

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
June 13, 2017

The Finance Committee met in Council Chambers on Monday June 12, 2017 with these members in attendance:

Doug Marmie
Carol Floyd
Ryan Bubb
Bill Cost Jr.
Mark Fraizer

We wish to report:

1. **Resolution No. 17-39** 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 929, JEDZ 1 Fund, in the amount of \$500.00 (Refunds)

Account	Description	Amount
929.132.5623	Refunds	\$500.00

Barb Jobs, Tax Administrator- this appropriation is coming out of the Inter/Intra Government fund and not the General fund. We had a business that random decided to use a JEDZ1 form to file their Newark tax return and the only way to get the money from the JEDZ1 to Newark is to refund it.

Motion by Mrs. Floyd to send to full Council, 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 931, JEDZ 2 Fund, in the amount of \$572,000.00 (1st Quarter Distribution)

Account	Description	Amount
931.136.5289	1 st Quarter Distribution	\$572,000.00

Barba Jobs- this is also coming out of the Inter/Intra Government fund. The JEDZ2 contracts require that we distribute the income tax collections on a quarterly basis and this will allow me to distribute the first quarter of 2017.
Motion by Mrs. Floyd, second by Mr. Fraizer to send to full Council
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 \$1,457.70 (NFD Overtime)

Account	Description	Amount
100.205.5118	Fire-Uniformed Overtime	\$1457.70

Director Baum- this is for a reimbursement for the fireworks at the Trout Club. It just needs to go back into the account.
Motion by Mrs. Floyd, second by Mr. Fraizer to send to full Council
Mr. Marmie- reimbursement from whom?
Director Baum- I assume the Trout Club
Motion passed by a vote of 5-0.

Section 4. There is hereby an appropriation of the unappropriated balance of the 100, General Fund, in the amount of \$1,000.00 (Equipment Tim Smith)

Account	Description	Amount
100.204.5312	Law Enforcement Supplies	\$1,000.00

Director Baum- when Tim Smith went through the Police Academy he was awarded the Thomas Cottrell award for outstanding student in the amount of \$1,000.00 that is to be used for equipment for him. We would like to use that award money and save the department some money.
Motion by Mr. Cost to send to full Council, second by Mrs. Floyd
Motion passed by a vote of 5-0.

Section 5. There is hereby an appropriation of the unappropriated balance of the 153, Compensated Fund, in the amount of \$13,800.00 (Payout Timothy Hansel)

Account	Description	Amount
153.202.5144	Termination Vacation	\$6,400.00

153.202.5145	Termination Comp	7,400.00
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Director Baum- this is money for a contractually obligated payout at termination for vacation and comp time.

Motion by Mrs. Floyd, second by Mr. Fraizer to send to full Council

Motion passed by a vote of 5-0.

2. **Resolution No. 17-40** appropriating monies for the current expenses of the municipal corporation was considered.

Section 1. There is hereby an appropriation of the unappropriated balance of the 670, Garfield McKinley Fund, in the amount of \$197,396.43 (Reimbursed Funds)

Account	Description	Amount
670.169.5527	Stormwater Lines	\$173,432.58
670.169.5418100	Principal	23,963.85

Roger Loomis- the first line item is for a reimbursement for a project on Log Pond Run. The Muskingum Water Conservancy District gave us a grant for that project but we had to pay the contractor then they reimbursed us the money. The second line item is the remainder of the proceeds for a bond from the Garfield McKinley project that we are going to use to make one of the payments on that bond.

Motion by Mrs. Floyd to send to full Council, second by Mr. Fraizer

Motion passed by a vote of 5-0.

