

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
March 15, 2016

The Finance Committee met in Council Chambers on Monday March 14, 2016 with these members in attendance:

Doug Marmie, Chair
Bill Cost Jr.
Mark Fraizer

Carol Floyd
Mr. Johnson for Ryan Bubb

We wish to report:

1. **Resolution No. 16-24** appropriating monies for the current expenses of the municipal corporation was considered.

Section 1. A request for an appropriation of the unappropriated balance of the 153, Compensated Absences Fund, in the amount of \$8,050.00

Account	Description	Amount
153.131.5144	Termination Vacation	\$4,300.00
153.131.5145	Termination Comp	3,750.00

Barb Jobes, Tax Administrator- we have had an employee resign from the Tax Department and that is their payout .

Motion by Mrs. Floyd to send to full Council, second by Mr. Fraizer
Motion passed by a vote of 5-0.

2. **Resolution No. 16-26** appropriating monies for the current expenses of the municipal corporation was considered.

Section 1. A request for an appropriation of the unappropriated balance of the 100, General Fund, in the amount of \$10,603.00

Account	Description	Amount
100.432.5314100	Recreational Supplies	\$10,603.00

Barbara Gilkes- this appropriation request refers to a grant awarded to the city by The Licking County Foundation for upgrades to the TJ Evans, Everett and Wilson Park. We expect the check this month and we want to get the PO written before we place the order for the playground items.

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

Section 2. A request for a disappropriation of the appropriated balance of the 100, General Fund, in the amount of \$500.00

Account	Description	Amount
100.432.5369	Misc	\$500.00

Director Rhodes- this is for a pre-need for a headstone. Those dollars go into the General Fund and then they come out.

Motion by Mrs. Floyd to send to full Council, second by Mr. Fraizer
Motion passed by a vote of 5-0.

Section 3. A request for an appropriation of the appropriated balance of the 100, General Fund, in the amount of \$500.00

Account	Description	Amount
100.432.5238	Misc	\$500.00

Motion by Mrs. Floyd to send to full Council, second by Mr. Fraizer
Motion passed by a vote of 5-0.

- Ordinance No. 16-06** to provide for the issuance of \$370,000.00 of bond anticipation notes in anticipation of the issuance of bonds for the purpose of paying the cost of improvements to the city's landfill and all necessary appurtenances thereto, and declaring an emergency was considered.

Stephen Johnson, City Auditor- ordinance 16-06 allows the city to renew an existing bond anticipation note for landfill improvements. The plan is at the beginning of next year is to start reducing the principal on this either that or issue a long term bond.

The note is due on May 7th so this should be expedited because nobody will start the process for this until the legislation is in place.

**Motion by Mrs. Floyd to send to full Council, second by Mr. Fraizer
Motion passed by a vote of 5-0.**

4. **Resolution No. 16-27** authorizing and directing the Director of Public Service to enter into a lease purchase agreement without competitive bidding for the acquisition of one fire truck, to sell an existing fire truck and apply the selling price against the purchase thereof and declaring an emergency was considered.

Director Rhodes- we did ask the Chief to come in tonight and talk to you a little bit about his needs but we are asking in this legislation to trade in one fire truck that is a 1995, it is obsolete. I am convinced that we need to get a new fire truck and I will let the Chief speak to it.

