

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
November 27, 2012

Finance Committee met in Council Chambers at 5:30 P.M. on November 26, 2012, with these members in attendance:

Doug Marmie- Chair	Bill Cost Jr.
Ryan Bubb	Carol Floyd
Duke Frost	

We wish to report:

1. Resolution No. 12-92 appropriating monies for current expenses of the Municipal Corporation was considered.

An appropriation from the unappropriated balance of the 231 Jail Diversion Grant Fund, in the amount of \$14,689.05 was requested.

Account	Description	Amount
231.113.5611	Refund to State	\$14,689.05

Director, Scott Fulton- explained that this is a grant that they have through the Department of Corrections. He stated that they finished up fiscal year 2012 and there is a new auditor for their region and they both researched prior years and discovered that money had not been refunded for the last couple of years. He transferred the money into the refund account but invoices from the State were not received. This is grant money not General Fund money. This is house cleaning measures.

Motion by Mrs. Floyd to send to full Council, second by Mr. Bubb
Motion passes 5-0.

2. Resolution No. 12-93 appropriating monies for current expenses of the Municipal Corporation was considered.

- a) an appropriation from the unappropriated balance of the 100 General Fund, in the amount of \$18,360.00 was requested.

Account	Description	Amount
100.432.5238	Service General	\$18,360.00

Director Rhodes- stated that the funds are from an insurance claim for the roof at Flory Park. A check has been received and now the roof needs to be repaired.

Motion by Mr. Bubb to send to full Council, second by Mrs. Cost
Motion passed by a 5-0 vote.

- b) A disappropriation from the unappropriated balance of the Inter/Intra Fund, in the amount of \$17,000.00 was considered.

Account	Description	Amount
100.204.5289	Other Inter/Intra Gov't billings	\$17,000.00

Director Spurgeon- stated that he would like to disappropriate money from the Inter-Governmental Billings and appropriate it into the EMS Billing for some outstanding bills and they have come up a little short.

Motion by Mr. Bubb to send to full Council, second by Mrs. Floyd
Motion passed by a 5-0 vote

- c) An appropriation from the unappropriated balance of the 100 General Fund, in the amount of \$17,000.00 was considered.

100.115.5230	Temp Service EMS billing service fee	\$17,000.00
--------------	--------------------------------------	-------------

Motion by Mr. Bubb to send to full Council, second by Mr. Cost
Motion passed by a 5-0 vote

- d) an appropriation from the unappropriated balance of the 153 Compensated Absences Fund, in the amount of \$3060.00

e)

Account	Description	Amount
153.202.5144	Termination Pay Vacation	\$2,180.00
153.202.5145	Termination Pay Comp	\$ 880.00

Director Spurgeon- explained that there is a Police officer who resigned and this is a payout.

Motion to send to full Council by Mr. Bubb, second by Mrs. Floyd
Motion passed by a 5-0 vote.

3. Ordinance No. 12-41 to make an appropriation for the expenditures of the City of Newark, Ohio during the year ending, December 31, 2013 was considered. Grant Funds

Mr. Marmie- stated that he is not prepared to vote on this because he asked for figures but did not receive them yet and he would like to have those numbers before voting; however it is up to the Committee. He did not have an opportunity to review the grant fund budget in depth because he did not have those numbers.

Director Mauter- inquired if he was referring to the numbers that were requested about a week ago.

Mr. Marmie- confirmed

Director Mauter- stated that Jeff Russell was going to email the information to him and he was not aware that he had not received the information. The email was thought to be sent on Tuesday.

Mr. Marmie- asked for numbers from 2012 on how each employee was paid, meaning by which grants. It was decided that the Committee would move on to the next item to allow for Jeff Russell to get the information.

The Committee discussed Ordinance 12-43 before coming back to this legislation.

Director Mauter- did not have the numbers that evening but discussed his budget.

Mr. Bubb- asked when the CHIP grant would come to a conclusion.

Director Mauter- stated that it goes until end of 2013.

Mr. Bubb- asked about the contingencies salaries and health insurance within the Transit Department.

Director Mauter- stated that they plugged in numbers on a worst case scenario.

Mr. Bubb- asked if the merger occurs at 1/1/13 is that number null and void.

Director Mauter and Jeff Russell- stated that there would be some carry over expenses; everything should be finished up by March.

Mr. Bubb- asked for a salary overview for the Committee

Director Mauter- himself, Stuart Moynihan, Barbara Gilkes, Melissa Seville, Jeff Russell, Greg Ketter, Will Hansen.

Carol Floyd- stated that in the budget of 2012 there was a 247 account that was a tax collection; she asked what it was and where it went.

