	114,145.00	263,520.76	$	377,665.76
	Animal Control	76,790.00	76,343.81	$	153,133.81
	Law Department	192,065.00	299,881.00	$	491,946.00
	Finance Department	258,691.00	234,526.72	$	493,217.72
	Income Tax Department	203,469.00	245,014.00	$	448,483.00
	Parks & Recreation Director	77,000.00	65,087.00	$	142,087.00
	General Fund Administration	-	1,203,552.04	$	1,203,552.04
	Planning Division/Community Development	46,799.00	41,361.72	$	88,160.72
	Board of Building Appeals	488.00	1,219.00	$	1,707.00
	Board of Zoning Appeals	3,432.00	4,970.00	$	8,402.00
	Board of Civil Service	11,783.00	33,116.00	$	44,899.00
	Board of Ethics	5,460.00	4,625.00	$	10,085.00
	Board of Charter Review	-	-	$	-
	Board of Commemorative Affairs	-	23,540.00	$	23,540.00
	General Fund Transfers / Advances	-	26,784,754.20	$	26,784,754.20
001	Total General Fund	$ 2,118,398.52	$ 30,993,038.27	$	33,111,436.79
Special Revenue Funds:					
110	Court Computerization Fund	5,404.00	17,257.71	$	22,661.71
111	FEMA Grant Fund	-	-	$	-
114	Police Fund	4,654,349.76	4,977,776.43	$	9,632,126.19
115	Fire Fund	2,580,651.00	7,558,458.07	$	10,139,109.07
117	Street Repair & Maintenance Fund	1,217,454.00	2,830,610.09	$	4,048,064.09
118	State Highway Fund	-	131,675.00	$	131,675.00
119	Law Enforcement Fund	-	14,937.75	$	14,937.75
120	Brunswick Transit Alternative (BTA) Fund	-	45,000.00	$	45,000.00
123	Brunswick Area Television (BAT) Fund	163,605.00	279,024.30	$	442,629.30
127	Parks Fund	205,346.00	410,155.02	$	615,501.02
129	Department of Justice Federal Grant Fund	2,276.25	193,015.83	$	195,292.08
130	DUI Enforcement & Education Fund	-	-	$	-
131	Recreation Center Fund	391,274.00	635,651.50	$	1,026,925.50
133	Home Improvement Grant Fund (CDBG)	-	27,595.43	$	27,595.43
140	Local Fiscal Recovery Fund	1,447,150.97	586,712.09	$	2,033,863.06
141	Opiod Settlement Fund	-	10,348.58	$	10,348.58
Enterprise Funds:					
223	Refuse Fund	70,966.00	2,877,644.61	$	2,948,610.61
224	Storm Water Management Fund	33,334.00	1,222,305.47	$	1,255,639.47
Capital Improvement Funds:					
300	General Permanent Improvement Fund	-	3,489,014.17	$	3,489,014.17
332	Road Levy Fund	-	2,652,800.00	$	2,652,800.00
333	Road Improvement Fund	-	6,537,849.55	$	6,537,849.55
334	Traffic Control Fund	-	-	$	-

335	Public Square Fund	-	-	$	-
336	City Building Improvement Fund	-	373,960.00	$	**373,960.00**
339	Fire Improvement Fund	-	79,618.16	$	**79,618.16**
341	Park Improvement Fund	-	1,776,361.75	$	**1,776,361.75**
347	North Carpenter Road Improvement Fund	-	1,937,645.20	$	**1,937,645.20**
348	Boston Road Improvement Fund	-	93,519.24	$	**93,519.24**
353	I-71 / Rt. 303 Enhancement Fund	-	-	$	-
360	Brunswick Lake Improvement Fund	-	619,412.05	$	**619,412.05**
371	OPWC Laurel Road Improvement Fund		664,710.63	$	**664,710.63**
372	OPWC Old Eagle Drive Improvement Fund		509,825.64	$	**509,825.64**
373	OPWC Skyview Drive Improvement Fund	-	1,579,180.00	$	**1,579,180.00**
Self Insurance Fund:					
600	Self Insurance Fund	-	3,479,450.00	$	**3,479,450.00**
Debt Service Funds:					
771	General Obligation Bond Retirement Fund	-	-	$	-
782	Special Assessment BRF: Laurel Road (2006)	-	38,612.50	$	**38,612.50**
783	Special Assessment BRF: Brunswick Lake - Dam	-	18,948.80	$	**18,948.80**
784	Special Assessment BRF: Brunswick Lake - Dredging	-	11,826.18	$	**11,826.18**
Agency Funds:					
881	General Trust Agency Fund	-	750,000.00	$	**750,000.00**
882	Unclaimed Money Agency Fund	-	20,000.00	$	**20,000.00**
885	Flexible Spending Agency Fund	-	140,000.00	$	**140,000.00**
886	Non-Residential 3% Building Permit Agency Fund	-	35,000.00	$	**35,000.00**
887	Residential 1% Building Permit Agency Fund	-	10,000.00	$	**10,000.00**
			Grand Total	$	90,519,149.52

