

FINANCE COMMITTEE MEETING

held April 23, 2012

7:00 p.m.

Present: Chairman Mike Young  
Councilman Dwight Clark  
Councilman Dave Tadych

Also Present: Finance Director Presley, Councilwoman Lieske, Fire Chief Lyons,  
Police Lieutenant John Kirchner, Operation Manager Landers, Service  
Director Galli

Audience: Susan Murnane, John Suter, Eric and Cynthia Eakin

Mr. Young called the meeting to order at 7:00 p.m.

**Assigned City Vehicle Use Policy**

Mr. Young stated that a copy of the vehicle use policy was provided to the members of the Finance Committee. Discussions have been held with the members of Council and there have been questions as to whether we are trying to change the current tax policy of the city as it applies to the use of the vehicles. Mr. Young asked Mr. Presley to speak to that matter.

Finance Director Presley stated that for personally assigned vehicles, the city does keep track and records the annualized lease value times the percentage of personal miles driven by the individual, if they have kept track of those miles. The beginning mileage from the year before, and the ending mileage is determined. Mr. Presley calculates the percentage of personal use. Based on the value of the vehicle, there is annualized lease value that can be looked up off the taxable fringe benefit chart. That is multiplied by the percentage of miles the individual has used over the year. That value goes on the individual's W2 form as a non-cash income. Before the residents were reimbursing for fuel, fuel was added to that based on 15 miles to a gallon for a truck and 20 miles to a gallon for a passenger vehicle. That requirement will still be followed.

Mr. Young stated that the committee thought that the existing policy for those people who live in Bay Village is sufficient. For those outside the city, two of the assigned vehicle users live well over 40 miles outside the city, another lives 36 miles outside the city. A couple others are in-between. It was not considered reasonable for these employees to have the tax consequences only. The cars are assigned on the basis of the users being first, or emergency, responders. That can be for service personnel within the city for snow plowing or storm sewer problems, and for police and fire department employees. If they live within a reasonable distance and can respond as an emergency responder, the policy should not be changed. Beyond that, the policy should be changed.

Mr. Young suggested the following policy based on the discussions during the past week.

Tier 1 –For Temporary use of city vehicles in lieu of reimbursement for mileage and or for those employees who are assigned a city vehicle, who reside within the City of Bay Village. No reimbursement due. This will be broadened out to include those employees who live in contiguous communities, not exceeding 5.5 miles from one’s work place to the place of residence.

Tier II – For those employees assigned a city vehicle that live outside of the city, exceeding more than 5.5 miles but not exceeding 25 miles from one’s work place to the place of residence, the reimbursement rate is \$300 per month.

Tier III - For those employees assigned a city vehicle that live outside of the city more than 16 miles but not exceeding 25 miles from one’s work place to the place of residence, the reimbursement rate is \$425 per month.

\$125 shall be added for each additional 5 miles over 25 that an employee lives away from city hall.

Mr. Clark commented that the premise of this whole policy is to provide a reasonable reimbursement to the city for the cost of an employer provided vehicle for city employees. It is desired to make this as clear as possible and not work to the degradation of anyone in particular. The simpler the policy is the better off we are. If the policy is not working well after nine months, it can be changed. In 2011 there was \$4700 in reimbursement to the city for fuel use in city vehicles. This averages out to \$400 per month for nine vehicles. Mr. Clark stated that he would use the wording \$125 shall be added for each additional five miles over x number of miles the employee lives from the city.

Mr. Tadych stated that he has no problem with three tiers, plus one factor for those distances greater than the third tier.

Susan Murnane asked if this is in lieu of fuel reimbursement, or in addition to. She was informed that the reimbursement would be in lieu of fuel reimbursement. Personal miles will still have to be kept track of for the fringe benefit tax calculation.

Mr. Young stated that he would like additional time to review the changes put forth this evening and discuss them further with Council before presentation for approval on May 7, 2012.

### **HEALTH CARE**

Mr. Young stated that the Finance Committee is meeting with human resource personnel from surrounding cities regarding possible changes in health care provisions.

### **MEETINGS WITH BOARD OF EDUCATION**

The committee is meeting with the schools to learn how to right size services and make sure the services provided together make sense.

**PARAMEDIC FUND AND SEWER FUND – OPERATIONAL VERSUS CAPITAL COSTS**

The Paramedic Fund at this time just covers the paramedic personnel. No equipment or facilities are included. The Sewer Fund, as well, covers only operational costs. No capital costs are included. Both of these funds have to be expanded to cover both operational and capital expenses. Mr. Young suggested that everyone give thought to changing this funding to capture capital and equipment costs in these two funds as we move forward.

Mr. Clark noted that the committee has an idea of the capital costs in front of the city at this time for the sewers. There is now a clearly known quantity for what the state loan will provide. The third piece is what will be done to put the right strategy in place for operations and capital costs. Advances in infrastructure improvement tie together with this as well.

There being no further business to discuss, the meeting adjourned at 7:30 p.m.

---

Mike Young, Chairman

---

Joan Kemper, Secretary