

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
December 7, 2020
5:45pm

The Finance Committee met via Zoom on Monday, December 7, 2020 with these members in attendance:

Doug Marmie – Chair
Ryan Bubb
Jeff Harris
Jonathan Lang
Jeremy Blake

We Wish to Report:

1. Consider **Resolution No. 20-91 Expedite** A RESOLUTION APPROPRIATING MONIES FOR CURRENT EXPENSES OF THE MUNICIPAL CORPORATION

Section 1. There is hereby an appropriation of the unappropriated balance of the 929 Inter Intra Government Fund, in the amount of \$145,062.04 (3rd QTR JEDZ 1 Distribution)

929.132.5289	JEDZ1 Distribution	145,062.04
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Mayor Hall – This is the quarterly collections and for the distribution of it.

Mark Mauter, Director of Development – That was an appropriation that Barb Jobes needed it's a distribution for the 3rd qtr. The JEDZ are performing very well because they have the Amazon fulfillment center and other corporate offices and distribution centers.

Stephen Johnson, City Auditor – I think she collected more than she had anticipated and this was the over collection.

Mayor Hall – There wasn't enough appropriated, she did collect over.

Motion to send to full council by Mr. Bubb, second by Mr. Harris, motion passed 5-0

Section 2. There is hereby an appropriation of the unappropriated balance of the 931 Inter Intra Government Fund, in the amount of \$894,844.51 (3rd QTR JEDZ 2 Distribution)

931.136.5289	JEDZ 2 Distribution	894,844.51
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Mark Mauter – This is the same situation as the JEDZ 1

Mayor Hall – This is a rather large number but it is where Amazon sits and their quarterlies are larger than projected due to COVID

Motion to send to full council by Mr. Bubb, second by Mr. Harris, motion passed 5-0

Section 3 There is hereby an appropriation of the unappropriated balance of the 153 Comp Abs Fund, in the amount of \$3,850.00 (Comp payout for Lindsey Brighton, promoted to mgmt)

153.122.5145	Termination Comp	3,850.00
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Service Director Rhodes – This is a payout for an employee in the engineers office that we promoted to Storm Water Coordinator

Motion by Mr. Bubb to send to full council, second by Mr. Harris

Mr. Bubb – I think that's a good promotion, she's done a nice job for the city. Are you planning on filling her old position?

Director Rhodes – We are going to make some modifications and we have a couple open position in the engineers office right now, we're going to make some changes which we'll be bringing to council, but yes we're going to fill it.

Mr. Marmie – David, will you make sure she gets her contact information out to all of council because communication to that position when we have storm water issues is vital.

Director Rhodes – I'll get that to you tomorrow morning.

Motion passed 5-0

2. Consider **Ordinance No. 20-39** AN ORDINANCE TO MAKE AN APPROPRIATION FOR THE EXPENDITURES OF THE CITY OF NEWARK, OHIO DURING THE YEAR ENDING, DECEMBER 31, 2021.(GENERAL FUND BUDGET)

Mayor Hall – This is for the General Fund. It is a balanced budget that does not need to use any rainy day funds. It does not anticipate any layoffs. The departments did a wonderful job of being efficient and creating a carryover. It's going to fluctuate a bit due to some technology we're bringing in to make a safer environment. We would appreciate if it's passed tonight and in the next two weeks we are available to answer any questions of any council member.

Mr. Marmie – We received the actual ordinance on Thursday, but didn't really get our hands on the budget until Friday I did not have time this weekend to really mull over it. I know I will have some questions for Lori and the Mayor. I think it's prudent that we move forward and send it to full council, if we need to have a committee meeting prior to full council next time to discuss in detail I am willing to do that. We need to get moving forward in order to meet the timeline for the end of year.

Mr. Bubb – From what I've seen of the budget I'm pleased with it so far. I'm pleased we are allotting for another Property Maintenance position along with a permanent position in the parks department and take the temporary summer funding back a bit. I think it's moving in the right direction. This gives us a couple more weeks to study it.

Motion by Mr. Bubb to send to full council, second by Mr. Harris

Mr. Blake – Maybe the Mayor can explain how COVID and loss of revenue affected this budget going into next year.

Mayor Hall – Barb Jobes, our tax administrator, has peeled back the projection about \$500k for next year compared to this year. She is pretty conservative with that and careful with that. Know that more than 80 percent of our revenue comes from weekly or monthly withholding, that's an on-going thing. I don't think we're impacted as much as some of the larger cities that have larger employers with large layoffs. Honestly this city has been running very efficient for a few years without extra fat. The COVID dollars have been used for a few things but are all COVID related, they haven't off-set the budget. We anticipate a rainy day fund of about \$650k by the end of the year. Optimistically it's really better than I thought it might have been.

