



AGENDA
CUYAHOGA COUNTY FINANCE & BUDGETING COMMITTEE MEETING
MONDAY, AUGUST 18, 2014
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
COMMITTEE ROOM A – 4TH FLOOR
1:00 PM

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT RELATED TO THE AGENDA**
- 4. APPROVAL OF MINUTES FROM THE AUGUST 4, 2014 MEETING**
- 5. MATTERS REFERRED TO COMMITTEE**
 - a) R2014-0199: A Resolution amending Resolution No. R2013-0201 dated 9/24/2013, which authorized an award to Woods Cove III, LLC, as purchaser, and Lien Servicing, LLC, as servicer, for the sale of tax lien certificates by removing the amount not-to-exceed \$25,000,000.00; authorizing the County Executive to execute all documents consistent with this Resolution; and declaring the necessity that this Resolution become immediately effective.
 - b) O2014-0021: An Ordinance amending Chapter 701 of the Cuyahoga County Code by adding Sections 701.06 and 701.07 to establish guidelines for the County's investment policy and financial reporting requirements for Cuyahoga County.
 - c) O2014-0025: An Ordinance enacting Chapter 718 of the Cuyahoga County Code to enact the Cuyahoga County Financial Transaction Modernization Act governing the use of financial transaction devices by County entities for payment of County expenses, and declaring the necessity that this Ordinance become immediately effective.

6. MISCELLANEOUS BUSINESS

- a) Discussion of 2nd Quarter County Financial Report
- b) Report from OBM on debt financing plan

7. OTHER PUBLIC COMMENT

8. ADJOURNMENT

*Complimentary parking for the public is available in the attached garage at 900 Prospect. A skywalk extends from the garage to provide additional entry to the Council Chambers from the 5th floor parking level of the garage. Please see the Clerk to obtain a complimentary parking pass.



MINUTES

**CUYAHOGA COUNTY FINANCE & BUDGETING COMMITTEE MEETING
MONDAY, AUGUST 4, 2014
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
COMMITTEE ROOM A – 4TH FLOOR
1:00 PM**

1. CALL TO ORDER

Chairman Miller called the meeting to order at 1:05 p.m.

2. ROLL CALL

Mr. Miller asked Ms. Culek to call the roll. Committee members Miller, Gallagher, Jones, Connally and Brady were in attendance and a quorum was determined. Committee members Schron and Greenspan were absent from the meeting.

3. PUBLIC COMMENT RELATED TO THE AGENDA

No public comments were given.

4. APPROVAL OF MINUTES FROM THE JULY 21, 2014 MEETING

A motion was made by Mr. Brady, seconded by Ms. Connally and approved by unanimous vote to approve the minutes of the July 21, 2014 meeting.

5. DISCUSSION

- a) Dedication of new County Council Committee Hearing Room

The Pledge of Allegiance was recited and Ms. Connally and Mr. Brady offered brief opening remarks regarding the new Council Chambers and Committee Rooms.

- b) Current and pending projects funded from future debt

Mr. Miller addressed the Committee regarding the County's bonding capacity and appropriations for capital projects. Mr. Christopher Murray, Interim Director of the

Office of Budget and Management, addressed the Committee regarding financing and cash flow analysis of capital projects.

Committee members asked questions of Mr. Murray pertaining to this item, which he answered accordingly.

Ms. Bonnie Teeuwen, Director of the Department of Public Works, addressed the Committee regarding capital appropriations related to the Justice Center. Discussion ensued.

Committee members asked questions of Ms. Teeuwen pertaining to the item, which she answered accordingly.

c) Items B, C & D from Resolution No. R2014-0185:

B. 40A069 – Capital Projects Future Debt Issuance **BA1400210**

IT768481 – Call Manager
Capital Outlays \$4,300,000.00

Funding Source: Funding for the Call Manager will come from future debt issuance. This is a temporary use of General Fund reserves.