Lori Resta- stated that it was an error; it should have been in a different department's budget.

Carol Floyd- asked about the 804 Transit stimulus that is in this year's (2013) budget, she stated that it wasn't in 2012 budget and asked if it was just left over from when the Transit goes to the County.

Director Mauter- the balance of the account is left over from a grant, stimulus money that they used to buy the new buses, which got transferred and intended to use on the buses. There is a purchase order in place and those funds are pretty well exhausted.

Mr. Cost- inquired if Stuart was going to have two roles now. If his salary would then increase and if someone was going to be hired to take Aaron's position.

Director Mauter- stated that this happened quickly and that as of now Stuart would be handling both roles and that they didn't expect salary increase nor hiring anyone.

Mrs. Loomis- stated that their budget is half of what it was in 2012. Asked how many employees he has right now and what the difference in the budget is.

Director Mauter and Jeff Russell- stated that there are 8 including Vivian Gluzinski who is a Lead inspector. The difference in the budget is due in part to Transit, Newark Processing Site, and Lead.

Mrs. Loomis- asked why there is still a HODAG fund. There is \$109,000 in the fund that doesn't exist anymore.

Director Mauter- He confirmed that it does have to be used on multifamily rental and that rent can't be raised. He stated that there isn't a specific plan now but that they have contacted Licking County Housing to see if they would be interested in working with them on a project there.

Mr. Guthrie- asked if he knew what Aaron Schill's payout was going to be and if it was accounted for in the budget for 2013.

Director Mauter- stated that it happened quickly and he doesn't have a number now however Aaron was not with the City long, two years therefore he doesn't anticipate much of a payout.

Lesa Best- asked about purchase orders for Transit, when they were applied for and what they are for. Asked what Aaron Schill's salary will be going towards since he will not be in place.

Director Mauter- stated that the purchase orders were applied for back in 2009 and the funds will install bicycle racks on the bus. The grant money has to be used on the buses.

Mr. Marmie- asked how much was spent in Safe Schools and who is going to do that.

Director Mauter- under \$5,000 stated that preliminarily Brian Morehead and Nick would probably have a big hand in it because there are infrastructure projects that they would have to work closely on with Engineering.

Mr. Marmie- stated he knows that we have had it and haven't utilized it and feels that it is worthy of utilizing.

Mr. Rath- asked who will take over the Mobility Committee meetings

Director Mauter- stated that it would be himself or Stuart.

Mr. Bubb made a motion to send to full Council, second by Mrs. Floyd

Mr. Marmie- stated that he is going to vote nay because he needs to see the numbers he has requested. He stated that we have to at least of an interim.

Motion was defeated by a 3-2 vote.

4. Ordinance No. 12-42 to make an appropriation for the expenditures of the City of Newark, Ohio during the year ending, December 31, 2013 was considered. All Others

Mr. Marmie- stated that he didn't have any questions concerning this budget and would entertain a motion if nobody else had any questions.

Mr. Bubb made motion to send to full Council, second by Mrs. Floyd
Motion passed by a vote of 5-0.

5. Ordinance No. 12-43 to make an appropriation for the expenditures of the City of Newark, Ohio during the year ending, December 31, 2013 was considered. General Fund

Mr. Marmie- asked if anyone on the Committee had any questions or wanted to discuss generals or specifics.

Mr. Bubb- stated for clarification with the new Health Contract there is a savings of \$100,000 and that there is also a salt expense savings due to the salt barn being full.

Director Rhodes- confirmed that the barn is full and another 800 tons is set to be delivered.

Mr. Marmie- asked if the health increases next year

Director Rhodes- stated that it did not that it is fixed for 5 years.

Mr. Bubb- first he stated that he is happy that we don't have to lay anyone off. He stated that it was evident that we could not do that in Police and Fire. With the storm that hit in the summer we are low in the Street Department as well and obviously we can't lay off animal control. He stated that we hate to dip into the budget stabilization but he thinks that where it is at over \$800,000 he is ok with it. He believes that we have a responsibility to provide good services for everyone. He stated that is what it is there for and will get rebuilt throughout the year. He commented that he appreciated everyone's efforts and that it was nice to get the budget in November of 2012 compared to March-April in past years.

Mr. Marmie- stated that there is also going to be approximately \$200,000 from the death tax, therefore we may only have to take \$200,000 from the budget stabilization. That will be changed and included in this budget.

Mr. Bubb- stated that 2 years ago they had to dip into the budget stabilization fund for quite a bit more. He stated that he has good faith in the administration and that they are doing a good job. He asked Stephen Johnson about the tuition reimbursement. He asked if the non-bargaining units mirrored what happens in the bargaining units.

