

## Finance Committee Minutes

Honorable Council  
City of Newark, Ohio  
September 10, 2013

Finance Committee met in Council Chambers on Monday August 26, 2013 at 5:30 P.M. with these members in attendance:

Doug Marmie  
Bill Cost Jr.  
Carol Floyd

Rhonda Loomis for Ryan Bubb

We wish to report:

**Mr. Marmie-** first item of business, just to make everyone aware of what the unappropriated balance is at this very time \$139, 348.00.

1. **Resolution No. 13-80** a resolution authorizing and directing the mayor of the city of Newark to prepare and submit to the United States Department of Housing and Urban Development (HUD) a one year use of funds/action plan along with an application for FY 2014 Federal Community Development Block Grant funds (CDBG), as required by 24 CFR part 91.220, for various programs related to housing and community development was considered.

**Barbara Gilkes-** this is our annual request, our public hearing will be on October 9<sup>th</sup> at 4:30 right here in Council Chambers. This year we received an allocation of \$731, 270.00. We don't know yet what our allocation will be for 2014. We do have some tuff decisions to make because the House Appropriations Committee recommends cutting the CDBG budget by just shy of 50%. The US Senate is proposing a small increase. At some juncture the two are going to come have to come together on a decision. That is where we are at on it now.

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

**Mrs. Loomis-** looking at this it looks like a possibility of \$700,000.00 for next year depending on what the cuts maybe they will meet in the middle and be about 20-25%. \$510,000.00 of that would be salaries, \$60,000.00 would go to the CIC, \$20,000.00 normally goes to the various organizations and that is going to leave about \$110,000.00 maybe for projects. It makes no sense to me to be this top heavy, it makes no sense to me to only have \$100,000.00 for projects where over half a million dollars is going to salaries and benefits. The \$60,000.00 to the CIC I think is a pretty good investment for out sourcing, then \$20,000.00 whether they decide to keep doing that or not I don't know but I guess I don't see any point in doing this I guess.

**Barbara Gilkes-** we have to have legislation to submit with our one year plan. The City of Newark is going to get an allocation and this is a required document as part of our submission.

**Mrs. Loomis-** so my problem would be in this one year plan would it discuss personnel, I mean potentially with half a million dollars in salaries.

**Barbara Gilkes-** a decision is going to have to be made as far as what that plan is going to look like. I agree with you I don't think HUD is going to buy a one year plan that is that lopsided but right now the reason I am here now is we have to have this legislation ready to go in when it goes in November. Without any special considerations going through the two reading having the 30 days, this is sort of boiler plate requirement for our submission of our plan but you are right Rhonda there is going to have to be some tuff decisions made because it will be too lopsided and I agree with you I don't think that it is going to fly with HUD.

**Mrs. Loomis-** I agree with that, thank you very much.

**Mr. Marmie-** I would further add and I can't speak for all of Council but I know I will speak for myself. That won't fly with me either as far as during the budgeting process. I will not support that at all and I will probably be pretty adamant against it because I believe if we are going to get government funds like that it needs to be paid toward the services not towards personnel costs. So we do need to have more going out actually where you say the rubber meets the road. I would also add that I know this has to be done, this is part of the process, but I would suggest and recommend when that one year plan is developed there is communication with Council as far as what the plan actually is and as far as funding, I know we don't know how much it is going to be, to be honest we don't actually find out until next May or June the actual amount but still we need to be prepared for that.

**Barbara Gilkes-** it makes it hard for us because we have to try to predict. The last couple of years have been very odd. We usually find out in January, we'd make a 5-10% cut we were always on target if we got a little more we would just spread it around for those activities. The last couple of years have not been normal. This discrepancy between the US Senate and the US House is huge. You are correct as far as what are we going to do, how are we going to do it because the department as a whole, we don't have the resources we had 2 and 3 years ago. We don't have the LEAD grant, we don't have NSP. You are always invited to the hearing on October the 9th; we will have a draft at the hearing. You are welcome to contact Mark; he is in the office every day. If you have any questions I will be glad to help answer them. That is where we are at now so you are correct .

