

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
September 5, 2018

The Finance Committee met in Council Chambers on Tuesday September 4, 2018 with these members in attendance:

Doug Marmie
Jeremy Blake
Ryan Bubb
Bill Cost Jr.
Mark Fraizer

We wish to report:

1. **Resolution No. 18-72** accepting the amounts and rates as determined by the budget commission and authorizing the necessary tax levies and certifying them to the County Auditor was considered.- Expedite

City Auditor, Steve Johnson- this is a housekeeping issue that accepts our tax rates as assigned. Since we have no voted millage at all we are assigned 3.1 mills for the fact we are a city. We have an additional.6 of a mill broken down between police and fire pension that goes toward our accrued liability. This needs to be expedited because the Clerk of Council must file this with the County Budget Commission by October 1st.

Motion to send to full Council by Mr. Fraizer, second by Mr. Bubb

Mr. Fraizer- just to clarify our actual millage is 3.1 and .6 and we just round up to 3.2 typically?

Steve Johnson- no, it is 3.7, 3.1 and .6.

Motion passed by a vote of 5-0.

2. **Ordinance No. 18-32** an ordinance to provide for the issuance of \$5,000,000.00 of bond anticipation notes in anticipation of the issuance of bonds for the purpose of refunding outstanding bond anticipation noted previously issued for the purpose of paying the cost of replacement of water main and service lines not limited to, hydrants, valves and fittings; and to provide additional funds to pay for other water system improvements, and declaring an emergency was considered.

Steve Johnson, City Auditor- this is a renewal of a note for a period of 6 months. In 6 months we should be able to issue revenue bonds which would remove this bond from our general obligation category which would free up our borrowing ability. This was

initially a 4 million dollar note for work done around the square on the water lines and another million dollars was added a year ago for various issues at the Water Plant. This is paid for with Water funds. It is just holding its' place for 6 months until it can be a revenue bond.

Motion to send to full Council by Mr. Fraizer, second by Mr. Bubb

Motion passed by a vote of 5-0.

3. **Resolution No. 18-75** 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 424 TIF Fund, in the amount of \$12,021.26 (Proceeds to NCSD)

Account	Description	Amount
424.921.5413	Principal Pymt	\$12,021.26

Steve Johnson- this is going to Newark City Schools, one of our tiffs that they are involved in over collected so not enough was budgeted in the 2018 budget.

Motion to send to full Council by Mr. Fraizer, second by Mr. Bubb

Motion passed by a vote of 5-0.

Section 2. There is hereby an appropriation of the unappropriated balance of the 422 Debt Service Fund, in the amount of \$1,000.00 (Issuance Fees)

Account	Description	Amount
422.904.5413	Principal Pymt	\$500.00
422.901.5413	Principal Pymt	500.00

Steve Johnson- we issued a bond about a month ago for 1 million 125 thousand dollars we estimated the cost of issuance and we didn't estimate high enough so this is the additional funds needed to pay for the issuance of the bonds

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

Mr. Marmie- so you are saying we didn't estimate our fees correctly and we owe an additional \$1,000.

Steve Johnson- when we did the budget we weren't sure what we were going to do with this note and we decided to issue a bond and be done with it. When we decided to do this quite a while back we just estimated the cost to issue that there is no way of knowing. We have already paid it this just puts money back into the account.

Mr. Marmie- how much did it cost?

Steve Johnson- I don't know I think that it was around \$3500.00 and we estimated \$2500.00.

Mr. Marmie- is that a one-time fee?

Steve Johnson- that is the cost of placing it, shopping it around to potential buyers and having a bond study done. It is just stuff that you have to estimate and we have always been pretty close.

Mr. Marmie- why is it going into an account called principal payment then?

Steve Johnson- that is where we have to put it then we transfer it to Services General Account. This is the way Bond Council told us to set it up.

Motion passed by a vote of 5-0.

Section 3. There is hereby an appropriation of the unappropriated balance of the 100 General Fund, in the amount of \$20,000.00 (Impound)

Account	Description	Amount
100.155.5238	Impound Services General	\$20,000.00

Safety Director Baum- the impound account was shorted. We have hired at the Police Department a lot of new young officers and one of the things that happens when you do that is they make a lot of traffic stops and they get into a lot of DUS's and they find a lot of drugs which means you impound a lot of cars. The account has come up short and we have had a couple of instances where we have recovered stolen vehicles 500 feet out in a corn field and \$90.00 doesn't interest a tow company when you recover a vehicle that they have to drag across a field or if they have to bring out a couple of heavy wreckers so the account is short and we need to move \$20,000.00 to get it through the rest of the year.

Motion by Mr. Fraizer to send to full Council, second by Mr. Bubb

Mr. Fraizer- how much did we originally budget and what is the current balance of this account?

Director Baum- I don't know what the original account balance was.

Mr. Fraizer- so will this money get us through the rest of the year, is that what the anticipation is?

Director Baum- I am hopeful, I don't think that the Police Department anticipated on coming back to me. Also a lot of impounds are also discretionary so I believe that discretion is going to be applied.

Mr. Marmie- when we end up selling vehicles at auction do we replenish this impound?

Director Baum- I don't know that the money goes back into the impound fund, I could find out what the break down is but I know that it doesn't 100% go back into the cost of the tows.

Mr. Marmie- my point is if we do these impounds and we end up auctioning off these vehicles why don't we try to make this self-sufficient and give all that money back

instead of utilizing all of those auction proceeds for other things if we are going to end up spending more money on this?

Director Baum- I will be happy to bring that up at budget time.

Motion passed by a vote of 5-0.

Doug Marmie, Chair