

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
December 5, 2018

The Finance Committee met in Council Chambers on Monday December 3, 2018 with these members in attendance:

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

We wish to report:

1. **Resolution No. 18-99** 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 954 Law Library Fund, in the amount of \$16,092.66 (Over Collection)

Account	Description	Amount
954.107.5266	Indigent Driver	\$16,092.66

Steve Johnson, City Auditor- I just have a couple of housekeeping items tonight. The Ohio Revised Code requires the city to deposit a portion of fines with the County Law Library and we have over collected on fines so we need an appropriation to forward that money on to the Law Library.

Motion by Mr. Bubb to send to full Council, second by Mr. Labutis
Motion passed by a vote of 5-0.

Section 2. There is hereby an appropriation of the unappropriated balance of the 250 Police & Fire Pension Fund, in the amount of \$29,863.36 (Over Collection)

Account	Description	Amount
250.202.5121	Police & Fire Pension	\$14,931.68

250.205.5121	Police & Fire Pension	14,931.68
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Steve Johnson- in the fall I always come to the Committee on behalf of the Clerk of Council talking about our assigned tax levies and the city has 3.1 mils. The .1 is for the Police and Fire Pension Fund. There was an over collection of real estate taxes over and above what we had budgeted so this is the portion of the real estate tax that would be deposited in Police & Fire Pension.

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

Motion passed by a vote of 5-0.

Section 3. There is hereby an appropriation of the unappropriated balance of the 929 JEDZ1 Fund, in the amount of \$31,000.00 (Refunds)

Account	Description	Amount
929.132.5289	JEDZ1	\$31,000.00

Mayor Hall- that is for the JEDZ1 and it is a refund. As you know when we budget we appropriate what is an approximate number for that refund and it has exceeded that so the Tax Office will need that additional funds to provide that refund to the payer.

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

Motion passed by a vote of 5-0.

Section 4. There is hereby an appropriation of the unappropriated balance of the 931 JEDZ2 Fund, in the amount of \$8,000.00 (Refunds)

Account	Description	Amount
931.136.5289	JEDZ2	\$8,000.00

Mayor Hall- same situation, different fund; it is a JEDZ2 fund but the same way additional money for additional refunds.

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

Motion passed by a vote of 5-0.

Section 5. There is hereby an appropriation of the unappropriated balance of the 930 JEDD Fund, in the amount of \$50.00 (Refunds)

Account	Description	Amount
930.134.5289	JEDD Misc Fee	\$50.00

Mayor Hall- this is an administrative fee that would be payable to the State of Ohio Department of Taxation. There is a company in the Pataskala JEDD that has decided to file using the new opportunities system through the Ohio Business Gateway. These are the fees that we were charged for the State to collect that money for us.

**Motion by Mr. Bubb to send to full Council, second by Mr. Cost
Motion passed by a vote of 5-0.**

Section 6. There is hereby an appropriation of the unappropriated balance of the 756 Insurance Fund, in the amount of \$1,000,000.00 (Gross Posting)

Account	Description	Amount
756.110.5124210	Claims	\$1,000,000.00

Mayor Hall- when you estimate an account and it exceeds that and that is what happened here. The net effect will not be a million but we have to post the full amount of those claims pays and that will be offset with money paid into the health insurance account. Last year it was almost \$800,000.00 at the end of December and then the net effect was about \$300,000.00. It is for claims for our employees' health insurance.

Mr. Marmie- our funding for the health insurance plan which we are self-insured up to a certain limit. It has dwindled away to where we are always right there on the edge. Something has to be done because if we have anything like we did three years ago with the few catastrophic claims we are going to be in a world of hurt. I think that the insurance committee is on top of that but you are probably going to be hearing from them about their recommendations in the near future because this border line every single time.

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

Mr. Greene- I am assuming that the estimation that is budgeted is based on past years, what was the estimated cost of those payments?

Mayor Hall- we don't have it with us but we could get it to you. We are self-insured and that is something that the city took over a few years ago and it has been a cost containment feature but still health care has raising cost associated with it so up to a stop loss limit we do pay all of those claims out below \$125,000.00 aggregate within a year per employee or dependent whoever is on the plan. We pay quite a few claims because we are the insurance company up to that amount within a year.

Mr. Marmie- ever since we became self-insured there has been increase in the cost of the health insurance plan until two years ago or last year. We finally had to take a slight increase for that. Where with most other carriers their increases have been 14-20% over the last 10 years so we still have benefited by being self-insured not only as a city but as an employee base.

Mayor Hall- the 14-20% is every year not just over the years.

Mr. Greene- self-insured I assume means you don't have a private contractor who covers regular payments the city covers it?

Mr. Marmie- correct we cover up to a certain stop gap and then anything over and above that Med Ben comes in and takes over. We pay them a small fee to do that but it's not as significant because we are taking care of all of the losses up to that point.

Motion passed by a vote of 5-0.

Doug Marmie, Chair