**Motion passed by a 4-0 vote.**

2. **Resolution No. 13-81** appropriating and disappropriating monies for 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 \$14,350.00 (Retirement of Captain James VanWinkle)

Account	Description	Amount
153.205.5143	Termination Sick	\$5,100.00
153.205.5144	Termination Vacation	8,650.00
153.205.5145	Termination Comp	600.00

**Director Spurgeon-** we have had a retirement, Captain Van Winkle in the Division of Fire, this is his payout and if it please the committee I would like it to be expedited.

**Motion by Mrs. Floyd to send to full Council, second by Mrs. Loomis  
Motion passed by a vote of 4-0.**

- b) A request for an appropriation of the unappropriated balance of the 100, General Fund, in the amount of \$7,238.13 (Appropriate money from a sale of an ambulance)

Account	Description	Amount
100.204.5274	Vehicle Maintenance	\$7,238.13

**Director Spurgeon-** the division successfully sold off one of the medics that was no longer in service or no longer needed, their maintenance account is depleted, we ask that those funds be appropriated back to them and again if this could be expedited.

**Motion by Mrs. Floyd to send to full Council, second by Mr. Cost  
Motion passed by a 4-0 vote.**

- c) A request for an appropriation of the unappropriated balance of the 153, Compensated Absences Fund, in the amount of \$3,000.00 (Resigning Kyle Gross)

Account	Description	Amount
153.202.5145	Termination Comp	\$1,600.00
153.202.5144	Termination Vacation	1,400.00

**Director Spurgeon-** officer Gross left in good standing he got a once in a life time offer to be part of a Division I program with softball to coach and these are his payouts. He is gone already and if we could expedite that as well.

**Motion by Mrs. Loomis to send to full Council, second by Mr. Cost  
Motion passed by a 4-0 vote.**

- d) A request for an appropriation of the unappropriated balance of the 237, Community Development Fund, in the amount of \$23,451.75 (to move fund to be spend on Chip 11 projects)

Account	Description	Amount
237.609.5238	General Services	\$23,451.75

**Director Mauter-** I am just trying to appropriate some funds to wind down the Chip 11 grant program. We finally had one of our costs come in and we have a better handle on where we are at so we need to disappropriate out of Salaries and Benefits portion of the budget and put it in General Services.

**Mr. Marmie-** so this is moving it from salaries to general services.

**Director Mauter-** correct

**Mrs. Loomis-** did you say winding down Chip 11?

**Director Mauter-** yes Chip 11 grant cycle comes to an end on September 30<sup>th</sup>, we have until October 31<sup>st</sup> to complete all of our projects and get all of our draws submitted.

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

**Mr. Marmie-** you say this needs to be expedited because it has to be spent by October 30<sup>th</sup>?

**Director Mauter-** well and we really have to have a pretty good counting by September 30<sup>th</sup>.

**Motion passed by a vote of 4-0.**

- e) a disappropriation of the appropriated balance of the 237, Community Development Fund, in the amount of \$23,451.75 (to move fund to be spend on Chip 11 projects)

Account	Description	Amount
237.609.5111	Salaries	\$14,450.46
237.609.5122	PERS	1,891.15
237.609.5124	Health Ins	4,520.73
237.609.5124.400	Life Ins	20.54
237.609.5126	Medicare	202.13
237.609.5127	Work Comp	366.74
237.609.5199	Contingency	2,000.00

**Motion by Mrs. Floyd to send to full Council, second by Mrs. Loomis**

**Motion passed by a 4-0 vote.**

3. **Resolution No. 13-82** appropriating and disappropriating monies for current expenses of the Municipal Corporation was considered.

- a) A request for an appropriation of the unappropriated balance of the 621/661, Water/Sewer Dept Fund, in the amount of \$120,000.00 (Replacement of service vehicles for Water and Wastewater Departments)

Account	Description	Amount
621.708.5511	Vehicles	\$102,500.00
661.712.5511	Vehicles	17,500.00

**Roger Loomis-** this is for our annual vehicle replacement program that we have at the Water/Waste Water Department. Just for your general information we have a general policy that we try to replace service vehicles every 7 years and large equipment and cars every 10 years. We got a couple of extra years out of these vehicles right here but they are in need of replacement.

**Mrs. Loomis-** what do you do with the old ones? GovDeals or something?

**Roger Loomis-** we have sold some on GovDeals, some we have traded in, we have been using GovDeals more often we get better prices from them generally. A few vehicles have gone to other departments otherwise we sell. Generally they aren't worth a whole lot when we are done with them.

