

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
June 11, 2013

Finance Committee met in Council Chambers on Monday June 11th, 2013 at 5:30 P.M. with these members in attendance:

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

We wish to report:

1. **Resolution No. 13-55** authorizing the Mayor of the City of Newark to enter into a Community Development Block Grant funded sub recipient agreement with the herein after named organizations to carry out activities included within Newark's FY 2013 Community Development Block Grant one year action plan was considered.

Barbara Gilkes- on May 29th the City found out that our application for 2013 which is \$731,270.00 and with that news we are permitted to go forth with our sub recipient agreements. For 2013 we have 7 agreements, the CIC is for \$60,000.00, Denison Garden of Hope is for \$2,000.00, St. Vincent, St. Vincent Haven \$5,000.00, Salvation Army \$5,000.00, Behavior Health Partners \$5,000.00, Coalition of Care \$2,500.00, Licking County Coalition for Housing \$5,000.00 that totals \$85,400.00 for the sub recipient agreements.

Lesla Best- asked Ms. Gilkes what happens with the rest of the money.

Barbara Gilkes- explained the rest of the money was presented when we compiled our one year plan last year in October.

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

Motion passed by a 5-0 vote.

2. **Ordinance No. 13-13** amending section 222.07 of the codified ordinances of the city of Newark, Ohio regarding the transfer of funds was considered.
Stephen Johnson- stated this piece of legislation allows them to keep their financial trainings running on time. We run into situations where through normal operation of business an account can become over drawn and we are not allowed to over draw accounts. It used to be that we could override a deficit until someone could make the transfer correcting it. The latest GASB statement doesn't allow us to do that anymore and our new software won't permit us to have an account in the red, so if this happens we can't move on until it is corrected, if it happens near the end of the month then we can't close out the

end of the month, which creates many problems. With this legislation it will allow us with the proper approvals of the Mayor and the necessary Director, to transfer funds until such time that they can be corrected by the department. This is something that will probably not happen very often and we already have authority to do this at the end of the year because sometimes at year end there is going to be a deficit in an account and there aren't any more Council meetings to correct it and we can't allow that to happen at the end of the year. This is basically a safeguard that we would like to put into place to keep our finance moving forward.

Mrs. Floyd- stated that they knew he was a wonderful Auditor and that they did a wonderful job, she asked him if he thought that the safeguards in the legislation regarding the Mayor and necessary Director's approval were enough protection in case at some point in the future there would be a different Auditor.

Stephen Johnson- said he thought so. He said that when you look at it you will see that this is really just moving money in accounts.

Mr. Cost- asked if there would be any dollar amount limitations.

Stephen Johnson- no, it would be whatever is necessary and the transfer is just to correct a deficit. If the deficit is \$1,700.00 that is what would be transferred then we would ask the department to submit a transfer form to correct this, this is an emergency measure so we can keep moving forward.

Mr. Frost- asked if the transfer was from department to department.

Stephen Johnson- stated they can already do that at year end this is during the fiscal year within a department, not department to department.

Lori Resta- stated she thought that it was important to know that this legislation only handles salary and benefit accounts which was something she and Mr. Marmie had discussed before. If an employee works overtime and there isn't any money in the overtime account we have to pay that employee regardless so what this is doing for us is letting us go on with something that we know is going to happen anyways. We can't have an employee work overtime then say no we aren't going to pay you, same thing for worker's comp and health benefits.

Mr. Frost- asked the question, if under the old system you would have to notify us first before you do this then we would have to approve it.

Stephen Johnson- no under the old system we could override it and tell the department to get a transfer form down to us then if there was a delay of 10 days of the form coming in with our ability to override we could move on, now we can't override.

Mrs. Loomis- paragraph B doesn't say salary does that still mean salary, it says any?

Lori Resta- this actually came from an old piece of legislation when we had the \$2,500.00 rule, but because how we have passed the budget the last 4-5 years by categories, that rule no longer applies and this is just cleaning up that language. Anything in Section B would have to go for the 5, 2 accounts.

Mrs. Loomis- inquired about the last sentence on the legislation that says and after authorization by resolution of City Council.

Lori Resta- said she questioned that also, it is this resolution.

