

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
July 6, 2021
5:45pm

The Finance Committee met in Council Chambers July 6, 2021 with these members in attendance:

Doug Marmie – Chair
Ryan Bubb
Jeff Harris
Jonathan Lang
Jeremy Blake

We wish to report :

1. Consider **Resolution No 21-39 Expedite A RESOLUTION APPROPRIATING MONIES FOR CURRENT EXPENSES OF THE MUNICIPAL CORPORATION**

Section 1. There is hereby an appropriation of the unappropriated balance of the 100 General Fund, in the amount of \$183.50(Reimbursement money received when Mr. Reese cut his SCRAM Strap and when Mr. Johnson's Ethernet cord was damaged. Need to buy replacements)

100.116.5312	Law Enforcement Supplies	175.00
100.116.5312	Law Enforcement Supplies	8.50

Vanessa Stalnaker, Adult Probation – This is for restitution for the cutting of a SCRAM strap and an Ethernet cord.
Motion by Mr. Bubb, second by Mr. Harris to send to full council, motion passed 5-0

Section 2. There is hereby an appropriation of the unappropriated balance of the 261 Court Computerization Fund, in the amount of \$127,375.38 (Ohio Courts Technology Initiative – Technology Grant Fund Award)

261.161.5536.100	Computer Software/Hardware Court Technology	127,375.38
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Mayor Hall – This is a technology grant award that they got and they want to appropriate it so they can use it to upgrade some of their technology.

Motion by Mr. Bubb, second by Mr. Harris to send to full council.

Mr. Marmie – Just for the record, a question we make sure we have answered, if we do not utilize all of this grant, do we have to pay it back and are there any matching funds or anything along that line. So, if someone from the judicial could at least respond to council through email or something.

Mayor Hall – I'll reach out to them tomorrow and have them answer those questions.

Mr. Marmie – I feel confident that we can move forward with this, but it would behoove us to at least get that information.

Motion passed 5-0

Section 3. There is hereby an appropriation of the unappropriated balance of the 153 Comp Abs Fund, in the amount of \$9,700.00 (Termination pay for Tim Clark)

153.205.5144	Termination Vacation	8,500.00
153.205.5145	Termination Comp	1,200.00

Safety Director, Tim Hickman – This is a payout for a former firefighter.

Motion by Mr. Bubb, second by Mr. Lang to send to full council, motion passed 5-0

Section 4. There is hereby an appropriation of the unappropriated balance of the 100 General Fund, in the amount of \$10,000.00 (\$10,000 Grant from Licking County Foundation for pickle ball courts at the Ice Arena)

100.432.5314100	Recreational Supplies for LC Foundation	10,000.00
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Service Director, David Rhodes – As part of our ever growing parks department, we’ve embarked on raising money to build 8 pickle ball courts. We’ve picked a site in front of the ice arena on Sharon Valley Road and we’ve got a group together of approximately 20 people that are working to raise private dollars and this is the first of the money coming from the Licking County Foundation.

Motion by Mr. Lang, second by Mr. Bubb to send to full council

Mr. Lang – I’m obviously looking forward to adding this to the 5th ward, I think it will be a nice little thing to add there. Do you know about how much we need to raise?

Director Rhodes - \$409,000, an average pickle ball court with all the amenities is about \$50,000, I currently have a commitment on three of the eight and once we get our folder put together, we’ll hopefully get at least another two, which brings us to five and then we’ll go back to a few of our donors.

Motion passed 5-0

Section 5. There is hereby an appropriation of the unappropriated balance of the 219 COVID Fund, in the amount of \$19,392.67 (\$19,392.67 Remaining funds of COVID money)

219.100.5536	Computer Hardware/Software	19,392.67
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Mayor Hall – This is the remaining money on the CARES Act money that was appropriated last year, it became unappropriated with the turn of the year and we’re just looking to appropriate it to settle some technology bills that we have left before we move into the next mode of the ARP money.

Motion by Mr. Bubb, second by Mr. Lang to send to full council

Mr. Marmie – So this was already approved once, what was it approved for before?

Mayor Hall – Yes, I believe computer hardware and software. It became unappropriated because the PO was closed.

Mr. Marmie – There was some remaining that was not accounted for yet, correct?

Mayor Hall – Of several bills, I think this was what’s remaining, I can get you answers for that if you like.

Mr. Marmie – Yes, because as Finance chair I never saw anything come across my email, I had to approve everything ahead of time and I didn’t see anything on this or any remaining dollars.