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

**Motion passed by a vote of 4-0.**

- b) A request for an appropriation of the unappropriated balance of the 297, Fire Prevention Grant Fund, in the amount of \$543.00 (Fire Prevention Grant home Inspector Services)

Account	Description	Amount
297.294.5231	Professional Services	\$543.00

**Barbara Gilkes-** this appropriation, we have had \$543.00 left on the equipment PO for the Fire Prevention Grant and it was from 2012 so we would like to move that funding over for one of the home inspectors.

**Motion by Mrs. Floyd to send to full Council, second by Mrs. Loomis**

**Motion passed by a 4-0 vote.**

- c) A request for an appropriation of the appropriated balance of the 264, Lead Grant Fund, in the amount of \$6,114.00 (To cover future lead projects payroll)

Account	Description	Amount
264.164.5111	Salaries	\$2,000.00
264.164.5122	PERS	250.00
264.164.5124	Health Ins	800.00
264.164.5124.400	Life Ins	4.00
264.164.5126	Medicare	25.00
264.164.5127	Work Comp	35.00
264.164.5199	Contingency	3,000.00

**Director Mauter-** we are requesting to appropriate these funds because we anticipate as the Chip grant went down just as we discussed a minute ago we will probably get the opportunity to do some lead projects. So we want to move these funds over to give us the capability to do that.

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

**Mr. Marmie-** if we want to do more projects why are we moving it into salaries?

**Director Mauter-** we are going to need to have a salary fund in order to pay the personnel to do the work.

**Mr. Marmie-** who is going to be doing the work

**Director Mauter-** well Mr. Ketter is the only licensed Lead Risk Assessor we have in the department.

**Mr. Marmie-** so the \$6,114.00 is going to no one's salary except Mr. Ketter?

**Director Mauter-** no that wouldn't be correct. Melissa would be doing the intake on the clerical side, Mr. Ketter would be following through with the projects, and myself I would be involved in meetings and the oversight of the project as well.

**Mr. Marmie-** so those are the only three salary dollars?

**Director Mauter-** there could be some accounting costs in there as well to keep track of the accounting.

**Mr. Marmie-** you either say Jeff Russell's name or I am going to say it.

**Director Mauter-** Jeff Russell could be involved as well

**Mr. Marmie-** ok, I am not in support of this, I will not be in support of this. I think that we are moving so many funds over to try to protect an individual's position that I don't think is needed. I believe that these grant funds should be utilized by the personnel that are actually doing the job. Money is being shifted in your department and being moved into personnel accounts, I know that I am aware of it and I am not going to support this just because of that. If you come back and say that none of it is going towards Jeff Russell's salary, for that

position, it's not even his name it is the position. That position is not required in my opinion. We have talked about it, I have talked to the Mayor about it, I have made it clear that we are spending too much money whether it is Federal dollars or Local dollars, it is our taxpayer dollars. I don't believe that it is necessary and we continuously moving dollars over to protect a position that is not required. Unless somebody can really show me evidence otherwise I'm not going to support it anymore. I think that I said that the last time that I agreed to go forward with it.

**Mrs. Loomis-** was Jeff Russell, let's just say the fiscal office, was that position budgeted all through 2013?

**Director Mauter-** yes and it was distributed among the various grants since he was going to be working on the accounting for all those projects, for those grants

**Mr. Marmie-** that is an incorrect statement, I worked on the budget and his position was not budgeted for the entire year. That position was not budgeted for the entire year.

**Director Mauter-** I would like to review my notes and get back to you on that.

**Mr. Marmie-ok**

**Mrs. Loomis-** I don't think that it was sir, I really don't

**Director Mauter-** I will be happy to get back with you on that and double check. If we don't move this forward we wouldn't be able to do any Lead grant projects for the rest of the year.

**Mrs. Loomis-** what projects do you have, can you give me an example.

**Director Mauter-** I know Melissa has kept a waiting list for the various projects, Chip and Lead. Our priority right now is to complete the Chip grant, complete it successfully. That was our main goal; with that in mind we sat the lead projects on a back burner because we didn't want anything to interfere with completing that Chip grant successfully.