City of Brunswick, Finance Office

"Exhibit B" : Schedule of Amendments to the Permanent Budget #5 - For informational purposes only

For the Budget Year Ending December 31, 2022

9/26/2022

Fund Name / Account Name	Account Number	Appropriation Adjustment Amount	Description
General (#001)			
CAPITAL OUTLAY	904-0302-56252	25,000.00	Anticipated price increases for server and firewall. If pricing is too volatile, these purchases may be recommended in FY 2023 instead. Fluid situation.
E.D. INDUCEMENT PROGRAM	001-0490-54285	(42,000.00)	Reduce budget for income tax inducement grants. This portion no longer anticipated. Will leave an unencumbered 2022 budget of $50,255.
LEGAL/COLLECTION COSTS	001-0720-54233	20,000.00	Increase in legal, court and collection costs for delinquent taxpayer collections. Increased collections generally results in increased collection costs.
COUNTY AUDITOR FEES	001-0880-54278	(48,940.00)	Reduce appropriations by special R/E refund on fees received from the County Auditor's Office in July 2022.
TRANSFER OUT RECONCILED CY TAX ALLOCATION	001-0999-99952	704,876.00	Estimated income tax fund allocations to comply with Ord #17-2022 for the recent 4% increase in income tax revenue estimates. The increase income tax revenue estimates is based on first 8 months of actual tax revenue activity (Orig tax revenue estimates were particularly low on net profits & withholdings with added updates for actual withholdings for those working from home that used to work at the employer's workplace site, particularly noticeable in the banking and Insurance industries with those amounts also not included in original estimates).
General Fund Total		**658,936.00**	
Police Fund (#114)			
TRANSFER TO CAPITAL	114-0520-99999	50,000.00	Increase capital set aside transfers In/Out. No effect on fund balance. Actual set aside to mirror actual collections in fines and forfeitures revenue.
Police Fund Total		**50,000.00**	
Fire Fund (#115/952)			
EMS SUPPLY GRANT	115-0510-55255	661.23	EMS Training & Equipment Grant for July 1, 2022 - December 31, 2022.
TRANSFER OUT TO CAPITAL #952	115-0510-99999	50,000.00	Increase capital set aside transfers In/Out. No effect on fund balance. Actual set aside to mirror actual collections in EMS billing revenue.
Fire Fund Total		**50,661.23**	
Street R & M Fund (#117)			
TRANSFER OUT TO CAP #953	117-0420-99999	50,000.00	Increase capital set aside transfers In/Out. No effect on fund balance.
Street R & M Fund Total		**50,000.00**	
Law Enforcement Trust Fund (#119)			
COMPLEX INVESTIGATIONS	119-0523-53230	6,888.00	Increase appropriations to account for proceeds distributed per Court case #21TRC0294 & Law Director Memo #3 & #4 (c) dated 09/09/2022.
COMPLEX INVESTIGATIONS	119-0523-53230	4,170.75	Increase appropriations to account for proceeds distributed per Court case #21TRC05084 & Law Director Memo #3 & #4 (c) dated 09/09/2022.
Total Law Enforcement Trust Fund (#119)		**11,058.75**	
Parks Fund (#127/960)			
INTRAFUND TRANSFER OUT	127-0810-99999	50,000.00	Increase capital set aside transfers In/Out. No effect on fund balance.
Parks Fund Total		**50,000.00**	
Refuse Fund (#223)			
CONTRACTED REFUSE COLLECTION SERVICES	223-0710-54260	(39,300.00)	Appropriations no longer needed based on revised cost projections for variable costs, new homes, etc.
Total Refuse Fund		**(39,300.00)**	
Capital Projects Improvement Fund (#300)			
LOCAL COST SHARE -TRAIL PH 2	300-0812-56700	136,698.00	Additional funds requested for trail phase II project. Anticipated increased costs for bridge, however, City still in discussions with bridge consultant.
Capital Projects Improvement Fund Total		**136,698.00**	
Road Capital Projects Fund (#333)			
ENG/CONTRACT ADMINISTRATION	333-0410-56883	(50,000.00)	Remove this portion from the FY 2022 budget to use on road improvement projects in FY 2023 or future budgets.
CONCRETE/ ASPHALT REPAIR	333-0474-56870	(200,000.00)	Remove this portion from the FY 2022 budget to use on road improvement projects in FY 2023 or future budgets.
SLEEPY HOLLOW CONSTRUCTION	333-0487-56881	(136,393.80)	Final reconciliation of costs for the City of Brunswick's share on Sleepy Hollow. Remaining budget is now available for projects in FY 2023 and beyond.
Road Capital Projects Fund Total		**(386,393.80)**	