Lesa Best- asked how often this happens and if it is within the same department

Stephen Johnson- about 5 or 6 times a year, no it varies. A department budgets a certain amount for overtime and if they exceed what they budgeted this allows us to pay the employee, close the books then make the correction.

Lesa Best- asked if this would apply if an employee thought they deserved a raise.

Stephen Johnson- no, no one can get a raise without authorization from Council.

Mayor Hall- stated this might happen a little more often with tighter budgets than you had 10-20 years ago. We don't have extra money in the accounts; years ago they had the accounts a little fatter.

Lori Resta- presented an example of where this would be necessary. She stated that this situation happened early on this year in a department with a very small budget where the employee's husband's employer implemented a program like ours where if the spouse's employer offered health benefits they had to take them. This was not known until after the budget passed so they had to move money around in the budget for that.

Mr. Marmie- asked how it was going to be tracked as to how many times this is used, electronically or manually.

Mr. Marmie- asked if the system would indicate if the transfer was a transfer like this or like the others.

Lori Resta & Stephen Johnson- the system will track it.

Mr. Marmie- said he wanted to be able to tell how many of these transfers they are doing because a form is not on the desk. He understands overtime situations but he stated the Mayor needs to know if there is an issue with forms being on desk and not getting over your office. He said there should be some way to track how many of these you are doing and with what purpose.

Motion by Mr. Bubb to forward to Council, second by Mrs. Floyd

Motion passed by a 5-0 vote.

3. **Resolution No. 13-57** appropriating monies for the 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 \$2,800.00 (Donation from Licking County Foundation and Newark Elk's Lodge specifically designated for Knox Boxes for Fire Prevention)

Account	Description	Amount
100.204.5311	Fire Safety Supplies	\$2,800.00

Motion by Mr. Bubb to forward to Council, second by Mrs. Floyd

Motion passed by a 5-0 vote.

- b) A request for an appropriation of the unappropriated balance of the 621, Water Department Fund, in the amount of \$31,500.00 (Quentin Rd waterline partnership with City Schools)

Account	Description	Amount
621.708.5521	Waterline	\$31,500.00

Roger Loomis- this is an agreement they have with the City schools to run a new line at the new Administration building at the old Roosevelt School. That is to improve fire protection for that building, the apartments and the rest of that area. That system is kind of dead end area for us.

- c) A request for appropriation of the unappropriated balance of the 669, Storm Water Utility Fund, in the amount of \$300,000.00 (Tamarack & Yorkshire Storm Line Project)

Account	Description	Amount
669.169.5527	Storm lines	\$300,000.00

Roger Loomis- this is for two storm water projects, one by the Tamarack Dr area. It is for a storm line between Tamarack Farm & Dairy and Universal Veneer. This will take care of some storm water issues there where it is covering up an area where they have problems with West Nile and mosquitos. The other project is on Stonewall Dr, to divert water that comes down Stonewell drive and across from Londondale where they have a lift station.

Motion by Mr. Bubb to forward to Council, second by Mrs. Floyd

Motion passed by a 5-0 vote.

4. **Ordinance No. 13-18** to provide for the issuance of \$3,200,000.00 of bond anticipation notes in anticipation of the issuance of bonds for the purpose of paying the cost of capital improvements, including fire station #1 improvements (including demolition, professional design and property acquisition), city hall parking improvements, service complex improvements and south second street bridge repair, together with additional fire station #1 improvements (phase one), and all necessary appurtenances thereto, and declaring an emergency was considered.

Stephen Johnson- stated about this time last year the City sold notes in the amount of 2.2 million dollars to acquire property, to prepare the site, pay for architectural plans for the new downtown fire station. Along with that the City borrowed

additional funds to fix the parking garage out back, South Second Street Bridge and do repairs at the Service Complex. The 2.2 million dollar note is due the end of July the plan was to renew the note and add to it as construction progressed with the fire station, it is anticipated in the short term and see if we need another million dollars. At this point we are renewing our 2.2 million dollars and adding 1 million to it to continue fire station construction.

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

5. **Resolution No. 13-59** appropriating monies for the 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 \$27,000.00 (Replenishment of EMS Medical Supplies)

Account	Description	Amount
100.204.5303.100	EMS Medical Supplies	\$27,000.00

**Motion by Mr. Bubb to forward to full Council, second by Mr. Cost
Motion passed by 5-0.**

Doug Marmie, Chair