**Mrs. Loomis-** we no longer really have the Lead grant do we?

**Director Mauter-** we do have Lead RLF funds.

**Mrs. Loomis-** but these aren't revolving either

**Director Mauter-** the 264 account Rhonda is the Lead RLF account fund

**Mrs. Loomis-** I concur with Mr. Marmie unfortunately for you.

**Mr. Marmie-** I would be happy to make an adjustment for the amount less that position in order to proceed forward with the project but I can't continue to support taxpayer dollars in that fashion and I made it clear I won't support it anymore and the last time that you came up here and tried to shift the funds over into that position I tried to make it perfectly clear that can't continue.

**Director Mauter-** it is for various positions, it's not just for that position

**Mr. Marmie-** I understand that but you should have a breakdown of how much each position should be

**Director Mauter-** it's hard to say when we don't have the exact projects lined up, we don't know how much time is going to be spent on each project.

**Mr. Marmie-** then how do you know how much to ask for?

**Director Mauter-** it is estimation between when we finish up the Chip grant and the end of the year.

**Mr. Marmie-** do you have numbers on how you came up with that estimate.

**Director Mauter-** not with me no

**Mr. Marmie-** how did you come up with it and if you did not tell me who did

**Director Mauter-** Mr. Russell brought me the numbers

**Mr. Marmie-** ok very good

**Director Mauter-** I rely on him he is my fiscal officer, he has been there 4 years I think and I do rely on his figures.

**Mr. Marmie-** we have done that before

**Mrs. Floyd-** if he is not doing the figuring out of where the money goes who would do it?

**Director Mauter-** Mr. Ketter goes out; he estimates the projects and oversees the projects

**Mrs. Floyd-** but who would determine what goes into each of these categories, would Mr. Ketter do that?

**Director Mauter-** not necessarily, we took an estimate is what Jeff told me, he said Mark I am doing an estimation because we don't have specific projects identified, we have a waiting list. We don't have specific projects identified at this time so it was a guess, a guesstimation.

**Mrs. Loomis-** doesn't Melissa help though

**Director Mauter-** she does, she does the intake Rhonda and that is considered implementation for the program rather than administrative costs. She reviews the applications, verifies the information on the applications

**Mrs. Loomis-** she did the audit though. To help you with the issue you had with Chip 09.

**Mr. Mauter-** yes

**Mrs. Loomis-** so she is capable

**Director Mauter-** Mr. Chair if I could make a recommendation that there will be no charges to Mr. Russell's position as Fiscal Officer involved in these funds would that be sufficient to move this forward? I would hate to see some lead projects not go forward to help the citizens of this town that is what the funds are there for. We have taken about 3,000-4,000 a month in the RLF Lead account, we would certainly like to be able to use those funds and put them back to good use.

**Mrs. Floyd-** I agree

**Mr. Marmie-** I agree with you there but basically I am taking your word on it because once we say yes there is no authority on our part.

**Mr. Mauter-** well you have my word and I guarantee that it will not happen if that is the wishes of the Council

**Mr. Marmie-** ok

**Mrs. Loomis-** when I called the Auditor's office today and I spoke to one of Mr. Johnson's people up there I was trying to understand the \$23,000.00 before that you're putting back into Services and then we talked about the Lead. You



also have some money that you want to disappropriate from HoDag and that is also going to go to salaries.

**Director Mauter-** right because we are trying to move forward on this HoDag house and I have had long conversations with Carol and a number of people. It is a very laborious process especially as far as satisfying the Ohio Historical Society Preservation's requirements, again winding the Chip program down. That should open up some opportunities to work on this HoDag house to get it moved forward to some sort of completion and also do some lead programs.

**Mrs. Loomis-** HoDag funds have the requirements that it has to stay multi-unit and it has to have rent control. It wasn't this administration nor was you by any stretch of the imagination that spent HoDag funds on something we had no business spending HoDag funds on. I had that concern early on about all the transferring we were doing and I understood Jeff Russell and/or the Fiscal Officer position was not included in the budget. I call when the monthly reports come out why there are expenditures here there and everywhere. That is when I found out this wouldn't be the only time, you are going to bring this back to Committee another time out of HoDag. Especially with what we talked about with the Grant Writer and what is going to happen and HUD is going to frown on what you are doing or what you have to deal with which is lopsided salary minimal money to go out into the community. So you are concerned about lead helping and being stuck here and not being out on the streets helping folks when in reality even your one year plan is looking exactly like that. So I am just not in support of this at all.