THE CITY OF BRUNSWICK

PROPOSED LEGISLATION

DATE: 9/26/2022

TO: Vice Mayor Nicholas Hanek and Members of City Council

FROM: Carl S. DeForest, City Manager
Todd Fischer

COPY: Mayor Ron Falconi

LEGISLATION: **RES. NO. 90-2022** - An emergency resolution authorizing the City Manager to enter into a five-year contract to engage James G. Zupka, CPA, Inc., to audit the City of Brunswick for the fiscal years ending December 31, 2022 through December 31, 2026. - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

BACKGROUND: In order to comply with Ohio Revised Code Section 115.56, the City must enter into a contract to conduct an independent audit of the City's financial records for each fiscal year. The current audit contract has expired.

During the summer of 2022, the Auditor of State's Office and the City of Brunswick received and evaluated several audit service proposals . The evaluation of those proposals included following the instructions and scoring system of the Auditor of State's Office. James G. Zupka, CPA, Inc. received the highest score of those received.

This presented resolution is to authorize the City Manager to enter into a five-year agreement to engage James G. Zupka, CPA., Inc. to audit the basic financial statements of the City for the fiscal year ending December 31, 2022 through December 31, 2026 for an annual cost not to exceed amounts listed in the attached proposal with an option to modify the contract up to an additional $6,000 each applicable year to conduct a federal single audit under the A-133 Audit Standards if the City of Brunswick expends more than $750,000 in federal awards for fiscal years ending December 31, 2023 through December 31, 2026.

PURPOSE AND EXPLANATION: Refer to background information.

IMPLEMENTATION SCHEDULE: The recommendation is for the Committee's consideration to place this resolution on the September 26, 2022 City Council agenda with emergency and suspension of the rules.

FINANCIAL INFORMATION:

FINANCIAL SUMMARY: Audit related service costs will be encumbered each year based on sufficient annual appropriations being in place for each year for this contract. Audit costs have historically and expected to be charged to 001-0880-54282.

RECOMMENDED ACTION:

One Reading	Yes
Two Readings	No
Three Readings	No
Emergency	Yes
Suspension of Rules	Yes

If emergency or suspension of the rules, why the request?

The recommendation is for the Committee's consideration to place this resolution on the September 26, 2022 City Council agenda with emergency and suspension of the rules. The emergency and suspension of the rules has been requested to execute the agreement as soon as possible and to timely set-up a schedule with the auditors. A timely schedule will then allow the audit to be completed in a more timely and efficient manner. In addition, more time should allow us to meet the Auditor of State's and Government Accounting Standards Board filing deadlines, while giving us the ability to present audited financial statements sooner than later. Having the most up-to-date audited financials can be very beneficial in many situations that could potentially arise in FY 2023.

ADDITIONAL INFORMATION: None.

CITY OF BRUNSWICK, OHIO
RESOLUTION NO. _

By:

AN EMERGENCY RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A FIVE-YEAR CONTRACT TO ENGAGE JAMES G. ZUPKA, CPA, INC. TO AUDIT THE CITY OF BRUNSWICK FOR THE FISCAL YEARS ENDING, DECEMBER 31, 2022 THROUGH DECEMBER 31, 2026.