C. 40A069 – Capital Projects Future Debt Issuance **BA1400355**

CC768523 – Pedestrian and Bicycle Bridge
Personal Services \$925,000.00
Other Expenses \$4,500,000.00
Capital Outlays \$19,575,000.00

Funding Source: Funding for the pedestrian and bicycle bridge will come from future debt issuance, State grant, the City of Cleveland and Hotel project funds, if available. Temporary use of reserves.

D. 40A069 – Capital Projects Future Debt Issuance **BA1400356**

CC768531 – Hunter Building and Men’s Shelter
Personal Services \$253,513.00
Other Expenses \$106,936.00
Capital Outlays \$2,788,643.00

Funding Source: Funding for the men’s shelter roof will come from future debt issuance. Temporary use of reserves.

Mr. Jeff Mowry, Chief Information Officer, Ms. Teeuwen and Mr. Murray addressed the Committee regarding items B, C & D from Resolution No. R2014-0185. Discussion ensued.

Committee members asked questions of Mr. Mowry, Ms. Teeuwen and Mr. Murray pertaining to the items, which they answered accordingly.

d) Preliminary Second Quarter Financial Report

Mr. Murray addressed the Committee regarding the Preliminary Second Quarter Financial Report. Discussion ensued.

6. MATTERS REFERRED TO COMMITTEE

- a) R2014-0176: A Resolution making an award on RQ27440 to AT&T Corp. in the amount not-to-exceed \$4,300,000.00 for Voice over Internet Protocol provider services for the period 7/1/2014 - 12/31/2018; authorizing the County Executive to execute the contract and all other documents consistent with said award and this Resolution; and declaring the necessity that this Resolution become immediately effective.

Mr. Miller addressed the Committee regarding Resolution No. R2014-0176. Discussion ensued.

On a motion by Mr. Gallagher with a second by Ms. Connally, Resolution No. R2014-0176 was considered and approved by unanimous vote to be referred to the full Council agenda with a recommendation for passage under second reading suspension of the rules.

- b) O2014-0021: An Ordinance amending Chapter 701 of the Cuyahoga County Code by adding Sections 701.06 and 701.07 to establish guidelines for the County's investment policy and financial reporting requirements for Cuyahoga County.

Mr. Miller addressed the Committee regarding Ordinance No. O2014-0021. Discussion ensued.

No further legislative actions was taken on Ordinance No. O2014-0021.

7. MISCELLANEOUS BUSINESS

Mr. Miller announced that the next Finance & Budgeting Committee meeting will be held on Monday, August 18, 2014 at 1:00 p.m.

8. OTHER PUBLIC COMMENT

No public comments were given.

9. ADJOURNMENT

With no further business to discuss and on a motion by Mr. Jones with a second by Mr. Brady, the meeting was adjourned at 2:21 p.m., without objection.

County Council of Cuyahoga County, Ohio

Resolution No. R2014-0199

Sponsored by: County Executive FitzGerald/Fiscal Officer/County Treasurer	A Resolution amending Resolution No. R2013-0201 dated 9/24/2013, which authorized an award to Woods Cove III, LLC, as purchaser, and Lien Servicing, LLC, as servicer, for the sale of tax lien certificates by removing the amount not-to-exceed \$25,000,000.00; authorizing the County Executive to execute all documents consistent with this Resolution; and declaring the necessity that this Resolution become immediately effective
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WHEREAS, the County Executive/Fiscal Officer/County Treasurer has submitted a request to amend Resolution No. R2013-0201 dated 9/24/2013, which approved an award and sale of tax lien certificates to Woods Cove III, LLC, as purchaser, and Lien Servicing, LLC, as servicer, and authorized the County Executive and Treasurer to execute an agreement consistent with said award, and in an amount not-to-exceed \$25,000,000.00;

WHEREAS, it is advantageous to the County and its citizens to proceed with an additional sale of tax certificates to provide funding to schools and other local governments in the County who are in needs of this funding; and

WHEREAS, it is necessary that this Resolution become immediately effective in order that critical services provided by Cuyahoga County can continue without interruption, and to provide for the usual, daily operation of a county development.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. That Resolution No. R2013-0201 dated 9/24/2013, is hereby amended as follows:

- A. The tenth “WHEREAS” clause is hereby deleted in its entirety and replaced with the following:

WHEREAS, the County Executive, through the County Treasurer, is recommending an award on the tax certificates sale to Woods Cove III, LLC, as purchaser, and Lien Servicing, LLC, as servicer, for a period not-to-exceed 36 months.