**Mr. Cost-** the money in question that you said is not going to go towards the Fiscal Officer, so where would that money go then?

**Director Mauter-** towards projects, towards Greg Ketter's time involved in implementing projects, going out to the sites, estimating site, meeting the contractors and overseeing the projects as well as Melissa Seville's position as Clerk to take in the application information, process the information and verify that we meet the requirements to do the work out there. Any of the clerical work involved in producing that project.

**Mrs. Floyd-** I have been under the understanding that your department, when somebody up there works on something then their time has to go to that grant. The cost of it has to come out of that specific grant. If on a given day they spend two hours on one grant and an hour and a half on another that is where the money is going to come from.

**Director Mauter-** exactly, yes

**Motion passed by a 3-1 vote.**

- d) A request for a disappropriation of the unappropriated balance of the 264, Lead Grant Fund, in the amount of \$6,114.00 (to cover future lead projects payroll)

Account	Description	Amount
264.164.5299	Contingency	\$6,114.00

**Motion to send to full Council by Mrs. Floyd, second by Mr. Cost**  
**Motion passed by a 3-1 vote.**

- e) A request for an appropriation of the unappropriated balance of the 221, Street/Traffic Fund, in the amount of \$12,068.00 (Supplies to be ADA compliant)

Account	Description	Amount
221.222.5332	Traffic Supplies/Parts	\$12,068.00

Mayor Hall- this is money that was received from FEMA last year work done during the power outage. It had to be put back into the 221 Traffic/Street fund because that is who performed that piece of work. They would like to appropriate that special revenue money, their special earmarked money to buy supplies and parts in the Traffic Department.

**Motion by Mrs. Floyd to send to full Council, second by Mrs. Loomis**  
**Motion passed by a 4-0 vote.**

- f) A request for an appropriation of the unappropriated balance of the 100, General Fund, in the amount of \$1,000.00 (Donation for Courthouse Square Fountain)

Account	Description	Amount
100.124.5271	Bldg Grounds Maint	\$1,000.00

**Motion by Mrs. Floyd to send to full Council, second by Mr. Cost**  
**Motion passed by a 4-0 vote.**

- g) an appropriation of the unappropriated balance of the 100, General Fund, in the amount of \$24,000.00 (City Hall Building Repairs)

Account	Description	Amount
100.121.5238	Service General	\$24,000.00

**Mayor Hall-** this is to repair the roof to keep the water on the outside when it rains. The third floor has taken the blunt of that as it comes through the walls. They need to replace the membrane on the flat part of the roof up there. This is general fund dollars; we don't anticipate this type of large repair. It is going to repair some drains, it is going to provide some alternate drainage then replace

the membrane that is cracked throughout. We try to conserve general fund dollars but there is no alternative in this case. Obviously without repairing we are going to have additional interior damage that we need to avoid.

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

**Mr. Marmie-** just one point of information just so everybody is kind of aware of where we are in the budget. The reason why I indicated what the unappropriated balance was this evening \$139,000.00. At the beginning of the year I think all of you recall or I hope you recall that basically we are using \$200,000.00 of the rainy day fund or Budget Stabilization fund in order to balance the budget we did that. So we are eating into that now. Our goal was to try to not utilize that however we are eating into that. This \$24,000.00, all though it is a necessary expense that needs to be done it is not coming out of Capital Improvements it is coming out of our general fund. We are \$85,000.00 into that rainy day fund. We know next years' budget is going to be harder than this year's budget I hope can find some money in other places and hopefully cut some expenses here and there and do what is necessary to not get into that \$200,000.00 as deep. We are almost half way into it now. I hope that we can ride out the rest of this year not digging into it too much. I hope that all the department heads realize that these are rainy day funds and it wasn't intended when we set it up to be utilized to basically balance a budget.

**Motion passed by a 4-0 vote.**

- h) an appropriation of the unappropriated balance of the 228, Income Tax Fund, in the amount of \$14,452.80 (2012 JEDZ distribution to Newark Tax Office)

Account	Description	Amount
228.131.5271	Bldg Grounds Maint	\$14,452.80

**Motion by Mrs. Floyd to send to full Council, second by Mrs. Loomis**

**Motion passed by a 4-0 vote.**

**Doug Marmie, Chair**