

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
December 3, 2019

The Finance Committee met in Council Chambers on Monday December 2, 2019 with these members in attendance:

Doug Marmie
Jeremy Blake
Mark Labutis for Ryan Bubb
Bill Cost Jr.

We Wish to Report:

1. **Resolution No. 19-85** appropriating monies for the current expenses of the municipal corporation was considered. – Expedite

Section 1. There is hereby an appropriation of the unappropriated balance of the 669 Storm Water Fund, in the amount of \$2,392.55

Account	Description	Amount
669.100.5901756	OPT	\$2,392.55

Stephen Johnson, Auditor- Our insurance fund desperately needs cash and we recently received a rebate from workers compensation in the amount around \$238,000.00 and what we decided to do with that was put it back where it came from which is what we have to do then transfer it out of those funds into the insurance fund to give it some cash. That would be sections 1 thru 9. All it is doing is listing the various accounts the money will be coming out of. I wasn't planning on addressing this tonight so I am not sure the amount that came in.

Motion by Mr. Labutis to send to full Council, second by Mr. Cost

Motion passed by a vote of 4-0.

Section 2. There is hereby an appropriation of the unappropriated balance of the 661 Sewer Fund, in the amount of \$16,695.66

Account	Description	Amount
---------	-------------	--------

661.100.5901756	OPT	\$16,695.66
-----------------	-----	-------------

**Motion by Mr. Labutis to send to full Council, second by Mr. Cost
Motion passed by a vote of 4-0.**

Section 3. There is hereby an appropriation of the unappropriated balance of the 621 Water Fund, in the amount of \$35,122.25

Account	Description	Amount
621.100.5901756	OPT	\$35,122.25

**Motion by Mr. Labutis to send to full Council, second by Mr. Cost
Motion passed by a vote of 4-0.**

Section 4. There is hereby an appropriation of the unappropriated balance of the 669 Storm Water Fund, in the amount of \$100,000.00

Account	Description	Amount
669.169.5501	Land	\$100,000.00

Roger Loomis- this is for the 4th Street sewer separation project, I think that it is approximately 15 easements and two houses that we are purchasing to install the water, sewer and storm lines. We have roughly divided it up by the amount of money we believe is going to be spent out of the different funds.

Motion by Mr. Cost to send to full Council, second by Mr. Labutis

Mr. Blake- do we have a list of what we are buying?

Roger Loomis- I didn't provide that but I can get you a list of what we are purchasing. It is two houses down by the National Drive lift station; there is a house on either side of the drive that we are purchasing because we have to get pipes through there. The rest are small easements from the church all the way down. We have purchased all of these through ODOT specifications, we had a separate company come in and do that for us to negotiate the easements so that we are following all of the rules.

Mr. Blake- could you email that to us?

Roger Loomis- I could do that.

Motion passed by a vote of 4-0.

Section 5. There is hereby an appropriation of the unappropriated balance of the 661 Sewer Fund, in the amount of \$220,000.00

Account	Description	Amount
661.712.5501	Land	\$220,000.00

Motion by Mr. Cost to send to full Council, second by Mr. Labutis
Motion passed by a vote of 4-0.

Section 6. There is hereby an appropriation of the unappropriated balance of the 621 Water Fund, in the amount of \$50,000.00

Account	Description	Amount
621.706.5501	Land	\$50,000.00

Motion by Mr. Cost to send to full Council, second by Mr. Labutis
Motion passed by a vote of 4-0.

Section 7. There is hereby an appropriation of the unappropriated balance of the 261 Judicial Fund, in the amount of \$874.15

Account	Description	Amount
261.107.5901756	OPT	\$874.15

Motion by Mr. Cost to send to full Council, second by Mr. Labutis
Motion passed by a vote of 4-0.

Section 8. There is hereby an appropriation of the unappropriated balance of the 100 General Fund, in the amount of \$247,522.18

Account	Description	Amount
100.111.5901756	OPT	\$247,522.18

Mr. Cost- I would like to know the correct number that came into the city.
Mayor Hall- I can get that for you before Council.

Mr. Marmie- does this need to be done before the end of the year

Stephen Johnson- yes

Mr. Marmie- I will make a motion since we need to keep this going and the Mayor said that he would give us the correct figure.

Motion by Mr. Marmie to send to full Council, second by Mr. Labutis

Motion passed by a vote of 4-0.

Section 9. There is hereby an appropriation of the unappropriated balance of the 221 Street Fund, in the amount of \$17,747.27

Account	Description	Amount
221.100.5901756	OPT	\$17,747.27

Motion by Mr. Marmie to send to full Council, second by Mr. Labutis

Motion passed by a vote of 4-0.

Section 10. There is hereby an appropriation of the unappropriated balance of the 221 Street Fund, in the amount of \$300.00

Account	Description	Amount
221.302.5635	Damage Claims	\$300.00

Director Rhodes- we had a light pole hit on Hudson Ave and this is a check we received from an insurance company.