Mayor Hall – Computer technology was used for screens, computers, upgrades and things like this, but I’ll get you accounting for that.

Motion passed 5-0

Section 6. There is hereby an appropriation of the unappropriated balance of the 929 JEDZ-1 Fund, in the amount of \$608,688.00 (\$608,688.00 To appropriate JEDZ-1 funds to distribute according to agreement)

929.132.5289	Other Inter/Intra Gov’t Billings	608,688.00
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Mayor Hall – As you know we do tax collection, and both of these next two pieces, one is for JEDZ-1 and one is for JEDZ-2, they adopted the Newark Tax Ordinance in its entirety, so everything out there from withholding and taxes on 7.5%, this is on the collection side, we just need it appropriated according to the agreement with the 7 entities that are written to receive it.

Motion by Mr. Bubb, second by Mr. Lang to send to full council, motion passed 5-0

Section 7. There is hereby an appropriation of the unappropriated balance of the 929 JEDZ-2 Fund, in the amount of \$3,206,640.00 (\$3,206,640.00 To appropriate JEDZ-2 funds to distribute according to agreement)

931.136.5289	Other Inter/Intra Gov’t Billings	3,206,640.00
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Mayor Hall – Same reason, different entity with a larger amount due to the fact that the large business in that is Amazon and they’ve obviously had above and beyond sales in the past year.

Motion by Mr. Lang, second by Mr. Bubb to send to full council, motion passed 5-0

Mr. Marmie – One thing I just wanted to comment in particular to the committee and those that are watching, if you’re looking at the tax collections and you see that we are ahead of last year, just make sure you keep in mind that last year the filing deadlines were extended to July, therefore folks did not have to turn in, so the next couple months will be crucial as far as when we’re looking

at those income projections as far as tax collections to see where we're at. It was anticipated by this point we should be ahead just because of the fact that folks didn't have to file last year until July. Hopefully it will keep the trend and we will stay ahead, but we don't want to get ahead of ourselves right now as far as thinking that we're way ahead.

Mayor Hall – One additional thing is as you saw in the State budget they passed the okay for people to get refunds that work here and didn't work in their office, so that's a good thing for 2021 depending on what side you're on, but we're on the receiving side to help pay bills for the City. I just want you to understand there could be refunds involved. It's two ways but we don't know how it's going to balance out, but over the next few months there's going to be a lot of transactions there and we'll see how it nets out. Keep in mind it creates another paperwork storm for the Tax Office, usually they're on the downside of that, but this is going to create extra work and we'll keep you updated on those refunds.

Mr. Marmie – Let me ask, I did hear that and was curious. As far as, let's say someone works in Whitehall and now all of a sudden they worked in Newark, so they get a refund from Whitehall because they actually worked in Newark. We gave them tax credit, so do we have to go back and refigure our portion too?

Mayor Hall – I'm going to tell you what I believe should happen, they should have to pay us another 1% because they're getting a 1% credit, so in that case we'll win, but the other side is how many people drive to Newark for work. That's the side we don't think about. We are the largest City in Licking County, so there's a fair amount of people who worked her, even if you lived in Heath and work here, you get that full credit from us and they are paying 1.75% in that case. So, it's very hard to calculate, your collection software is not there to do a lot of what ifs so we're going to have to see how this pans out. If it included 2020 that could be disastrous a couple ways, hopefully it will balance out and not move the needle too much in either direction. I would just say you're going to see that refund line on your revenue reports. We have to do refunds within 3 months of when they're due or we have to pay interest on that so normally you see a pretty cyclical flow but this time it's going to be balanced out on that.

Mr. Marmie – This basically affects those who pay quarterly right, since it's only 2021 it would only affect them?

Mayor Hall – If you lived in Heath and worked here, your employer is taking out your 1.75% in withholding with every one of your paychecks. Withholding is about 80% of our tax collections so we'll just have to wait and see and hopefully we'll balance out. I don't know the detail specifics, the department of taxation is going to have to do that. Normally you have up to 3 years to re-file your tax returns, I don't know if it's going to follow that same rule.

Mr. Lang – Will we consider doing some publications form our tax department just to make it easier to encourage Newark residents who are working elsewhere to take advantage of this.

Mayor Hall – Sure, I think once we get the fine print and directive it might be a form or something. Once we hear of any direction from the Ohio Department of Taxation we will let you know.

Finance Meeting stands adjourned

Doug Marmie, Chair