

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
May 7, 2024
5:45pm

The Finance Committee met in Council Chambers May 6, 2024 with these members in attendance:

Doug Marmie – Chair
Jonathan Lang - Vice Chair
Bradley Chute
Bill Cost Jr.
Michael Houser

We wish to report:

Mr. Marmie - The unappropriated balance of the General Fund is \$767,169.00 and the balance of the Budget Stabilization Fund is \$1,683,758.00.

1. **Resolution No. 24-47 EXP** APPROPRIATING MONIES FOR CURRENT EXPENSES OF THE MUNICIPAL CORPORATION

Section 1. There is hereby an appropriation of the unappropriated balance of the 231 Adult Probation Fund, in the amount of \$25,000.00 (to pay for Ohio Community Supervision System (OCSS) training, document, data generation and go live with kiosk)

231.113.5536	Computer software/hardware	25,000.00
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Kevin Saad, Adult Probation Director – Good evening. This is in reference to our upgraded case management system within probation for the Department of Corrections in the sum of \$25,000. To get it in place so we can start the process.

Motion to send to full Council by Mr. Lang, Second by Mr. Houser, Motion passed 5-0

2. **Ordinance No. 24-16** AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$14,000,000 PARKING GARAGE BONDS AND/OR BOND ANTICIPATION NOTES, SERIES 2024.

Tyler Slain, Duke and Myers, Contractor – I wanted to explain a little bit about the garage. Give history and give people the opportunity to understand a little more about it if you're not already familiar. We've been involved with the project since November of 2022. It is a design build contractor. We hold the general contracting side, architectural, structural, MEP, and civil side. We've been in design since November of 2022, and finished August of 2023. The permit is

in review as we speak. Final design specification of the garage is 140,000 sq. ft. It's a five story, concrete structure. We have 398 parking spaces, and an additional 17 service spots. The façade is brick, mostly on the west and south elevation. One elevator and two stair towers, and parking control equipment. The bidding process that we've gone through, once we submit the permit, the drawings are finished, we went through and had our subcontractors bid. So, we advertised about 250 invitations to bid. Mostly subcontractors around the state of Ohio. Out of the 250, we had about 100 bids. So, the scope is earthwork, MEP, brick, those types of things. The whole encompassing construction of the project. We conducted scope of (inaudible) with those bidders, and go through to determine the best bids appropriate for this project. So, it's more than just price. It's qualifications, making sure they're thorough with their bid. Make sure it's an appropriate scope. We solicited bids to numerous Newark based contractors, and after review process of their bids and qualifications, we deemed many of them appropriate for the project. We are intent on using multiple Newark based subcontractors through various trades and in turn they are going to use local vendors in anticipation of equipment, materials, and so forth. We really wanted to bring in some local support. The last part of our prequalification process, we really go through a thorough process. It's more than just numbers. We look at safety. We look at credit ratings. We look at reliability of subcontractors with other projects. We've spoken to other projects in the Newark area and also surrounding areas like Heath, Zanesville, and Columbus, and go through to make sure not only their price is good, their work is good, but are they a good contractor. Do they pay their bills? Do they respect their clients? Do they do what they say they're going to do. So, all those parts and pieces go into our decision-making process. So, hopefully that explains our process, but if you have any questions, I'm happy to answer.

Mr. Marmie – Any questions? I really appreciate all the information. These folks have done a great job. I know just working with them how their selection process, like you said, about contractors and the emphasis on subcontractors trying to use as much local as we can to support our own community. So, I really appreciate that and what you have done so far for us.

Ryan Bubb, Auditor – Thank you members, and good evening. I'm here to discuss the financial part of the building of this parking garage. Basically, key words to look at in this are "not to exceed 14,000,000". There are a few things that the Mayor read and the rest of the crew are working out, bringing this number down significantly. There's a timeline where we had to get this, get the ball rolling on financing this project. So, that's why we put in "not to exceed". I think you'll see that number drastically drop. Within this package, let's say this drops to 10,000,000, 11,000,000, it's going to be split 50/50. Half is going to be tax exempt; the other half is going to be taxable. The tax exempt will be for us, the city of Newark. The taxable will be for our potential developer who wants to lease space. We're going to put it on a 30-year bond. We're going to look at the amortization once we have all the final numbers as to what the cost is really going to be. If you're looking now at a 30-year bond, tax exempt, you're at about 4.5%. Taxable, 6.5%. Although no deal has been struck yet, we need to proceed with it being split 50/50 tax exempt and taxable. It would be cheaper if we just did tax exempt, but we would have to undo all of it for a developer (inaudible). So, I'm comfortable moving forward with this financially. The Mayor, a few others have more details to work out. Not to exceed 14,000,000 will drop drastically. It's a 30-year bond. I don't think there's any use to putting it on a short term note during construction. These folks have the details worked out for the cost. Are there any questions regarding the financial part? Any further questions you have about the parking