WHEREAS: Pursuant to Ohio Revised Code Section 115.56 when the Auditor of State determines that the Auditor's office will not audit a public office, the Auditor shall contract with a certified public accountant, public accountant, or an official governmental audit organization to perform this audit on behalf of the Auditor of State's Office; and

WHEREAS: If the City expends more than $750,000 in federal assistance in any given fiscal year on or after January 1, 2022, the City will be subject to a federal single audit under the A-133 Audit Standards; and

WHEREAS: The federal single audit costs are included in the proposal for the fiscal period ending December 31, 2022, however, due to uncertainty the federal single audit costs have been excluded from the cost proposals for fiscal periods ending December 31, 2023 through December 31, 2026; and

WHEREAS: If the City does expend more than $750,000 in federal assistance in any of the 4 final years of this contract, it will require a contract modification with the Auditor of State's Office and James G. Zupka, CPA, Inc.

WHEREAS: THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY RESOLVES:

SECTION 1: That the City Manager is hereby authorized to enter into a five year agreement to engage James G. Zupka, CPA., Inc. to audit the basic financial statements of the City for the fiscal year ending December 31, 2022 through December 31, 2026 for an annual cost not to exceed amounts listed in the proposal with an option to modify the contract up to an additional $6,000 each applicable year to conduct a federal single audit under the A-133 Audit Standards if the City of Brunswick expends more than $750,000 in federal awards for fiscal years ending December 31, 2023 through December 31, 2026.

SECTION 2: This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety, welfare, and providing for the usual daily operation of a municipal department, and for the additional reasons to comply with Ohio Revised Code Section 115.56 and establish a timely audit schedule. Therefore, the same shall be in full force and effect from and after its passage by the required number of votes.

PASSED: 1st Reading _

RULES SUSPENDED: AYES ____ NAYS ___

ADOPTED: _________________________ AYES ____ NAYS ____

ATTEST: _______________________
Clerk of Council
Laura E. Timura

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants (216) 475 - 6136 Ohio Society of Certified Public Accountants

I hereby certify that I am entitled to represent the firm of James G. Zupka, CPA, Inc., empowered to submit this bid for the services outlined in the attached proposal, and authorized to sign a contract for such services with the **City of Brunswick.**

Kyle K. Dougherty
Digitally signed by Kyle K. Dougherty
DN: cn=Kyle K. Dougherty, o=James G. Zupka, CPA, Inc. DBA Zupka and Associates, ou, email=kdougherty@zupkacpa.com, c=US
Date: 2022.08.31 18:16:48 -04'00'

Kyle Dougherty
Certified Public Accountant

Total All-Inclusive Fixed Fee:

For the Fiscal Period ending December 31, 2022	$ 30,744
For the Fiscal Period ending December 31, 2023	28,050
For the Fiscal Period ending December 31, 2024	28,380
For the Fiscal Period ending December 31, 2025	28,710
For the Fiscal Period ending December 31, 2026	29,040
	$ 144,924

JAMES G. ZUPKA, CPA, INC.

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
TO SUPPORT THE ALL-INCLUSIVE TOTAL FIXED FEE
FOR THE AUDIT OF THE FINANCIAL STATEMENTS OF THE
CITY OF BRUNSWICK

	Hours	Hourly Rate	Total Fixed Fee
Partner	53	$ 84	$ 4,452
Manager/Quality Control	80	84	6,720
Supervisory Staff/Senior	132	84	11,088
Staff	101	84	8,484
Other (specify):	0	84	0
Total for Fiscal Period Ending 2022	366	$ 84	$ 30,744
Amount attributable to MBE/EDGE (if applicable)			$ 0

		Hours	Average Hourly Rate	Total Fixed Fee	MBE/EDGE (if applicable)
Fiscal Period Ending	2023	330	$ 85	$ 28,050	$ 0
Fiscal Period Ending	2024	330	$ 86	$ 28,380	$ 0
Fiscal Period Ending	2025	330	$ 87	$ 28,710	$ 0
Fiscal Period Ending	2026	330	$ 88	$ 29,040	$ 0
Total for Fiscal Periods	2022-2026	1,686	$ 86.00	$ 144,924	$ 0