Mr. Blake – That answers my question. We read in the newspaper about how COVID and the pandemic has affected other cities, so that's really good to hear.

Mayor Hall – Kudos to the employees they've been working really hard to not overspend.

Mr. Blake – I know Mr. Bubb mentioned the additional employee in property maintenance and parks, but it's my understanding that we're also getting a new police officer, is that correct.

Mayor Hall – Yes, there are a couple of positions that council has approved, we won't be filling them all, but we are going to be able to fund one more police officer and are happy to do that.

Motion passed 5-0

3. Consider **Ordinance No. 20-40** AN ORDINANCE TO MAKE AN APPROPRIATION FOR THE EXPENDITURES OF THE CITY OF NEWARK, OHIO DURING THE YEAR ENDING, DECEMBER 31, 2021.(ALL OTHER BUDGET)

Mr. Marmie – This is all of the funds other than General Fund and Grant Fund.

Mayor Hall – Exactly. The General Fund can be used for anything and many departments including safety fall under that. The All Other Budget is going to cover those things like water budget, streets and cemetery. This will fluctuate during the year depending on what engineering and water projects are going on at the time, but it's everything that has a specific use.

Motion by Mr. Bubb to send to full council, motion passed 5-0

4. Consider **Ordinance No. 20-41** AN ORDINANCE TO MAKE AN APPROPRIATION FOR THE EXPENDITURES OF THE CITY OF NEWARK, OHIO DURING THE YEAR ENDING, DECEMBER 31, 2021.(GRANT FUND BUDGET)

Mayor Hall – This is the existing current grants. I want everyone to keep in mind this is our expense. You're appropriating money when you pass the budget ultimately so understand some of these grant were in existence last year and some funds did not get expended then those same exact numbers are put into a budget for 2021 so we can spend them. You don't add the crossed years and come up with total numbers. These are funds that work with the court system and Mark Mauters' office in Community Development and also some Safety funds.

Motion by Mr. Bubb to send to full council, second by Mr. Harris, motion passed 5-0

5. Consider **Resolution No. 20-94 Expedite** A RESOLUTION APPROPRIATING MONIES FOR CURRENT EXPENSES OF THE MUNICIPAL CORPORATION

Mr. Marmie – This last item is not going to be voted on. We are sending it through using Rule 11. We received an additional \$209,891.19 of COVID money that needs to be appropriated so it can be included with the other funds. It does need to be spent by the end of the year, the only other thing, the November 20th deadline has passed so we are fine with that. We've been encumbering that in miscellaneous so we are fine with the deadlines.

Mr. Lang – I just wanted to understand where we are in dispensing the funds we've received so far. I know we've issued a few checks in the last few weeks. Generally off the top of your head Mayor where we are, what's remaining and what the plan is with the remaining funds.

Mayor Hall –The \$200k was anticipated and discussed before, it just didn't physically get into our hands until this past week, hence the rush on it. We don't have the exact numbers you want, we will have those this week. We've been putting all our energies into the budget and getting that done. We got those initial checks out and still have money left. I will work with the auditor's office this week and see where we can satisfy the rest of those dollars.

Mr. Lang – There's obviously a lot of public interest in that list. I think that eventually we need to make that public so folks can see where all the money went.

Mayor Hall – I want everyone to realize that this isn't grant money where its requirement is low to moderate income use. This has to meet the three main criteria of timing, COVID this year and couldn't be a budget item. So, whether that money came out of the CARES Act and an entity received it through PPP, through the county or through us, it can't be duplicated dollars and that's kind of critical. If it's a private business, if they're doing revenue loss, there has to be a discount factor to that, because you can't 100 percent guarantee it was all COVID. The government won't allow us to assume that you would've done exactly in 2020 without COVID what you did in 2019. Hard costs like hand sanitizer etc. could've been covered under some grants already so we must be careful there is no duplication of funds.

Mr. Lang – I did have someone reach out to me and my concern was for the reporting on the high level account names we have and the only fund being used is the miscellaneous fund and I think having that additional context and detail will be helpful.

Mr. Marmie – If someone is watching and really feels their organization is deserving, just saying they could use the money is not going to allow us to use the funds. What we need is justification, it has to be directly COVID related or a profit and loss, like the Mayor said it will be a percentage and no duplication of other government funds. That's what is needed. I know a lot of charitable organizations have sent emails, but have not brought forward information. I know the Homeless Outreach brought us information and we were able to assist them and it was fantastic.. Nancy Welu brought forth the information, it was directly COVID related and we were able to help them. Without that detail we can't just give to a charitable organization although we would love to, but the government would ask for those funds back if there's no justification.

6. Other items at the discretion of the chair

Finance Meeting stands adjourned. Next up is Personnel Committee.

Doug Marmie, Chair