garage or the details with that, the Mayor who's leading the charge on it, I think he would be more than happy, and he's the man with the known answer.

Jeff Hall, Mayor – If there are any questions at all we've been working on this for quite a while. It's time. We need one in downtown. We've invested millions and millions of dollars as had the private sector, and it's been a great collaboration to bring back our downtown. We get out beyond our city limits and we get a lot of kudos. Friday night was a busy night downtown. A lot of nights are, and it certainly helps generate revenue for us to push back into the community. It creates revenue for those individual investors, and private investors. Do understand more businesses, more employees, more employees, got to have parking for them. We take the Arcade as one example which MVP is doing a phenomenal job with. Potentially could have 60 employees, that is the goal. So, you'll probably have 60 cars there. Where do 60 cars park? And as you know, we roll the clock back 10-12 years, we had a lot of employees parking on the street. That's not what we want. We want that for our good visitors and shoppers and customers of those businesses. It's time. Duke and Myers is doing a phenomenal job. MVP is doing a phenomenal job. Doug has been to a lot of those meetings representing the Council in many ways. We put a lot of work into it to get to this point. That's how we do things. Working with the right people at the right time to get the right projects done. If there are any questions, I can help field them, or we can pass them out to the people around here who are experts in those areas. Obviously, this is at committee level. We've got Council down the road too with this, so questions can be answered later on also.

Mr. Lang – I know we're still pretty early in this, do we have a sense of how we will allocate parking spots and how that will be divided up and a timeline for figuring out the details of that aspect of it? I know a lot of people will be interested.

Mayor Hall – Yes. Auditor Bubb touched on that briefly. 4.5-6.5% are pretty good rates. We're not in the 2.5% range, but we're surely not up there. To do that split, means about half the garage would go to the private sector and half of the garage would go to the public sector. The private sector understanding the potential (inaudible). You can put it all under the public rate and do it lower side, but it's hard to undo it down the road. We think this is an important ingredient for the apartments that will be built around that. That's one of the big uses for it. Not only that, you can see everyday how many cars of employees' park in the gravel lot over here. So, that's about half of the garage, and the other half would be for the apartments.

Mr. Lang – When we talk about the side that will be for public parking, presumably some of those spots will be dedicated for city employees, some would be eventually open parking for people coming downtown, do we have any sense in how that will be broken down? Will it all be allocated to employee parking?

Mayor Hall – No, not necessarily. We're going to work through this as it goes through that. It's a discussion for the entire downtown. The lot in the back here we use it basically from 8-4:30. The gates regulate that. Then the gates go up and the public can use it in the evenings and on weekends. At the end of the day, half had to go to private because you have to have parking for your tenants. Whether that's through gates or secured parking, we'll see how that works best.

Mr. Marmie – I think I can clarify a little bit. There's going to be a portion that is only for the apartments. The rest is going to be completely open parking. There may be opportunities for folks to purchase those open parking at some point. The whole concept of it now is it's open parking. If someone purchases it, whether it's a city employee or an employee of the Arcade,

that will be up to them. It will be completely public. The only private part will be for the apartments.

Mayor Hall – It's really no different anywhere. Our employees are here just before 8, generally, they get some public spaces too that are off the beaten path. There wouldn't be employee only parking.

