

**MINUTES OF THE JANUARY 17, 2017
SPECIAL MEETING OF THE ALLIANCE CITY COUNCIL**

The meeting was called to order by President Garnes at 6:30 P.M.

ROLL CALL: Larry Dordea, James Edwards, Julie Jakmides, Cindy King, and Donald Kline present.

Council Clerk Yost Read the Notice of the Special Meeting.

Mayor Andreani explained the need for the special meeting to review the city finances with the Auditor prior to preparing the 2017 budget.

Auditor Knowles distributed to Council members copies of informational packets on the City finances and revenue and expense history of the City that had also been distributed electronically to members of Council.

Auditor Knowles then reviewed the City carry-over and fund balances at the conclusion of 2016 and the bank reconciliation statements to show the City's financial state. Auditor Knowles then went on to show the breakdown of carry over by fund and show what funds were more solvent than others.

The Auditor gave Council a General Fund history of the last several years as well as a history of revenue and expenses for that same period. The Auditor broke down and reviewed City expenses by the various departments and reviewed revenue sources by revenue code and source.

The Auditor further explained that the mandated changes in Local Income Tax Collection methods caused and artificially inflated collection for tax year 2016 but that increase won't be repeated because all employers are on a monthly collection system and the increased collection was the result of employers "catching up" as they converted to a monthly payment system. Now that all are converted, this affect won't happen again.

Auditor Knowles explained the how the self-funded self-insurance fund works and this year's cost is going to be increased. Councilman Edwards asked about "stop gap" coverage and costs and the Auditor explained this process and the expense. Councilwoman Cherry questioned if all employees are on the new Health Care coverage system begun a few years ago and was informed some are not due to collective bargaining agreement terms and dates. All should be uniform at some time in the future.

Auditor Knowles explained how Fiscal watch and Fiscal Emergency are determined by the Auditor and explained the information received from the State Auditor's office outlining the ORC provisions the City must comply with when formulating the 2017 budget.

The Auditor also distributed a breakdown of different scenarios utilizing various percentages of re-allocation of the income tax. The Auditor noted that Council needs to determine the direction they want to move in compiling the 2017 budget and more meetings and discussions are probably necessary

Motion and second to adjourn the special meeting of City Council. Voice Vote: Unanimous

ADJOURNMENT: Noting no further business presented or discussed with Council, President Garnes adjourned the special meeting of City Council at 6:59 P.M.

ARTHUR GARNES, PRESIDENT

GERARD T. YOST, COUNCIL CLERK