

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
November 26, 2013

Finance Committee met in Council Chambers on Tuesday November 25, 2013 at 5:30 P.M. with these members in attendance:

Doug Marmie, Chair
Bill Cost Jr.
Carol Floyd
Rhonda Loomis for Ryan Bubb
Curtis Johnson

Mrs. Floyd- I went to see Ed Houdeshell this afternoon who is Kindred Care on McMillen Dr in building 5, his wife got there right after I got there. I had a little bit of extra money left over from what we all donated so I got another small bouquet of flowers and took it to him. He was in rehab when I got there; he has lost 80lbs so he is very thin. He has been out of the hospital and has been there about 2 weeks. We are planning something for those people who are leaving Council in December, hopefully he will be able to attend that but I am not sure. He was real glad to talk about Council; it was sort of his bright spot in his day. If have an opportunity to send him a card or give him a call Autumn sent you all his phone number and room number. I am sure he would love to hear from somebody and just let him know that you are thinking about him. He is working on rehab and trying to get better.

We wish to report:

1. **Resolution No. 13-103** appropriating monies for current expenses of the Municipal Corporation was discussed.
 - a) A request for an appropriation of the unappropriated balance of the 100, General Fund, in the amount of \$2,748.00 (Donations received from The Elks, Park National Bank and Licking County Foundation specifically for the purchase of 9 tablet computers)

Account	Description	Amount
100.203.5536	Computer Hardware/Software	\$2,748.00

Director Spurgeon- the City of Newark has received 3 separate donations, the intended benefactor the Division of Police. Those funds were properly deposited with Public Treasury we ask that those be appropriated to the Division of Police.

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

Mr. Marmie- I would just like to indicate that these are from the Ohio Elk’s Association,

Park National Corporation Foundation, Licking County Foundation Grant, Delaware County Bank and Trust

Motion passed by a 5-0 vote.

2. **Resolution No. 13-104** disappropriating monies for current expenses of the Municipal Corporation was discussed.

a) A request for a disappropriation of the appropriated balance of the 232, Transit Fund, in the amount of \$249,920.49 (Funds that will not be used in 2013)

Account	Description	Amount
232.311.5294	Advertisement	\$1,000.00
232.311.5299	Contingency	223,890.00
232.311.5300	Office Supplies	220.84
232.311.5354	Fuel	24,809.65

City Auditor, Steve Johnson- before Mr. Mauter gets started I just wanted to introduce to you what we are doing. We don't do it a whole lot but we have done it a few times in the past. Section 5705.39 of the Revised Code says that appropriations cannot exceed resources further Section 5705.36 (a)(4) says that it is required to amend its' certificate of resources with the County Budget Commission should we be over appropriated. What we are finding is we are over appropriated in certain areas mostly grants and a few places we are going to under collect. I told Mrs. Floyd and Mr. Marmie earlier today that at the end of the day we are going to be right back in the same position as we were because this doesn't affect anything. This just keeps us compliant with the Revised Code, prevents us from being cited by the Auditors when they are here and allows us to clean the books and go on from there. It doesn't affect anything from an operation stand point just an accounting stand point. Having said that I am going to let Mr. Mauter get started and then I will handle the last couple of requests.

Mr. Marmie- these are all being expedited to just clean it up before the end of the year?

Steve Johnson- yes, because we have a lot of things going on right now

Director Mauter- the first item Mr. Chair is really Transit Fund and we are just, again as Mr. Johnson stated these are funds that we are not going to be using for 2013.

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

Mr. Marmie- I am just going to say this and it is going to be in general for all of these and I would like for you to answer it for all of them. We budgeted this amount and what I mainly want to know is it because we did not do the work or just kind of the purpose for it because we have budgeted some large amounts out of these grants and we are not utilizing them so I would like to know on each one of them why we have not utilized it.

Director Mauter- the first one is Transit, we closed down the operation portion of it we didn't know if that was going to actually happen last year when we did the budget so we did a worst case scenario in case it would transfer over to this year for if for some reason

the transfer didn't go through. That is why you are seeing these funds that we appropriated.

Lesa Best- is there a monetary amount or is it just general?

Mr. Marmie- yes, \$249,920.49

Lesa Best- does this go to the County? I don't quite understand

Mr. Marmie- no it doesn't go to anybody. We budgeted this amount; we are not going to use this amount so in order to straighten out our books we can't be over appropriated. We never received these funds.

Motion passed by a 5-0 vote.