Mr. Marmie – I'm just going to comment mainly so Council is aware of this, and the Mayor alluded to this, so did the Auditor. This has been a process that has taken a long time. The Downtown Newark Association has spearheaded a lot of this and doing a fantastic job keeping it organized, keeping it moving. I'm here to tell you, it's going to happen quick now, because we have timelines and deadlines. The CRA is coming. It's tied into this. There are specific timelines. You're going to see this come through, so if you have questions, ask them ahead of time. There's a lot of background information that needs to be discussed. If you have a question about how we got to where we did. The next month we're going to get hit with all this stuff to make sure everything goes through in the manner that it has to. We're going to have a Rule 11 this evening because something came up that we were unaware of, and we have to make sure that that fits in there prior to other legislation being passed. Just so you're aware of that. Ask the Mayor, ask anybody questions, but it's been a long process. Don't feel like this is just being pushed through. We're at that point now where we're moving on this and it's actually happening right now. Any questions?

Rochelle Volen-Smith – Can you refresh my memory? Where is this going to be?

Mr. Marmie – Sure. If you look across the street at this building, right behind it.

Motion to send to full Council by Mr. Lang, Second by Mr. Houser, Motion passed 5-0.

3. **Resolution No. 24-33** A RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR OF THE CITY OF NEWARK TO SUBMIT AN APPLICATION TO THE OHIO DEPARTMENT OF PUBLIC SAFETY OFFICE FOR FEDERAL FISCAL YEAR 2025 OHIO TRAFFIC SAFETY GRANTS PROGRAMS: SELECTIVE TRAFFIC ENFORCEMENT PROGRAM (STEP) AND THE IMPAIRED DRIVING ENFORCEMENT PROGRAM (IDEP).

Barbara Gilkes – Newark is eligible for 2 overtime grants through the state. The United grant. In 2024 we received the I90. For expenses the STEP grant was \$13, 490. We're asking to apply for next year.

Motion to send to full Council by Mr. Lang, Second by Mr. Cost, Motion passed 5-0.

4. **Resolution No. 24-34** A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF NEWARK TO ENTER INTO A COMMUNITY DEVELOPMENT BLOCK GRANT FUNDED SUBRECIPIENT AGREEMENT WITH THE HEREINAFTER NAMED ORGANIZATIONS TO CARRY OUT ACTIVITIES INCLUDED WITHIN NEWARK'S FY 2024 COMMUNITY DEVELOPMENT BLOCK GRANT ONE YEAR ACTION PLAN.

Barbara Gilkes – The Subrecipient legislation refers to our nonprofits. I sent an email to you today giving the monetary level we're looking to fund. Newark Development Partners \$110,750. Together We Grow, that's regarding projects throughout Newark, \$7,150, and I'm going to list the remaining subrecipients. They are all going to receive \$6,400. Behavioral Health

Partners, St. Vincent Diocese of Columbus, St. Vincent Haven, New Beginnings, and Salvation Army. Licking County Coalition of Housing will also receive \$5,400, and they will have another activity developed by the city, and that is the program for rental property assistance for people who qualify. That funding level is \$50,700.

Motion to send to full Council by Mr. Lang, Second by Mr. Houser, Motion passed 5-0.

5. Resolution No. 24-41 APPROPRIATING MONIES FOR CURRENT EXPENSES OF THE MUNICIPAL CORPORATION

Section 1. There is hereby an appropriation of the unappropriated balance of the 422 Debt Service Fund, in the amount of \$127,338.00 (Payment for Horns Hill / Waterworks roundabout will be made from TIF monies)

422.929.5421762	Principal Payment	55,000.00
422.929.5423762	Interest Payment	72,338.00

Ryan Bubb, Auditor – We ask for your approval on this. This is the TIF funds to pay for the Horns Hill roundabout portion.

Motion to send to full Council by Mr. Lang, Second by Mr. Houser, Motion passed 5-0.

Section 2. There is hereby an appropriation of the unappropriated balance of the 422 Debt Service Fund, in the amount of \$638.06 (Thornwood Crossing bridge and roundabout payment for 2024)

422.931.5416230	Principal Payment	488.06
422.931.5426230	Interest Payment	150.00

Mr. Bubb – I ask for your approval.

Motion to send to full Council by Mr. Lang, Second by Mr. Cost, Motion passed 5-0.

Section 3. There is hereby a disappropriation of the unappropriated balance of the 424 TIF Fund, in the amount of \$127,338.00 (Payment from District 3 TIF monies for Horns Hill roundabout)

424.933.5421762	Principal Payment	55,000.00
424.933.5423762	Interest Payment	72,338.00

Mr. Bubb – We can disappropriate this amount because the portion of the Horns Hill will be paid out of TIF funds. If I may, it pertains to the Horns Hill roundabout. I would really like to thank the Service Director for his work in getting access roads so when this roundabout is being established here this summer, it won't inter traffic. You will be able to get up and down Horns Hill Rd. for emergency services.

