

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
August 3, 2020

The Finance Committee met via Zoom streaming live on YouTube on Monday, August 3, 2020 with these members in attendance:

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

We Wish to Report:

1. Consider Resolution No. 20-54 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 661 Sewer Fund , in the amount of \$40,000 (Horns Hill Sewer Interest)

Account	Description	Amount
661.712.5421	Horns Hill Sewer Interest	40,000.00

Mr. Loomis – This is just the interest payment on the Horns Hill project. We didn't get everything done so we had to re-do the note so we have to pay the interest for another 90 days until we get everything completed.

Mr. Bubb – Mr. Chair I will be abstaining from this vote.

Motion to send to full council by Mr. Lang, second by Mr. Harris, motion passed 4-0

Section 2. There is hereby an appropriation of the unappropriated balance of the 221 Street/Traffic Fund , in the amount of \$1,000 (Street Maintenance Signs)

Account	Description	Amount
221.302.5315	Street Maintenance Supplies	1,000.00

Director Rhodes – This is the PEP grant for signage, it will be used in the street and traffic department. It could also be used for things like street cones.

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

Section 3. There is hereby an appropriation of the unappropriated balance of the 661 Sewer Fund , in the amount of \$200,000 (Service Contracts, UV Light Upgrade Project Design)

Account	Description	Amount
661.712.5238	Service Contracts/UV Light Upgrade Project Design	200,000.00

Mr. Loomis – This is money for our UV light upgrade disinfection system at the wastewater plant. We installed UV lighting about 23 years ago and with technology and the cost of electricity we feel we can save money by upgrading to this new system. It’s hard to get parts for the old system and bulb technology has changed dramatically, we can get bulbs much cheaper. This money is for design of the new system which will be accomplished over the next 9-10 months. We will go out for bids on the construction project next July and the system will not be up and running until spring of 2022. This is all out of wastewater funds.

Mr. Blake – I’m curious, do you see us using fewer chemicals with this system?

Mr. Loomis – We’ve been using UV light for the last 23 years. In fact, we were one of the first one hundred wastewater plants in the United States for disinfection. It did eliminate the use of chlorine and chlorine gas which are hazardous chemicals, so it’s safer not only for our employees but for the general public. We also disinfect with UV light at the water plant. It’s good technology and with the new system we will save money.

Mr. Harris – How much do you think we will save over time with these new bulbs?

Mr. Loomis – I should’ve looked at the engineering report again. We spend roughly \$30,000 - \$40,000 monthly on electricity at the wastewater plant. We’re hoping to get a little bit of savings on that to help pay for what we spend on this. It’s not going to be a complete savings. Right now I think each bulb is \$3,000 - \$4,000 and we have 96 bulbs. That cost will drop to less than \$1,000 for each bulb with the new technology, so replacing those bulbs every couple years because you must disinfect at a 256 nanometers wave length and even though the bulbs still work they lose strength and must be replaced. These new bulbs will last longer, produce less heat and they’re cheaper, so that’s where the savings will be. I don’t have the exact number, but I can get you that information.

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

Section 4. There is hereby an appropriation of the unappropriated balance of the 297 EMS Grant Fund, in the amount of \$5.43 (EMS Supplies)

Account	Description	Amount
297.296.5303100	EMS Supplies	5.43

Director Rhodes – There is an appropriation and a dis-appropriation that follows. These are both from the Auditors Office to kind of clean things up. The appropriation is for one that was short \$5.43 and the dis-appropriation was an over budget.

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

Section 5. There is hereby a dis-appropriation of the appropriated balance of the 297 EMS Grant Fund, in the amount of \$122,307 (\$30,000-Salaries;\$91,307 – Health Ins.;\$1,000 – Health Non-Afscme Dental Insurance)

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

2. Consider Resolution No. 20-55 A RESOLUTION REPEALING RESOLUTION 20-26 AND CONSENTING TO AN ENTERPRISE ZONE ABATEMENT AGREEMENT BETWEEN THE BOARD OF COUNTY COMMISSIONERS OF LICKING COUNTY, OHIO AND PACKAGING CORPORATION OF AMERICA AND AUTHORIZING THE DIRECTOR OF PUBLIC SERVICE TO EXECUTE SUCH AGREEMENT ON BEHALF OF THE CITY OF NEWARK AND DECLARING AN EMERGENCY

Director Mauter – The legislation tonight pertains to the legislation passed this past May that allowed a tax abatement to be offered to PCA if they should decide to relocate to a new location in Newark on Thornwood Drive. This new legislation is being brought forward at the request of PCA to repeal and replace Resolution No. 20-26 and re-start the Enterprize Zone Agreement process. The reason is because the COVID -19 pandemic is disrupting the current and future economic business climate in which they’re operating. As a result they do not feel confident at this time that they can commit to the new jobs creation figures of 8-10 new full time jobs that are currently in Resolution No. 20-26. So, they’re asking to have that repealed and replaced by this current legislation that will retain the 132 full time positions that they currently have.

