

FINANCE COMMITTEE MINUTES

Honorable Council
City of Newark, Ohio
August 26, 2014

The Finance Committee met in Council Chambers on Monday August 25, 2014 with these members in attendance:

Jeremy Blake, Chair
Doug Marmie
Ryan Bubb

Carol Floyd
Bill Cost Jr.

We wish to report:

1. **Ordinance No. 14-23** providing for the issuance of not to exceed \$8,100,000 various purpose refunding bonds, and declaring an emergency was considered.

Steve Johnson, City Auditor- a refunding bond issue is similar to refinancing your house. We have done this a few times in the past. I think that we did it in 1998 with the Waterworks improvement bond issue and then we did it again 2006 with the Longaberger bond issue. What this will allow us to do is refinance our bonds at a lower rate of interest and we project that we will save \$966,000.00 over the next 17 years. This debt will be paid off in the year 2031. The way that it will be structured we will see a greater savings the first few years of the structured refinance but there will be savings throughout the course of the debt. We are always looking for ways to save money. I review our debt all the time to see if we can do this. Sometimes bonds are not recallable other times they are recallable after 10 years as the case with this bond it was issued in 2003 so now it is recallable. So with the interest rates the way that they are I met with the Mayor and we discussed this and think that this would be in the best interest of the City.

Mr. Blake- just to be clear this is for the police station and the West Main Street fire station, correct?

Steve Johnson- that is correct

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

Motion passed by a vote of 5-0.

2. **Resolution 14-68** appropriating monies for the municipal corporation was considered.

- a) A request for an appropriation of the unappropriated balance of the 621, Water Dept Fund, in the amount of \$10,000.00 (Reimbursement due to overpayments received online)

Account	Description	Amount
621.706.5641	Reimbursements	\$10,000.00

Roger Loomis- this is an appropriation out of our Water funds, our reimbursement account and I think a few months ago we had a similar issue. We had a guy in Newark New Jersey pay us about \$3,000.00 so we have to reimburse them when they pay us accidentally. We have to appropriate money in this account to pay those reimbursements. We are hoping that this \$10,000.00 gets us through the rest of the year.

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

Resolution 14-73 authorizing and directing the Mayor of the City of Newark to prepare and submit applications to The Ohio Department of Public Safety for fiscal year 2014 Edward Byrne Justice Assistance grant (jag-le) funding was considered .

Barbara Gilkes- Bob Carson and I will be working together to put together a technology application. The grant in the past has not required a local match and we intend to go after as much as we can.

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

3. **Ordinance No. 14-24** an ordinance of declaration of official intent with respect to reimbursement of temporary advances made for capital expenditures to be made from subsequent borrowings and declaring an emergency was considered.

Brian Morehead- several months ago we started the process to borrow with a bond anticipation note of 1.1 million dollars and prior to that ODOT needed funding prior to deposit for the West Church and 30th St intersection project. Part of the 1.1 million dollars of borrowing had that project in there. In order to keep ODOT happy I advanced the funding out of the License Plate Permissive Tax fund to ODOT. What we want to do is refund the License Plate Permissive Tax fund with the note sale we just recently did. This piece of legislation will allow us to do that.

Motion by Mrs. Floyd to send to full Council, second by Mr. Cost
Mr. Guthrie- the reason for the emergency was what?

City Auditor- it needs to be expedited because we also need to appropriate this money and we need to do that relatively soon. It was actually on the agenda for tonight's meeting but I asked for it to be pulled because this legislation needs to be on the books first to allow us to reimburse ourselves. I think that there is a construction schedule and Mr. Morehead would like to get started on this so the sooner we get this out of the way the sooner he can do that. Basically what this does is allows us to reimburse our License Plate Permissive Tax fund with borrowed funds. Because we had to come up with the money relatively quickly for our ODOT project Mr. Morehead pledged his License Plate Permissive Tax funds so what he was planning on doing with that he can't do until this legislation is in place then we can appropriate the borrowed money. This is something that we used to have to not do but there are very strict guidelines on public debt because it is a tax free investment to the buyers of the bonds. To answer your question it would be to keep things moving in a timely fashion.

Mr. Guthrie- if it is going to hold up construction than I can certainly see why the emergency clause would be used

City Auditor- one thing that I do want to add is that this was done by our Bond Council. Since we are normally facing some kind of time limit with paying off a note with a new note I have always asked them to put the emergency clause on the legislation.

Motion passed by a 5-0 vote.

4. **Resolution No. 14-74** authorizing the Director of Public Service to prepare and submit applications to participate in the Ohio Public Works Commission State Capital Improvements program and to execute contracts as required was considered.

Brian Morehead- the time is coming up to apply for the next round of State Capital Improvements Program funding and this piece of legislation will allow us to so that if we supply the approved piece of legislation in application package. The priority project that we are looking at right now is the reconstruction of a portion of West Main St basically from 21st St west to about 34th St. The edges of both curb lanes are in really bad shape. We are still working on the plans and the cost estimates. If for some reason the costs get over and above what we can handle with this grant application than we will shift gears and do that as a later project. In substitution we will do a street resurfacing project with various streets throughout the City. We are trying to make the project match the funding that could be available.

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

Motion passed by a vote of 5-0.

Jeremy Blake, Chair