

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
June 10, 2014

The Finance Committee met in Council Chambers on Monday June 9, 2014 with these members in attendance:

Jeremy Blake, Chair
Doug Marmie
Ryan Bubb

Carol Floyd
Bill Cost Jr.

1. **Ordinance No. 14-15** an ordinance to provide for the issuance of \$6,600,000 of bond anticipation notes in anticipation of the issuance of bonds for the purpose of paying the cost of capital improvements, including fire station #1 improvements(including demolition, professional design and property acquisition), city hall parking improvements and south second street bridge repair, together with additional fire station #1 improvements (phase one), additional funds for fire station improvements, and all necessary appurtenances thereto, and declaring an emergency was considered.

Steve Johnson, City Auditor- this legislation will allow us to renew and increase an existing note. Two years ago the city sold a bond anticipation note for 3.2 million dollars to do the various construction projects mentioned, the parking lot, service complex and the South Second Street bridge along with 1.1 million dollars to begin the process of building fire station 1. That was increased last year by 1 million dollars that money was used for acquisition of real estate, preparing the real estate for construction and to hire an architect to develop plans for the building. Bids were taken last week. This legislation will increase what we had by 3.4 million for the construction of the fire station. So the 6.6 million dollars before you tonight, 5.6 million is for the fire station project and the remaining million is for the other three items. The 3.2 million dollar note is due on July 28th so we will have to take some form of action if for nothing else to take care of that. The fire station project has dedicated revenue as I am sure you are all aware from EMS billing. A portion of that is set aside to retire some of this debt. It looks to me like this 5.6 million dollar project will cost the City somewhere below \$300,000.00 for the length of the debt. The dedicated stream of revenue will accrue as it stands right now about \$305,000.00 so the revenue stream is ok. The remaining 1 million dollars for those other project will be just general obligations of the city. I am asking that this be an emergency as it states in the preamble because we do have a deadline and none of the interested parties will do anything until this notes renewal until such time this legislation passes.

Mr. Blake- was the deadline because of the renewal with the 3.2 million

Steve Johnson- yes

Mr. Blake- what was that date?

Steve Johnson- I believe it is July 28th.

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

Mr. Blake- the question that I had Steve is that, you and I had a previous conversion and I guess at some point it would be nice to have an overall public debt in total for the city. We have some other projects on our agenda with the downtown renovations going to be occurring, the fire station and then there is just general debt that we have been accruing from the Water Department and things like that. It would be nice to see some type of figure or graph to show what the public debt that we currently have is.

Steve Johnson- I can provide something like that. The public debt is in different categories. We have general obligation debt which we have to find some way to fund out of our treasury then we have water and storm water debt which Mr. Loomis graciously pays. We have TIFF debt that someone who benefited from the project pays and we also have special assessment debt where a certain area was improved one way or the other and the residents who benefited are paying for that debt. I can put it all together for you.

Mr. Blake- I would appreciate that

Motion passed by a vote of 5-0.

2. **Resolution No. 14-48** appropriating monies for current expenses of the municipal corporation was considered.

- a) A request for an appropriation of the unappropriated balance of the 621, Water Department Fund, in the amount of \$15,000.00 (GIS work)

Account	Description	Amount
621.706.5231	Professional Services	\$15,000.00

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

Motion passed by a vote of 5-0.

- b) A request for an appropriation of the unappropriated balance of the 661, Sewer Department Fund, in the amount of \$15,000.00 (GIS work)

Account	Description	Amount
661.712.5231	Professional Services	\$15,000.00

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

- c) Request for an appropriation of the unappropriated balance of the 669, Storm Water Utility Fund, in the amount of \$5,000.00 (GIS work)

Account	Description	Amount
669.169.5231	Professional Services	\$5,000.00

Mr. Loomis- all three of these first requests are related to our GIS system. Part of this money is for maintenance of that system because we are upgrading software. We are also going to upgrade the system so it can provide us a mobile application and a web based system so our people will have information available to them in the trucks and on site. This upgrade will also provide scan mapping on line as well.

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

- d) A request for an appropriation of \$742.98 (Insurance check received for reimbursement for repair to lights and amp at Babe Ruth)

Account	Description	Amount
100.434.5331	Equipment	\$742.98

Director Rhodes- this is an insurance check. We had lighting strike out there and we made some repairs to the lighting and the amp and we would just like to reappropriate the \$742.98.

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

- 3. **Resolution No. 14-49** appropriating monies for current expenses of the municipal corporation was considered.
- a) A request for an appropriation of the unappropriated balance of the 661, Sewer Department Fund, in the amount of \$350,000.00 (Downtown Renovation Project)

Account	Description	Amount
661.712.5231	Professional Services	\$350,000.00

Motion by Mr. Bubb to send to full Council, second by Mrs. Floyd
Mr. Blake- could you speak to the timeline that you see progressing
Mr. Loomis- we are still shooting for the October loan award but if we don't get it then we would have to go to December.
Mr. Blake- I did see that you wanted this expedited
Mr. Loomis- yes to pay the bill for the services

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

- b) A request for an appropriation of the unappropriated balance of the 621, Water Department Fund, in the amount of \$350,000.00 (Downtown Renovation Project)

Account	Description	Amount
621.706.5231	Professional Services	\$350,000.00

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

- c) A request for an appropriation of the unappropriated balance of the 669, Storm Water Utility Fund, in the amount of \$95,000.00 (Downtown Renovation Project)

Account	Description	Amount
669.169.5231	Professional Services	\$95,000.00

Mr. Loomis- these first three are for professional services. This is the remainder of the money that we need to spend to finish the design work on the renovation project. Section 3 appropriates the money for the storm water utility. We have been able to apply for a loan from some storm water work at a really good discount rate through the Ohio Department of Development to add some storm water features to the downtown. The plan is to divert about 70% of the storm flow through the bio swells and treat that to about 40% reduction into the storm water.
Mr. Cost- what is the fourth section?

Mr. Loomis- the fourth item is from our CSO 1030 project. This is a loan repayment. We had the whole loan repayment in our budget but we had it in the sanitary sewer budget but it needs to be out of the storm water budget when we finalize where all the money is coming from.

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

- d) A request for an appropriation of the unappropriated balance of the 669, Storm Water Utility Fund, in the amount of \$95,000.00 (CSO 1030 Project)

Account	Description	Amount
669.169.541575	Principal	\$11,706.01
669.169.542575	Interest	10,200.62

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

Jeremy Blake, Chair