First Reading/Referred to Committee: August 12, 2014
Committee(s) Assigned: Finance & Budgeting

Journal _____
_____, 20__

County Council of Cuyahoga County, Ohio

Ordinance No. O2014-0021

Sponsored by: Councilmember Miller	An Ordinance amending Chapter 701 of the Cuyahoga County Code by adding sections 701.06 and 701.07 to establish guidelines for the County's investment policy and financial reporting requirements for Cuyahoga County.
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WHEREAS, Sections 2.03(9) and 2.03(10) of the Cuyahoga County Charter require the County Executive to submit to Council on a biennial basis a proposed operating budget, capital improvements plan, and detailed supporting financial information on revenues and expenditures; and,

WHEREAS, Section 3.09(5) of the Cuyahoga County Charter gives Council the power to adopt and amend the County's biennial operating budget and capital improvements program and to make appropriations for the County; and,

WHEREAS, the County Office of Budget and Management (OBM) within the Fiscal Office manages the County's budgeting process on behalf of the County Executive; and,

WHEREAS, Cuyahoga County adopted a biennial budget process through Ordinance No. O2011-0036 on 9/13/2011 and the power for a biennial operating budget was incorporated into the County Charter by the voters on November 6, 2012; and,

WHEREAS, Executive and Council collaboration on the budget process would be facilitated by a regular pattern of financial reporting.

NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. The Cuyahoga County Council hereby amends Chapter 701 of the Cuyahoga County Code by adding Sections 701.06 and 701.07 to establish guidelines for the County's investment policy and financial reporting requirements for Cuyahoga County and shall read as follows:

Chapter 701

Section 701.06: Investment Policy

- (A) The Fiscal Officer shall publish on its website the County's written investment policies, as established and revised by the Investment Advisory Committee.

- (B) The Investment Advisory Committee shall provide written notice to County Council of any proposed changes to the County's written investment policies at least seven (7) days before such changes are scheduled to be voted on by the Committee.
- (C) The County Treasurer shall conduct an ongoing analysis of the performance of the County's investment portfolio against the County's investment objectives, policies, procedures, and generally recognized performance benchmarks and shall use this analysis to better align the County's investments with the objectives, policies, and procedures and to improve performance against recognized benchmarks, consistent with safety and liquidity. The County Treasurer shall refer any recommendations for investment policy changes resulting from portfolio performance analysis to the Investment Advisory Committee and shall send a copy to County Council.

Section 701.07: Financial Reporting

- (A) Not later than March 31st of each year of the year, OBM shall prepare, publish, and submit to Council a public presentation on the budget, which shall include the following:
 - (1) An overview of County operations, programs, and finances;
 - (2) A presentation of key financial schedules;
 - (3) A presentation of reserves on General Fund balance, describing each item and the likelihood that funds set aside for each item will actually need to be expended.
 - (4) A detailed description of the budget process;
 - (5) An analysis of County revenues;
 - (6) A description and analysis of the various fund types;
 - (7) Information related to departmental performance measurement;
 - (8) A presentation of program budgets for each department, office, or agency;
 - (9) A description of the Capital Improvements Plan;
 - (10) A list of the County's outstanding debt obligations and discussion of the County's debt management plan;
 - (11) The list of outstanding loans made by the County, as provided for in Subsection E of this section.
 - (12) A brief overview of the most important aspects of the Biennial Operating Budget, written in non-technical language and available as a separate document.

