

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
September 30, 2014

The Finance Committee met in Council Chambers on Monday September 29, 2014 with these members in attendance:

Jeremy Blake, Chair
Doug Marmie
Ryan Bubb

Dee Hall for Carol Floyd
Bill Cost Jr.

We wish to report:

1. **Resolution No. 14-77** appropriating monies for the current expenses of the municipal corporation was considered.
 - a) A request for an appropriation of the unappropriated balance of the 100, General Fund, in the amount of \$5,000.00 (Gannett Grant via Licking County Foundation to crack & seal Everett Ave portion of the bike trail)

Account	Description	Amount
100.601.5331	Misc Supplies	\$5000.00

Barbara Gilkes- this request is for our Gannett Grant. The city is going to use that money to start to crack and seal portions on the bike trail. The check should be released on September 30th so once this gets through full Council the \$5,000.00 will be deposited.

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

2. **Resolution No. 14-80** appropriating monies for the current expenses of the municipal corporation was considered.
 - a) A request for an appropriation of the unappropriated balance of the 153, Compensated Absences Fund, in the amount of \$9,020.00 (Payout for David Priest)

Account	Description	Amount
153.116.5144	Vacation Payout	\$6,520.00

153.116.5145	Comp Payout	2,500.00
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Mayor Hall- this is for Adult Probation, we have a gentleman resigning and this is a standard payout when an employee parts with the city.

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

3. Consider **Ordinance No. 14-28** to provide for the issuance of \$4,000,000 of bond anticipation notes in anticipation of the issuance of bonds for the purpose of paying the cost of replacement of water main and service lines and all necessary appurtenances, including but not limited to hydrants, valves and fittings.

Roger Loomis- this is the bond issuance for the downtown renovation project. It is to replace the water lines.

Motion by Mr. Bubb to send to full Council, second by Ms. Hall

Mr. Blake- Mr. Loomis if you could give us a clarification especially with the article that came out in The Advocate yesterday because there are several funding pieces to this and I think it might be helpful to get some clarification as to what this 4 million dollars is specifically for.

Roger Loomis- it is for removal of old lines and installation of new lines and replacement of the road infrastructure that we are going to tear out as put of taking the water lines in. It will also cover temporary water services that we are going to have to deal with when we take water lines out. Because of the way we are going to do the project we are going to have to have some temporary water services. We are going to have to put hydrants in and a couple of water stations are going to be put in. We haven't bid this yet this is our estimated cost and we hope it is the high end. The overall plan is to be back next year for another bond for the west side for the transmission lines. We are working on the design right now and we don't have a good idea on cost that is why we are doing it this way.

Mr. Blake- was the graphic in The Advocate yesterday correct where it listed the repayment of things. On this particular one it said water rates would be used for repayment?

Roger Loomis- water funds will be used for repayment, that is correct

Mr. Marmie- not just water rates correct? Are you utilizing storm water also?

Roger Loomis- that is what the 3.2 million dollar infrastructure on storm water will pay for.

Mr. Marmie- so they are paying for the other?

Roger Loomis- they are paying for that portion of it, the storm water portion. This is the water lines. We have a reasonable way of dividing up those costs between storm water, sanitary and water for replacement. When you take things out you have to put it back and how we divide that up isn't an exact science but we do the best that we can.

Mr. Blake- just to be clear we are voting to allow you to borrow the money so once the bids come in you will come back for the appropriation, correct?

Roger Loomis- correct

Dave McElfresh- the money that was appropriated for bonding a month or so ago was a huge package, several million dollars for the downtown project. This is in addition to this? I thought that covered the whole project. I thought that was how it was presented that it covered the whole downtown project.

Mr. Blake- I believe you might be referring to the downtown fire station that we voted on here recently

Dave McElfresh- no the downtown where it was questioned if that included the round a bouts and it was said that it included everything.

Mr. Blake- I think that was authorization to bid

Roger Loomis- that was authorization to bid it

Mr. Blake- we gave him authorization to bid it, he will come back to borrow money and then he will come back again before we can actually appropriate it.

Motion passed by a vote of 5-0.

4. Consider **Ordinance No. 14-29** providing for the adoption of post issuance compliance policies and procedures for tax exempt obligations.

Stephen E. Johnson, City Auditor- this policy says that we will only use borrowed dollars for the purpose that was intended when we borrowed them. That is something that we do anyway however when we sell a bond or a note someone buys that and it represents an investment on their part so the securities and exchange institution becomes involved and we have to report them. When someone buys one of our bonds or notes it is tax exempt investment for them so the Internal Revenue Service gets involved and we also report to them. I think after the financial fiasco of 2008 these government agencies are paying a lot more attention to what local governments do as well as banks or anybody in the financial industry. This is just another thing we are required to do. Just last week I had a due diligence conference concerning the 8 million dollar refunding issue on the Police and Fire station downtown and one of the first questions they asked me was have we adopted a due diligence policy. I told them it was going into front of Committee next week and should be in place by the end of October which was fine. Everybody is making sure that we have something like this. As I said this is something that we have done anyway but this just formalizes it. This is a compliance issue like most things I bring before you are that I and the City has to have in place that doesn't really affect our day to day operation.

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

Motion passed by a vote of 5-0.

Jeremy Blake, Chair