Stephen Johnson- stated yes that just about everybody except elected and appointed officials is covered by a bargaining agreement or policy.

Mr. Bubb- asked whether the education is required to be related to the individuals' job.

Stephen Johnson- clarified that the education does not have to be job related for it to be reimbursed. He stated that it could be for general education.

Mr. Bubb- stated that the City then could be subsidizing someone's education even though it doesn't reflect what their job duties are. He stated that he is concerned in the future that we may want to look at that because reimbursement could get very costly. He is not against education but he stated that he felt the education should be job related especially if we are looking at tightening up the budget in the future.

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

Mrs. Floyd- stated that she had questions and called the Mayor and received clarification to her questions. She stated that she knows a lot of effort was put into his and she really appreciates it.

Mr. Cost- stated that he also had questions and that he spoke to Director Spurgeon and Director Rhodes who were able to clear some items up for him. He stated that it is impressive that we came up with a balanced budget considering the State cuts that we are taking that Mr. Guthrie pointed out last week.

Mr. Marmie- said he too has questions; Director Rhodes was able to answer a few. He asked what the employer share FSA is.

Lori Resta- verified that Mr. Marmie was inquiring about the employer share of the FSA. It is the flexible spending account. The FSA is offered to those employees whose spouse had to pick up their own insurance.

Mr. Marmie- asked why there was only a difference of \$5,000.00 in the account for civil service testing. Mr. Marmie stated that Mr. Koehler asked for an appropriation at the last Committee meeting and indicated there would be a larger savings in 2013.

Director Spurgeon- explained that they are contractually obligated to offer the tests and if someone fails the City is obligated to give that individual the test again. Therefor the number of tests paid for is based on others performance.

Mayor Hall- stated that the savings could be greater but that was the figure Herb was comfortable with.

Mr. Marmie- stated that more than likely we are not going to be over the \$3,000,000 in our cash carry over. We have \$200,000 coming from the stabilization but there is almost \$100,000 that will replenish it next year even if we use a \$100,000 therefore we are really only at \$100,000 because \$99,750.00 has to go in if we are not above the \$3,000,000 in the carry over. He stated that he is thinking about this year and next year.

The next statement he made even though he realizes that there isn't anything he can do about it is that he noticed that the salaries went up 4.25% in the judicial. Also the insurance decreased but waived insurance didn't increase. He didn't know if there was a mistake.

In Human Resources the health insurance didn't change much but the waive insurance did go up.

Mayor Hall- stated Mike Buskirk doesn't take insurance. When they were selecting the Directors last year they didn't know who would take insurance and who wouldn't when budgeting for 2012.

Mr. Marmie- stated that we don't put large amounts in the personal services account for Human Resources. He stated that usually they put \$20,000 in there but know that more will be needed, Council would like to appropriate as necessary.

Lori Resta- documented that they will change the appropriated amount in Human Resource budget to \$20,000 instead of \$50,000.

Mr. Rath- asked if we legislated that

Mr. Marmie- stated that yes they did legislate that if they have a large one but he could do small ones and Council wouldn't know what was going on.

Mr. Marmie- pointed out that 911 is now under the Safety Director's budget. A cost savings of about \$70,000 was also noted.

Mr. Bubb- asked Director Spurgeon if what was occurring there if it was still in limbo.

Director Spurgeon- The new tower is going up, it is a done deal however there is a delay with the Historical Society. He stated that he and the Mayor are going to revisit the plan they are on with the County and the rates that are charged because the City of Newark wants to be progressive. He and the Mayor are still looking for something equitable for the citizens of Newark.

Mr. Marmie- noticed that on the EMS billing personal service cost increased and he inquired if it was because we anticipated more runs.

Director Spurgeon- stated that it is a per run fee and yes they are anticipating more.

Mayor Hall- stated that revenues are up also.

Mr. Marmie- asked Director Scott Fulton about the salaries in Adult Probation decreasing but the Medicare expenses went up.

Director Scott Fulton- stated that his copy shows a decrease. Lori Resta stated that it was because of his sick leave conversion and the fact that he planned for it this upcoming year.

Mr. Marmie- stated that Director Rhodes is looking at the taxes and assessments. Asked whether the land purchase from Babe Ruth and the bed tax disbursement are separate.

Stephen Johnson- confirmed that they were.

Mr. Marmie- would like to take the bed tax distribution out because it is going to come from the bed tax anyways and this way all of Council gets to hear again and vote again.