Motion by Mr. Cost to send to full Council, second by Mr. Labutis

Motion passed by a vote of 4-0.

- Ordinance No. 19-39** an ordinance to make an appropriation for the expenditures of the City of Newark, Ohio during the year ending December 31, 2020 was considered. – General Fund

Mayor Hall- this is our annual budget starting with Ordinance 19-39 the General Fund legislation. It is pretty similar to last years in a lot of ways, there are some additions in the Police Department for software licensing and connects that we are doing with the County to give them safer service for when they pull up on calls. There is also a cost for 7 new recruits that will be starting with us soon.

Mr. Marmie- the total amount on this one is \$34,474,957 and it appears to be balanced, is there an unappropriated balance?

Mayor Hall- there is about \$30,000.00 in unappropriated right now and of course we are collecting every day and we have about a month left of collections that will add to

that. The most recent report that Barb put out for November 30th we are about 4% plus up which is a little healthier than 11/15 one that was up 3.75%.

Mr. Marmie- for those of you on the Committee and other members of Council I have been in contact with Lori, we were going back and forth; I asked her questions on numerous line items. All her answers had valid reasons and justifications. Some of them were because of contractual things like sick leave conversion and individuals taking different health care plans there were a few miscellaneous things but it really wasn't a large dollar amount but it was high enough percentages to trigger me to look at a little further in detail. Office supply costs seem to be going up and the cost of us doing business in particular the Income Tax Department because of the different things the State is requiring like mailing that is costing us more to do business. We have also seen an increase in EMS runs as far as what we are paying out there but we are also generating revenue from that. Overall I would say that this is a very healthy budget, we are still tight and making sure that we are spending dollars where they should. I look at the General Fund budget more than I look at the others.

Mayor Hall- thank you, Doug does look pretty intense into it. The General Fund budget has nearly 500 separate line items and it is a lot of work, there are a lot of parts to that. I want to say kudos to all of the departments it starts there. The Auditor's office works hard and Lori and I spend a lot of time together getting the budget prepared. In the 8 years that I have been here they have gotten very efficient. When I took office it was quite different that that it was a little mentality of spend it or lose it and we have turned that around and you can tell by the carryover by what they aren't spending. This is just a point in time. Your first meeting in January will probably change a line item somewhere in here. I want you to keep in mind that we have money going into Budget Stabilization; this is presented without using Budget Stabilization money and without layoffs. Eight years in a row not having to do layoffs to balance budgets. In 2010 the city had to lay off 11 people to balance a budget and we have lost 2.4 million a year. In the Tax Office they have some new software that they need because the State now collects net gain taxes for businesses but they do it for a fee that we have to give to them. When you bring more money in it costs more to bring that money in. If any questions creep up between now and the next Council meeting please get with us we are happy to answer questions.

Motion by Mr. Labutis to send to full Council, second by Mr. Cost
Motion passed by a vote of 4-0.

3. **Ordinance No. 19-40** an ordinance to make an appropriation for the expenditures of the City of Newark, Ohio during the year ending December 31, 2020 was considered.- All Other

Mayor Hall- there is just one budget but several years ago we divided it into three sections to make it a little easier to interpret. The General Fund, we already discussed that but it is a pot of money that can be used for anything but obviously there are some very specific uses for it like Police and Fire but it is open ended money. This is going to be your water money which is an enterprise fund, Street Funds, it is any funds that have a specific target. The General Fund starts with 100 these start with anything other than

100. This All Other will fluctuate up and down and that depends on what projects the Engineer's Office and Water Department have going on. I want you to keep in mind those are multi-year projects and sometimes the same dollars are in multiple years. Our infrastructure projects have been pretty strong over the last several years so that drives this All Other budget higher than it has been previous to that.

Mr. Cost- you mentioned Police and Fire where do we find ourselves as far as contracts with police, Fire and AFSCME?

Mayor Hall- we are still talking with those, I can't get into details here but so far it seems ok at this point. We are just waiting for some feedback.

Motion by Mr. Labutis to send to full Council, second by Mr. Cost

Motion passed by a vote of 4-0.

4. **Ordinance No. 19-41** an ordinance to make an appropriation for the expenditures of the City of Newark, Ohio during the year ending December 31, 2020 was considered.- grant

Mayor Hall- these are all of our grant funds which are all primarily consumed by the Community Development and Economic Development Department that Mark Mauter oversees and Kevin Saad's Department Adult Probation. We have Barbara Gilkes who applies for grants for not only community development but also Police and Fire. We treat each one of those grants as separate departments and track them separately. This varies depending on what grants we anticipate for the year. It is a lot of work to get to this so kudos to the departments for that because they are based on whoever is giving us the grant can have a whole different fiscal year that is a different fiscal year than our fiscal year than trying to see how it flushes out with our calendar year, it can get a little bit crazy but this is the best projection of what pieces of these grants will be spent during the 2020 year.

Motion by Mr. Labutis to send to send to full Council, second by Mr. Cost

Motion passed by a vote of 4-0.

Chair, Doug Marmie