



**AGENDA**  
**CUYAHOGA COUNTY FINANCE & BUDGETING COMMITTEE MEETING**  
**MONDAY, AUGUST 25, 2014**  
**CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS**  
**COUNCIL CHAMBERS – 4<sup>TH</sup> FLOOR**  
**1:00 PM**

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PUBLIC COMMENT RELATED TO THE AGENDA**

**4. APPROVAL OF MINUTES**

- a) August 4, 2014 Meeting
- b) August 18, 2014 Meeting

**5. MATTERS REFERRED TO COMMITTEE**

- a) 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.

**6. MISCELLANEOUS BUSINESS**

- a) Discussion regarding County's bonding capacity and 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 18, 2014  
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS  
COMMITTEE ROOM A – 4<sup>TH</sup> FLOOR  
1:00 PM

1. CALL TO ORDER

**Chairman Miller called the meeting to order at 1:09 p.m.**

2. ROLL CALL

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

3. PUBLIC COMMENT RELATED TO THE AGENDA

**No public comments were given.**

4. APPROVAL OF MINUTES FROM THE AUGUST 4, 2014 MEETING

**Mr. Miller postponed the approval of the 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.

**Mr. Majeed Makhlouf, Director of Law; Mr. William Sheehan, Interim County Treasurer; and Mr. Mark Parks, Fiscal Officer, addressed the Committee regarding Resolution No. R2014-0199. Discussion ensued.**

**Committee members asked questions of Mr. Makhlouf, Mr. Sheehan and Mr. Parks pertaining to the item, which they answered accordingly.**

**On a motion by Ms. Connally with a second by Mr. Schron, Resolution No. R2014-0199 was considered and approved by unanimous vote to be referred to the full Council agenda for second reading.**

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

**A motion was made by Mr. Miller, seconded by Ms. Connally and approved by unanimous vote to amend Ordinance No. O2014-0021 by deleting Section 701.07 (A) and replacing it with the following:**

- (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 reflecting prior year results and projections for the current year and one or more future years;***
  - (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 of the various fund types used in budgeting;***
  - (7) ***Prior year results and current year goals on departmental performance measurement;***
  - (8) ***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, presented so as to be easily understood 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."***

**Mr. Christopher Murray, Interim Director of the Office of Budget and Management, Mr. Parks and Mr. Sheehan addressed the Committee regarding Ordinance No. O2014-0021. Discussion ensued.**

**Committee members asked questions of Mr. Murray, Mr. Parks, and Mr. Sheehan pertaining to the item, which they answered accordingly.**

**No further legislative action was taken on Ordinance No. O2014-0021.**

- 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.

**Mr. Makhlouf addressed the Committee regarding Ordinance No. O2014-0025. Discussion ensued.**

**Committee members asked questions of Mr. Makhlouf pertaining to the item, which he answered accordingly.**

**On a motion by Ms. Connally with a second by Mr. Greenspan, Ordinance No. O2014-0025 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.**

## **6. MISCELLANEOUS BUSINESS**

- a) Discussion of 2<sup>nd</sup> Quarter County Financial Report

**Mr. Murray, Mr. Parks, and Mr. Sheehan addressed the Committee regarding the County's 2<sup>nd</sup> Quarter Financial Report including the 2014-2016 budget forecast. Discussion ensued.**

**Committee members asked questions of Mr. Murray, Mr. Parks, and Mr. Sheehan pertaining to the item, which they answered accordingly. Mr. Kenneth Surrat, Deputy Chief of Staff for Health and Human Services, addressed the Committee regarding the budget for the College Savings Account. Discussion ensued.**

**Committee members asked questions of Mr. Surrat pertaining to the item, which he answered accordingly.**

b) Report from OBM on debt financing plan

**Mr. Miller postponed the discussion regarding the debt financing plan and announced that the next Finance & Budgeting Committee meeting will be held on Monday, August 25, 2014 at 1:00 p.m.**

7. OTHER PUBLIC COMMENT

**No public comments were given.**

8. ADJOURNMENT

**With no further business to discuss and on a motion by Mr. Schron with a second by Mr. Greenspan, the meeting was adjourned at 2:52 p.m., without objection.**

# County Council of Cuyahoga County, Ohio

## Ordinance No. O2014-0021

Sponsored by: <b>Councilmember Miller</b>	<b>An Ordinance</b> 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 reflecting prior year results and projections for the current year and one or more future years;
  - (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 of the various fund types used in budgeting;
  - (7) Prior year results and current year goals on departmental performance measurement;
  - (8) 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, presented so as to be easily understood 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\_\_