Chief Connor- over several years we have been looking at some fleet needs. Once I became Chief I communicated with Director Rhodes we have a vehicle replacement schedule. We have been trying to get on a plan to replace these apparatuses so that they are safe and out there on the street protecting the community effectively. We would like to purchase a fire apparatus from Pierce which is one of the top makers in America. It is called a demo apparatus, it is something that they build to show fire departments around the nation what they can do then after showing them they put it up for sale. It has a little bit of miles on it, very few miles and it has some bells and whistles on it that are included in the package that I think would fit Newark very well. A truck like this would normally go for 530,000.00 to 540,000.00 we are looking at \$465,000.00 to purchase this engine. This is going to help us immensely. It is a band aid on a situation right now with and we are working very hard every day to get back on some sort of replacement schedule to adequately staff the fire departments fleet needs. We have definitely looked at the way that we run our fire apparatus and I think that it is important to tell you that what we run a lot of our fire apparatus on right now are EMS calls also. It is not uncommon for a fire department to take an engine or a ladder on an EMS call. We have paramedics and on all of our equipment on all of our fire engines and ladder trucks. We are looking at response times. We have already once reviewed the way that we respond to emergencies and reduced the number that we send fire engines on and once again we are potentially going to make another change. We are meeting with our senior staff members and firefighters to determine exactly what it is we need to do to continue the great coverage that we have and try to reduce the wear and tear on our fire apparatus. It is an everyday conversation that we talk about being more efficient and using the tax dollars to the best of the ability that we have. All of our fire apparatus is approaching 100,000 miles; the last time that we purchased a fire apparatus was 10 years ago. It was a ladder truck in the north end. NFPA 1901 which is the standard for fire apparatus recommends taking them out of service after 10 years and putting it in reserve status. All of our apparatus is beyond that at this point except ladder 2 which is in its

last year. Our maintenances costs this year have been astronomical. We had three apparatuses go down this year with extensive maintenance costs associated with that. We have spent 40% of our maintenance budget already in the first quarter however hopefully keeping these things fixed and purchasing new apparatus will help us save money in the long run. That is where we are going in being more efficient and this will definitely help the fire department in its needs.

Mr. Fraizer- is the 95 truck paid for and do we know what the payments are per year?

Director Rhodes- yes the 95 truck is paid for. On the spreadsheet that we have I am making the last payment on the last truck we bought. Just to give you an idea they paid about \$670,000-680,000 for that truck 10 years ago and with interest it cost the taxpayers a little over \$900,000.00. This truck is at \$465,000.00, we are going to finance it 7 years and the payments are going to be about \$70,000.00 a year so there is going to be a small savings of about \$13,000.00 a year and we are only financing this truck for 7 years not 10. To be quite frank with you they are going to need another fire truck before 7 years. We have to figure it out through grants or we refurbish a truck, I'm not sure. This isn't a situation that we created but it is a situation that we are trying to fix.

Mr. Fraizer- what is the maintenance budget for the year?

Chief Connor- \$110,000.00 and the 5 year trend is that we have spent all of it and of course it is going up because of the age of the fleet is making it more difficult to maintain. The calls for emergency service are going up. I am trying to reduce that by changing how exactly we are respond to emergencies in Newark to reduce the amount of wear and tear we put on those vehicles. Hopefully my doing my job I can get some years out of these apparatuses.

Mr. Fraizer- so the truck comes fully loaded with all of the lifesaving equipment so there is no additional expense other than this initial expense?

Chief Connor- we will probably have to spend about \$5,000.00 to get it completely ready to go. The apparatus that will be going out of service that we will be trading in we will take that equipment and move it over to the new fire truck. Everything on there should be good to go. I met with my Captain and Assistant Chief in charge of fiscal resources that are managing all of that for me. We have no major expenditures on top of that. There are some things that have to be done once the truck gets purchased as far as head sets and communication equipment will have to be moved from the old truck to the new one. We will be repurposing all of the things that we can.

Mr. Johnson- is there a market for used trucks whenever they are ready?

Chief Connor- there is a market in some parts of the nation for used trucks. The truck that we are getting rid of doesn't meet any of the national standards at this point. It will probably go to some small volunteer department in the south that doesn't have the money to purchase anything, probably a volunteer department that takes a couple of hundred calls a year.

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

Motion passed by a vote of 5-0.

5. **Resolution No. 16-28** authorizing and directing the Mayor of the City of Newark to prepare and submit an application to the Ohio Department of Public Safety, Office of Criminal Justice Services for a 2016 Ohio Community-Police Relations Grant was considered.

Barbara Gilkes- this is a new grant opportunity that the State of Ohio is awarding law enforcement agencies. Newark would like to throw their hat in the ring. We are eligible to request up to \$30,000.00 and the local match will be 25% and it can be in the form of cash or in-kind. Our police department is currently looking at ideas to see what they would like to apply for.

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

Motion passed by a vote of 5-0.

Barbara Giles- we will need to waive the second reading if possible

Mr. Marmie- ok, yes.

Chair, Doug Marmie