Mr. Blake – I know that you’ve worked with this company since you’ve been director. What discussions have caused the Thornwood property to come into consideration?

Director Mauter – They’ve been considering moving to improve their situation. It’s a very difficult situation getting their trucks in and out of their loading docks on 21st Street. I think we’ve all experienced having to wait while a semi backs into their loading docks there. The other thing is they’re growing. They are a growing company. I can personally attest as can the Mayor because we both toured their facility a few years back and they have maximized just about every square inch available in that building, so for them to grow they need to look for another location that allows them to do so.

Mr. Blake – When they decide to move, what will happen to the property on S. 21st Street?

Mr. Mauter – You and I discussed this earlier today. There’s no definitive answer on that right now. It’s going to be a couple of years if they decide to relocate here in Newark before anything will take place. They are very committed that the property be well maintained. I know in the past couple years they have re-paved and put a new roof on the building, so they’re being very good stewards of the property and they’re committed to continuing that. They’re also committed that when they look for a buyer, should they decide to sell that they find someone who would continue to maintain that property and keep it in good order. There’s also a scenario that should they re-locate they would consider selling the existing property and doing a lease back program where they would continue with some sort of operations for their business. They could actually have a new facility and continue operations at the old facility but that’s all yet to be determined..

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

Mr. Marmie – I will say that I’m in full support of this the main purpose is to maintain the 132 full time jobs. We could be in competition with another facility outside our city and if that was the case we could lose those 132 positions that are currently paying taxes to our city. So, I am in full support of this.

3. Consider Resolution No. 20-56 A RESOLUTION APPROPRIATING MONIES FOR CURRENT EXPENSES OF THE MUNICIPAL CORPORATION

Mr. Mauter – Quite frankly we’ve had an increase in doing lead abatement jobs. We have a lead Revolving Loan Fund in our department from dollars that were generated from past lead programs. We’ve only had one or two elevated lead level projects come into our office over the last several years and so we’ve budgeted accordingly and now we currently have four this year. We just need to appropriate a little bit more money so we can take care of those lead jobs that need to be addressed.

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

4. Other items at the discretion of the chair.

Mr. Marmie – I would like to figure out a game plan moving forward with everything that’s been going on this year in our world as well as our community. I saw the tax revenue for June and saw that we’re behind. We had collected 52 percent of where we were last year at the same time, last year we were at 59 percent. Because the Federal Government changed the deadline for when taxes came in to July 15th, I know Barb should be coming out with a new report any day now she normally does it the first of the month and is very good at getting that out. Maybe at the first meeting in September or possibly even at our next meeting if she’s able to give us a brief synopsis of where we’re at and if she’s seeing anything trending such a decline. I know all of the quarterlies are usually based on last year revenues. However, if we see any indications of anything like that what do we need to do to plan. The Mayor had said the budget review committee was going to meet right after the first quarter, but then COVID-19 happened and threw a curve ball into that. I think we need to start looking at some of those things. Also, the Auditor usually comes out with his mid-year report and I don’t know where he’s at with that. We need to come up with a plan at our next meeting. We may not want them all at once, so we need to work that out and get them on the calendar.

Mr. Blake – I appreciate you making those comments. I think several people are concerned about how the pandemic is affecting our city budget and of course it affects the services we can provide, so thank you for making those comments and I’m looking forward to the discussion that we will have with Barb Jobs and others.

Mayor Hall – You are right on. I spoke with the tax office the other day. Because it was a long deadline season it takes a little longer to process. The tax office always closes for two weeks after the deadline to process mail. Many people wait until the end to send in checks. I think your timeframe is right, maybe the next meeting but

maybe even not until the first meeting in September. I will talk to Barb. I want to give you guys accurate information. Jackie will probably be coming out with our EOM report within the next week here for the previous month and that's a good analysis of expenses as well as income. I will talk to Barb and get back to you guys to figure out how to give us all a good update.

Doug Marmie, Chair