- b) A request for a disappropriation of the appropriated balance of the 234, Brownfield Fund, in the amount of \$158,482.00 (Funds that will not be used in 2013)

Account	Description	Amount
234.144.5231	Professional Services	\$40,000.00
234.144.5238	Service General	40,000.00
234.144.5299	Contingency	28,482.00
234.145.5221	Travel	1,215.00
234.145.5222	Training	200.00
234.145.5231	Professional Services	10,000.00
234.145.5238	Service General	10,000.00
234.145.5299	Contingency	28,585.00

Director Mauter- pretty much the same thing we received some the Brownfield Grant money that we had some of it was used. Not all of it was used so we are honoring Mr. Johnson's request to do the disappropriation.

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

Mr. Marmie- when you say not used was it because we didn't go out and get the work, did we not have Brownfields that could utilize this or do we not have the staffing or the man power to do it or what happened?

Director Mauter- part of was the lack of man power with Aaron Schill being gone, part of this, a big part of this was Union Street corridor, there is a study going on to assess the Brownfield in that area by the old Roper Plant, Mid-Ohio property and that is pretty much what happened, we weren't able to work them all through.

Mr. Guthrie- Mark, how much of the grant was used?

Director Mauter- the 144 was the Clean Ohio, Brownfield fund and I have to get with Stuart to find out exactly how much in total that was, that grant was before I was here and I could get back with you Marc on that.

Motion passed by a 5-0 vote.

- c) A request for a disappropriation of the appropriated balance of the 234, Brownfield Fund, in the amount of \$553,887.34 (Funds that will not be used in 2013)

Account	Description	Amount
234.146.5221	Travel	\$387.34
234.146.5231	Professional Services	465.00
234.146.5299	Contingency	7,000.00
234.148.5231	Professional Services	50,000.00
234.148.5238	Service General	450,000.00

Director Mauter- a big part of this is the Jobs Ready Site we have been working with the address at North 21st Street, 209-217, a known Brownfield next to the PCA Packaging Corporation of America and this is something that we have been working on for several years. We are hoping to move forward and get that clean up done and it did not get done again this year. That is a very complicated piece involving the owner of the property, PCA next door and the City of Newark. We are really hoping that next year that is going to be a go for us.

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

Mr. Marmie- you said North 21st Street, is it South 21st?

Director Mauter- yes it is South 21st Street

Motion passed by a 5-0 vote.

- d) A request for a disappropriation of the appropriated balance of the 263, Lead Fund, in the amount of \$396,945.17 (Funds that will not be used in 2013)

Account	Description	Amount
263.166.5238	Service General	\$219,831.36
263.166.5299	Contingency	173,889.00
263.166.5300	Office Supplies	240.03
263.166.5627	Relocation Costs	2,984.78

Director Mauter- that is the balance of the Lead grant. \$300,000,000.00 Lead Grant that was not used.

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

Mr. Marmie- again staffing or what?

Director Mauter- when I came on board the first of January of 2012 that 3 million dollar grant had already been negotiated down as far the capabilities of the department to get accomplished in that last year of the grant and we did meet all those requirements that were renegotiated with HUD. We hit all of our bench marks and targets and this is the remaining amount.

Motion passed by a vote of 5-0.

- e) A request for a disappropriation of the appropriated balance of the 263, Lead Fund, in the amount of \$53,292.83 (Funds that will not be used in 2013)

Account	Description	Amount
263.166.5111	Salaries	\$16,132.01
263.166.5122	PERS	718.46
263.166.5124	Health Ins	3,075.11
263.166.5124.400	Life Ins	18.62
263.166.5126	Medicare	64.43
263.166.5127	Worker's Comp	95.20
263.166.5199	Contingency	33,000.00
263.166.5211	Rent	189.00

Director Mauter- that is the salaries and benefits for that grant

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

Motion passed by a vote of 5-0.

- f) A request for a disappropriation of the appropriated balance of the 236, CDBG Fund, in the amount of \$235,501.78 (Funds that will not be used in 2013)

Account	Description	Amount
236.601.5238	Service General	\$75,000.00
236.601.5290	Postage	100.00
236.601.5293	Mileage	200.00
236.601.5297	Misc Fees	824.00
236.601.5299	Contingency	150,000.00
236.601.5354	Fuel	400.00
236.601.5627	Relocation	8,977.78

Director Mauter- again an appropriation was made in last year's budget and we weren't able to use all of that this year. Funds were available from HUD but funds now go into carry over.

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

Mrs. Floyd- this is a lot of money, I know we don't have it, but it is money that we were originally supposed to have and I know your department is going to be down to 5 by the end of the year. Is there any way that if that money is appropriated for next year we might bring some additional people on board because some of this is for salaries?