3. LATE ITEM Resolution No. 17-43 appropriating monies for the current expenses of the municipal corporation.

Section 1. There is hereby an appropriation of the unappropriated balance of the 235, Judicial SR Fund, in the amount of \$4,117.11 (Additional Wages Magistrate Wayne Brown)

Account	Description	Amount
235.112.5111	Salaries	\$3500.00
235.112.5122	PERS	490.00
235.112.5126	Medicare	50.75
235.112.5127	Workers Comp	76.36

Mr. Marmie- I am going to discuss a late item. This is not something that we are going to be able to vote on this evening but it was an item that was presented today. We are going to listen to what it is and if the minority and myself feel that it is necessary to warrant the use rule 11 next week it will go on the agenda and pass through. That is the only manner we can do it, we can't add an item on the agenda today and vote on it.

Judge Higgins- let me apologize for the lateness; it was just presented to me today. Several months ago we increased the salary of the Small Claims eviction Magistrate. Instead of working two days a month he works four half days a month and that was to elevate the congestion on the fourth floor during eviction days. This is for his salary and benefits. I am told by the Auditor's office that the account is at zero right now. The money doesn't come out of the General Fund it comes out of the court's special project fund.

Mr. Marmie- Carol and I are good with this so we don't get behind on someone's pay but this is the manner in which we have to do it because of our Council rules.

Mr. Fraizer- is this to get us through the end of the year or how far will this \$4,000.00 get us?

Judge Higgins- I think that it should get us through the end of the year, I think the problem was that there wasn't any money in that particular account.

4. Questions and answers on plan to pay for pay raises.

Mr. Marmie- this is not a definitive answer but I want to make sure that we are constantly working on progress and we are progressing forward with this. I believe that we have a plan for this year.

Mayor Hall- yes we believe that all of the departments are in agreement that there existing budget trimming it very, very tight will be able to cover the costs. We have had those discussions with the larger departments meaning Police and Fire and both Chiefs are comfortable with that. We have had some vacancies through attrition and retirement. As we went into negotiations it was said that there were no additional monies however the mediator ruled for pay raises of 1.75, 1.75, and 1.5 which is below the State average of at least 2, 2 and 2. It was set in stone with the Unions then we step back and look at the other ones but they all understand it basically has to come out of the budgets as they exist because there are no additional monies coming in. In about two months we will start to work on next year's budget.

Mr. Fraizer- as far as the rainy day fund are we able to get through this year without touching it?

Mayor Hall- that is correct, this would be a building year. It is anticipated to be about \$350,000.00 by the end of the year.

Mr. Marmie- we don't currently have an unappropriated balance correct?

Steve Johnson, City Auditor- no other than new things that pop up.

Mr. Marmie- if something does come up we might have to utilize that because there isn't any wiggle room in our budget. Lori, have we equated out how much these raises are going to cost us for 2018 yet or could we get that number?

Lori Resta, Deputy Auditor- yes, we have started that. We actually start that when we begin negotiations. It's not perfect but we do have an estimate of what that is going to be.

Mr. Marmie- so we can work together and have open communication I would like to keep up on this so we can anticipate and when we are moving forward towards different things and different decisions. The more that we can help in this and know what is happening it will be more beneficial it will be for the citizens of Newark. We need to make sure next years' budget is something we can really live with and not have to sacrifice things.

Mayor Hall- the concern is always the General Fund budget. We do contract negotiations by Unions, when you get to AFSCME about 2/3 of that is on the Water Department and that eases that load a little bit. We still keep very affordable rates in the state, 75 out of 100 people pay more for water and wastewater in Ohio than in Newark. It is a well ran department through how it issues debt service and manages that so as a result that they are able to absorb that a little more comfortable than the General Fund. The 2.4 million that we have lost every year for the last couple of years and going forward with state cut backs it has made a significant impact. We had four pieces of legislation that came in front of this Council in the last couple of weeks related to pay raises for non-union employees the hourly non-bargaining was the one that everyone looked a little more favorable on because of that but I want you to remember that absorbs 70% of the pay raises. Our computer software as sophisticated as it is it is not able to pull out a lot of what if's they are there to work on collections and payouts, payroll is a complicated, you have longevity and many other things calculated into it. We are happy to give you any information that you would like.

Doug Marmie, Chair