Mr. Marmie – Not only that, it does also help one of the businesses in the community. The Trout Club out there, it's during their prime time of the season with golf and everything else. It will be a huge benefit for that business to continue with their wedding venues and golf outings and running their business.

Motion to send to full Council by Mr. Houser, Second by Mr. Lang, Motion passed 5-0.

6. Resolution No. 24-45 A RESOLUTION TO DISBURSE ONEOHIO OPIOID SETTLEMENT FUNDS IN ACCORDANCE WITH THE TERMS OF THE ONEOHIO MEMORANDUM OF UNDERSTANDING ENTERED INTO BY THE CITY BY WAY OF RESOLUTION 21-52

Tim Hickman, Safety Director – The city participates in the ONEOHIO settlement. The purpose of the settlement is to prevent, treat, and support recovery from addiction. Those funds have to be spent for approved purposes as defined (inaudible). Obviously, the government must pass a resolution appropriating those funds. Some of the approved purposes as defined are evidence based, forward looking programs, strategies and services that expand availability of treatment, that develop, promote, and provide evidence-based prevention strategies, provide substance abuse avoidance and awareness education, and also support recovery from addiction services formed by qualified, licensed, providers. The Mayor and I met with representatives from LMH and Shephard's Hill, and we feel they are the ideal candidate to receive these funds. They are already providing most of these services. With this money, they will expand the services they provide. We ask for your support with this resolution.

Mr. Houser – You mentioned expansion of services. Do you have an idea of how they will do that at this point, or is it still in the works?

Director Hickman – Right now they have a presence in Newark City Schools in the fifth grade, so, they want to expand that program, and also an aftercare program for people who have gone through recovery, that they can follow up with them. They can have someone actually follow up with them and help them continue with their recovery.

Mr. Lang – Mr. Chair, I think I need to abstain from the vote.

Motion to send to full Council by Mr. Houser, Second by Mr. Chute, Motion passed 4-0, with Mr. Lang abstaining.

7. Resolution No. 24-48

Section 1. There is hereby an appropriation of the unappropriated balance of the 210 EMS Transports Fund, in the amount of \$133,852.00 (down payment on two EMS vehicles)

210.204.5532100	Vehicles Transports	Fire	133,852.00
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Director Rhodes – Thank you, Mr. Chair. As many of you know, we have a couple of ambulances that I have ordered. The maker of those ambulances is now asking for deposits to ensure our place in line for those ambulances. So, we are asking for this appropriation. The money is coming out of the EMS fund. When we get ready to finish the lease purchase, we'll make a decision whether we refund that account or not depending on this balance.

Mr. Houser – What's the timeline on getting those ambulances?

Director Rhodes – We're hoping by Christmas.

Mr. Marmie – I appreciate what you've done over the years with the ambulances in particular. The reduction of the size of the big beasts that we used to have. Looking at the cost of these in comparison is like night and day. Less maintenance costs, so I really appreciate that switch that took place about 5 years ago.

Director Rhodes – Just for your information, when these come in, we will take both of those ambulances down to the street department. One of them we will turn into a crime interview vehicle for the police department.

Mr. Marmie – Very good.

Motion to send to full Council by Mr. Houser, Second by Mr. Lang, Motion passed 5-0.

8. Resolution No. 24-49

Section 1. There is hereby an appropriation of the unappropriated balance of the 621 Water Fund, in the amount of \$3,582.00 (Ohio EPA Recycle Grant funds for bottle filling stations at Water Admin, Water Plant and Water Distribution)

621.706.5331.100	Machinery Equipment- filling	and bottle	3,582.00
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Brandon Fox, Water Administrator – We actually already received revenue for this. This is an Ohio EPA grant that Lindsey Gritton submitted to buy some bottle filling stations for our admin building, our water plant, and water distribution. This is just appropriating the funds.

Motion to send to full Council by Mr. Lang, Second by Mr. Houser, Motion passed 5-0.

Meeting stands adjourned.

Doug Marmie, Chair