

Service Committee Minutes

Honorable Council
City of Newark, Ohio
June 5, 2018

The Service Committee met in Council Chambers on Monday June 4, 2018 following the Finance Committee with these members in attendance:

Jeff Rath, Chair
Bill Cost Jr
Jonathan Lang
Jeremy Blake
Ryan Bubb

We wish to report:

1. **Resolution No. 18-50** authorizing and directing the Director of Public Service for the City of Newark, Ohio, to enter into a lease agreement with Park National Bank for the lease-purchase of four (4) snow plow trucks for use in the Division of Streets was considered.

Director Rhodes- this is something that we have been working on for a couple of years and we were able to get some grant dollars toward it, Barbara Gilkes helped us get \$125,000.00 towards them. The total cost of these trucks completely outfitted was a little over half a million dollars. We are going to enter into a lease purchase agreement with Park National Bank for the remainder of it over a 5 year period.

Mr. Rath- is that half a million before or after the \$125,000.00 is applied?

Director Rhodes- before so we are going to finance around \$375,000-400,000.00

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

Mr. Rath- these are standard snow plows, salt carriers?

Director Rhodes- yes

Motion passed by a vote of 5-0.

2. **Resolution No. 18-51** authorizing and directing the Director of Public Service for the City of Newark, Ohio, to enter into a lease purchase agreement with Park National Bank for the lease-purchase of new, high-efficiency street lighting through the U.S. Communities Purchasing Program was considered.

Director Rhodes- the program was put in front of Council Committees two weeks ago by John Hazelwood and that is currently working its way through Council so we wanted to go ahead and get started on the money end of it. It looks like it is going to be a 7 year payback and what our thought is on that working with the Auditor is to keep our expressway lighting bills the same as what they are currently for the next 7 years and we will pay for this out of that. At the end of the 7th year we will begin to see about a \$40,000.00 savings but immediately we will begin to see around a \$10,000.00 a year savings.

Mr. Rath- and that \$10,000.00 will pay our 7 annual payments?

Director Rhodes- no what will happen is our kilowatt hours and billable hours will come down at the tune of about \$40,000.00 a year. Instead of lowering my budget by \$40,000.00 we will keep my budget roughly the same and the Auditor's office will take the payment out of my budget over the next 7 years. It is not an increase, it's a flat cost to the city.

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

Motion passed by a vote of 5-0.

Jeff Rath, Chair