Stephen Johnson- stated that if you take it out and it becomes part of the unappropriated balance then it becomes very hard to track. He also stated that it could get appropriated elsewhere. Another point is that since it was legislated and is a source of revenue there is the GASB rule that says it should be budgeted.

Mr. Marmie- asked for an assurance that Council will get to hear and be a part of where those funds are going.

Mayor Hall- clarified that they funds can't be tucked away like they used to do with the new GASB rule. He agreed that at Committee meeting they would give report to all of Council.

Mr. Marmie- clarified that there is money being switched around in the Engineer's office an employee will start to be paid be paid under temporary services on a part time basis and the salary dollars will be moved for Zoning.

Mr. Marmie- asked about the \$50,000 that is in a Workers Comp account that was separated out which he didn't see last year.

Lori Resta- stated that that is a fee that the City has to pay to be in the group that they are in.

Mr. Marmie- inquired about memberships for \$11,000

Lori Resta- stated that that is still part of Worker's Comp

Mrs. Floyd- asked about the proposed overtime budget for the Fire Department being \$120,000. She asked if we are not expecting to go over that amount.

Director Spurgeon- responded that last year they budgeted \$200,000 and what we don't have this year is a contractual obligation for minimum staffing. He stated that it took a year to see what that change would be. This year he stated they are at approximately \$86,000. In this line of work we hope that we don't suffer any major disasters in the community. It is a tight budget however he stated they are trying to save jobs.

Mrs. Loomis- stated that the Police Department overtime is twice that of the Fire Department. She asked if that is less than last year.

Director Spurgeon- answered that no it is about the same. He explained that the Police Department has a different dynamic in order to investigate crimes and catch people in the act we have to have patrolmen out there.

Mrs. Loomis- inquired about the ASCME PERS pick up is about a quarter of a million dollars and the Auditor's office informed her that the contract doesn't end until July 2014. The custodial budget is higher than Property Maintenance.

Mr. Marmie- explained that the Service Department's budget is large; this made it easier to track if they moved Building Maintenance to this account instead of being in Service. It is contracts for trash, elevators and boilers that are included in this account.

Mrs. Loomis- inquired whether a local civil service was necessary.

Mayor Hall- explained that those were all questions that they are looking into but as a new administration they didn't want to change this without understanding better. That is a project that they are working on as they move forward.

Mrs. Loomis- asked about the non-uniform employees in the Police budget.

Lori Resta- clarified that it includes the civilians, such as, PSO's, dispatchers, Communication Operators and animal control.

Mayor Hall- stated that the Police Department dispatches their own calls so there are more civilians.

Lesa Best- asked how many civilians were employed at the Police Department.

Director Spurgeon- answered he did not know the exact number but that part of the department has been effected by the last layoffs. There are two Communication Operators at all times there. He stated there are 12 or less civilians.

Mayor Hall- stated that 2010 April 8 of the 11 layoffs were in the Police Department.

Mrs. Loomis- asked about FEMA

Mr. Marmie- stated that only funds coming from the Police and Fire helps the General Fund.

Mr. Cost- He was concerned if there would be funds available come September October in case it is needed for Fire Department overtime.

Mr. Marmie- confirmed that there could be. Things can be changed and that this budget is just a snap shot in time. At each Finance Committee that is basically what we are doing, re-doing the budget.

Mr. Davis Greene- mentioned that he also wanted to make sure that there is funding available for Fire Department overtime because the housing stock in Newark is deteriorating.

Second point he wanted to mention was on Mr. Bubb's comment regarding education and whether the tuition reimbursement the City pays out is directly related to the individual's job. Mr. Greene stated that he feels education whether it pertains to the job or not can benefit the city government.

Mr. Marmie- stated that he would like to see the educations have relevance to the job and that most companies do require that.

Mr. Bubb- stated that he is not against education but when we are discussing making sure the City can fund overtime and jobs we have to look at everything. Funding an education for someone when it isn't job related would be great if we could do it but we can't.

Lesa Best- asked how much money was spent on tuition reimbursement

Mr. Marmie- stated he had not totaled each department but that there is the aggregate of \$25,000.

Lesa Best- asked whether making the education related to the job could be made a policy or does it have to be negotiated through contract.

Director Spurgeon- stated that he is under contractual obligation with the Police and Fire Departments to offer up to \$25,000 for tuition reimbursement for a related field. The request comes to him as the Safety Director to approve. He has to make sure it is related to the field. Education is valuable but he also agrees with the Committee.

Mr. Guthrie- asked Director Spurgeon if Leads on Line is figured into the budget.

Director Spurgeon- stated he would verify that for him in the morning, he knew that they made a commitment.

Motion passed 5-0.

6. Other items at the discretion of the chair.