Director Mauter- the money or the plan to budget that we did this year Carol also had some reserves built into it. There is a real concern from the fact that we did not get a release of funds from HUD this year until August 8th. We were almost 8 months into the year before we got a release of funds. What if? Our government shut down for 16 days this year. What if we didn't receive those funds? We are trying to take a proactive approach to try to get 6 months' worth of reserves built up so we are going to dedicate part of that to this just in case. What if we don't receive that release of funds, City of Newark taxpayers are going to be saddled with that burden.

Mrs. Floyd- this release of funds, is every year that late.

Director Mauter- no, my understanding is that typically in the past they received their notice in approximately March and typically they have the release of funds by about June.

Mr. Marmie- CDBG can be carried over for what period of time.

Director Mauter- indefinitely as far as I know.

Mr. Marmie- so we can draw down on these funds from 2013 on into 2016, 2017 whenever we feel like it.

Director Mauter- a lot of this has accumulated over the years, when I close out purchase orders and so forth.

Motion passed by a vote of 5-0.

- g) A request for a disappropriation of the appropriated balance of the 299, ARRA/HERA Fund, in the amount of \$24,755.10 (Funds that will not be used in 2013)

Account	Description	Amount
299.803.5111	Salaries	\$7,000.00
299.804.5238	Service General	.10
299.804.5299	Contingency	17,755.00

Director Mauter- these are some of the ARRA Stimulus funds that came down through the Obama administration, these were unused funds as well.

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

Mr. Marmie- do these carryover or are we done with these?

Director Mauter- I do believe that they carry over. These are salary figures as opposed to project figures.

Mr. Marmie- I would like to know that for certain. Looking at some of these like as Mrs. Floyd said, some of them are significant. I would hope that we would try to provide all the services we can in any given year and utilize the funds that are available. We never know when they might pull it back.

Director Mauter- NSP funds have been closed out, Neighborhood Stabilization Program was the part of the ARRA grant. We are actually closing that right now through the last audit and those will not be available. The HERA, Mr. Johnson from my understanding that was the predecessor of the ARRA grants, stimulus of some sort that might go back to the NSP 1. I think that the ARRA related to NSP 2 & 3 which was again part of the stimulus program. I will double check and get back to you but I am almost positive because those are closed up and they are reimbursement grants and we will not be doing anymore NSP work from that grant.

Motion passed by a 5-0 vote

- h) A request for a disappropriation of the appropriated balance of the 958, Fire Damage Fund, in the amount of \$40,933.33 (Funds that will not be used in 2013)

Account	Description	Amount
958.127.5621	Reimbursements	\$40,933.33

City Auditor, Steve Johnson- this will disappropriate funds from the fire damage fund. The way it works is, when an insured house catches on fire a portion of the insurance proceeds are put on deposit with the city and held until such time all repairs are done. At that time the city inspects the property and if everything seems to be acceptable the funds then are released back to the property owner. This is a fund where it is very difficult to estimate how much money you will be receiving in the course of the year.

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

Motion passed by a 5-0 vote.

- i) A request for a disappropriation of the appropriated balance of the 255, Highway Fund, in the amount of \$12,000.00 (Funds that will not be used in 2013)

Account	Description	Amount
255.100.5901221	OPT	\$12,000.00

City Auditor, Steve Johnson- this disappropriation is for the State Highway Fund, this is a fund that we are required to have on the books. 7.5% of our gasoline excise tax is deposited in the fund. We get that estimate from the State and apparently they are sending us a little less than we had initially estimated.

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

Motion passed by a 5-0 vote.

Mr. Marmie- There is a couple of things that I want to go over. The first one, Mr. Mayor I believe according to our Council Rules a Budget Review Committee has to be done at least annually so I don't know when you are going to have that meeting. It has not been done I believe since 2009 maybe. So we at least need to have one Budget Review Committee. Hopefully, I know that you are working on the budget; hopefully we will get those soon. I would also like to request, there is approximately a little over \$70,000.00 right now in the unappropriated balance, it would be my request that the administration try to put \$50,000.00 of those dollars back into the budget stabilization account. That way we wouldn't have used all of the rainy day fund for the year. The budget stabilization is just that a rainy day fund. I know it is raining right but it is going to start pouring down the road. I would hope that we could possibly put those funds back in there. Last year when we agreed to utilize the amount of money that we did for the budget stabilization it was under the premise that we were going to try to find efficiencies and not utilize that entire amount plus make sure that we did everything in our powers not to do that. I see that we still have \$70,000.00 in our unappropriated balance and I would hope that we would some of that back into that.

My final thing that I guess I want to say is I hope everybody is excited about this Saturday as I am and I sure hope we beat that team up north.

Doug Marmie, Chair