The budget presentation made in the second year of the biennium may be a summary of changes to the information required above, rather than a full report.

- (B) OBM shall prepare, publish, and submit to Council a quarterly financial report not later than the last day of the month immediately following the end of each

calendar quarter. Such reports may be submitted in preliminary form, with the final report provided within 30 days thereafter.

Quarterly reports shall contain the following:

- (1) A presentation of key financial schedules;
 - (2) A presentation of reserves on General Fund balance, describing each item and the likelihood that funds set aside for each item will actually need to be expended.
 - (3) A schedule of expenditures to date compared to budget for all departments, agencies, and other accounts within the General Fund and the Health and Human Services Levy Fund;
 - (4) An update of projected revenues and expenses for the General Fund, the Health and Human Services Levy Fund, and all funds combined, and a discussion of the likely impact of actual and potential revenue and expenditure variations from the budget plan; and
 - (5) A list of changes to the schedule of the County's bonds, notes, and other obligations.
- (C) OBM shall prepare, publish, and submit to Council a monthly financial report not later than fifteen (15) days after the end of each month, which shall be a brief narrative regarding any of the following that may have occurred during the preceding month:
- (1) Changes to the County's overall revenue and/or expense projections or to any major individual revenue or expense item;
 - (2) Significant changes to the performance of any department or agency relative to its budget;
 - (3) Any significant unexpected revenue or expense obligation;
 - (4) Changes to the projected performance of the County's General Fund and/or Health and Human Services Levy Fund against its reserve target.
- (D) The Fiscal Officer, County Treasurer, and the Investment Advisory Committee shall provide Council a copy of any investment reports generated through its office or committee.
- (E) OBM, in coordination with the Department of Development and other County agencies, as needed, shall maintain and publish annually by March 31st of each year a list of all outstanding loans made by the County, including the amount, interest rate, and term of each loan and the amount of each loan that may be forgivable, if any. OBM shall determine a written process for determining a reasonable and prudent portion of the total loan amount to hold in reserve against nonpayment of loans or the exercise of forgivable loan provisions. This reserve amount shall be reported as a reserve on balance against the General Fund, and it shall be updated at least quarterly with respect to new loans and at least annually with respect to the status of existing loans.

- (F) The county shall use best efforts to ensure timely completion of its work for the county's external audit to enable the external audit to be completed and filed by the next September 30th following each calendar year.
- (G) The Fiscal Officer shall post all reports required to be published under this section on his/her website. Such posting shall be the primary means of publication, but the Fiscal Officer may provide printed copies as needed. Reports required to be sent to Council may be sent electronically to the Clerk of Council, who shall send them to the members of Council.

SECTION 2. It is found and determined that all formal actions of this Council relating to the adoption of this Ordinance were adopted in an open meeting of the Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

On a motion by _____, seconded by _____, the foregoing Ordinance was duly enacted.

Yeas:

Nays:

_____	_____
County Council President	Date
_____	_____
County Executive	Date
_____	_____
Clerk of Council	Date

First Reading/Referred to Committee: July 22, 2014

Committee(s) Assigned: Finance & Budgeting

Journal _____
 _____, 20__

County Council of Cuyahoga County, Ohio

Ordinance No. O2014-0025

Sponsored by: County Executive FitzGerald/Department of Law	An Ordinance enacting Chapter 718 of the Cuyahoga County Code to enact the Cuyahoga County Financial Transaction Modernization Act governing the use of financial transaction devices by County entities for payment of County expenses, and declaring the necessity that this Ordinance become immediately effective.
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WHEREAS, it is necessary for the County to establish the laws governing the use of financial transaction devices by County entities for the payment of County expenses; and

WHEREAS, it is necessary that this Ordinance become immediately effective in order that critical services provided by Cuyahoga County can continue.

NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. Chapter 718 of the Cuyahoga County Code is hereby enacted to read as follows:

Chapter 718: Payments by Financial Transaction Device

Section 718.01: Definitions

As used in Chapter 718 of the Cuyahoga County Code:

- A. "County Entity" or "County entity" includes the County and any County office, officer, official, department, agency, court, board, commission, committee, organization, corporation, or any other County Entity established by or pursuant to the Charter of Cuyahoga County, the Ohio Constitution, or Ohio law.
- B. "County Expense" or "County expense" shall be interpreted broadly, and it shall include, without limitation, any and all fees, costs, taxes, assessments, fines, penalties, payments, or any other expense owed to or collected by any County entity. "County expense" includes payment to a County entity of money confiscated during the commitment of an individual to a County jail, of bail, of money for an inmate account, and

of money for goods and services obtained by or for the use of an individual incarcerated by the Sheriff.

- C. “Financial Transaction Device”, “Financial transaction device”, or “financial transaction device” includes credit card, debit card, charge card, prepaid or stored value cards, automated clearinghouse network credit, debit, or e-check entry that includes, but is not limited to, accounts receivable and internet-initiated point of purchase, and telephone-initiated applications or any other device or method for making an electronic payment or transfer of funds.
- D. “Financial Transaction Provider”, “Financial transaction provider”, or “financial transaction provider” includes a financial institution, issuer of financial transaction devices, or processor of financial transaction devices to accept, take, and/or process a financial transaction device.
- E. “Associated fee” or “associated fee” includes, without limitation, any nonrefundable surcharge, nonrefundable convenience or other fee, or any other refundable or nonrefundable fee that is assessed by a County entity or a financial transaction provider in connection with the processing of a County expense by financial transaction device.

Section 718.02: Payment of County Expenses by Financial Transaction Devices

- A. County entities are authorized to accept and require payment for County expenses by financial transaction devices and may impose associated fees to be paid either directly to the County entity or the financial transaction provider. County entities shall, as practicable, coordinate their use of financial transaction devices with the Fiscal Officer to avoid duplication of services.
- B. Every County entity accepting or otherwise mandating payment by a financial transaction device shall clearly post a schedule of its fees, including any associated fees, in the County entity’s office and on its web site. If the associated fees are non-refundable, the posting shall include a notice that the associated fees are non-refundable. County entities need not provide additional notice to the County of their intent to accept or require payment by financial transaction devices.

Section 718.03: Dishonored or Returned Payments

- A. In the event that a payment is made by a financial transaction device and the payment is returned or dishonored for any reason, the payer shall be liable to the County Entity for payment of a penalty in an amount necessary to reimburse the County entity for banking charges, legal fees,

or other expenses incurred by the County entity in collecting the returned or dishonored payment.

- B. No person making any payment by financial transaction device to a County entity shall be relieved from liability for the underlying obligation except to the extent that the County entity realizes final payment of the underlying obligation in cash or its equivalent. If final payment is not made by the financial transaction device issuer or other guarantor of payment in the transaction, the underlying obligation shall survive and the County entities shall retain all remedies for enforcement that would have applied if the transaction had not occurred.
- C. The remedies and procedures provided in this section are in addition to any other available civil or criminal remedies provided by law.

Section 718.04: Contracts with Financial Transaction Providers

All contracts or agreements with financial transaction providers pursuant to this Chapter shall be reviewed and approved by the appropriate approval authority depending on the monetary threshold of each such contract or agreement in accordance with Chapter 501 of the Cuyahoga County Code. This section may not be interpreted to require additional approval of any existing contracts or agreements for the payment of County expenses by financial transaction devices, including any associated fees thereunder, which are hereby retroactively ratified.

Section 718.05: Immunity of County Officials and Employees

A County official or employee who accepts or otherwise mandates a financial transaction device payment in accordance with this Chapter, court order, or Ohio law shall be immune from personal liability and shall be entitled to defense by the Law Department.

SECTION 2. It is necessary that this Ordinance become immediately effective for the usual daily operation of the County; the preservation of public peace, health or safety of the County; and any additional reasons set forth in the preamble. Provided that this Ordinance receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Cuyahoga County Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

