

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
June 4, 2019

The Finance Committee met in Council Chambers on Monday June 3, 2019 with these members in attendance:

Doug Marmie
Jeremy Blake
Ryan Bubb
Bill Cost Jr.
Mark Fraizer

We Wish to Report:

1. **Resolution No. 19-47** appropriating monies for the current expenses of the municipal corporation was considered.- Expedite

Section 1. There is hereby an appropriation of the unappropriated balance of the 152 Budget Stabilization Fund, in the amount of \$108,000.00 (Reduction of principal to allow bond to replace note)

| Account | Description | Amount |
|-----------------|-------------|--------------|
| 152.100.5901100 | OPT | \$108,000.00 |

City Auditor, Stephen Johnson- the city has had a bond anticipation note that was taken out to do various small projects, sidewalks, parking lot lights, street projects and so forth and we are to the point that we don't want to renew this note anymore; we want to turn it into a long term bond and retire it over several years however we need to reduce the principal by \$108,000.00. That is the reason for the request.

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

Section 2. There is hereby an appropriation of the unappropriated balance of the 100 General Fund, in the amount of \$108,000.00 (Transfer to Debt Service for note payment)

| Account | Description | Amount |
|-----------------|-------------|--------------|
| 100.100.5901422 | OPT | \$108,000.00 |

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

Mr. Fraizer- what will the amount be after this \$108,000.00?

Steve Johnson- it will be around 560,000.00

Motion passed by a vote of 5-0.

Section 3. There is hereby an appropriation of the unappropriated balance of the 422 Debt Service Fund, in the amount of \$108,000.00 (Principal Payment)

| Account | Description | Amount |
|--------------|-------------------|--------------|
| 422.920.5411 | Principal Payment | \$108,000.00 |

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

Motion passed by a vote of 5-0.

2. **Ordinance No. 19-12** an ordinance authorizing the issuance of not to exceed \$1,170,000.00 various street, sidewalk and parking lot improvement bonds for the purpose of refunding outstanding bond anticipation notes previously issued for the purpose of paying the cost of various street and parking lot improvements, sidewalk construction and lighting improvements and all necessary appurtenances thereto and declaring an emergency was considered.

Steve Johnson- this is the bond that replaces the note that we just discussed

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

Mr. Cost- the dollar amount was stated at 1,120,000.00 and now we are at 1,170,000.00

Steve Johnson- it says not to exceed if there are additional costs that we are unaware of it would be covered then in the issuance of the bond. That is a generous amount, we won't bond for that amount unless we need to but it is not to exceed that.

Mr. Marmie- the 1.12 number was the August 14, 2018 number now it is up to 1.17 is that correct?

Steve Johnson- there is some padding in there too to cover the cost of issuance. If we don't need the extra money we will not be bonding for it.

Motion passed by a vote of 5-0.

Motion by Mr. Fraizer to remove from the table sections 3 and 4 from Resolution 19-46 from two weeks ago, second by Mr. Bubb

Mr. Marmie- the whole purpose of us tabling this before was for us to get more information and I have not heard any additional information. I talked to the Service

Director and he said that this doesn't need to come off of the table yet. I would like to know the purpose of it coming off of the table.

Mr. Fraizer- since the last meeting there was an RFP that was sent out and there was also a community engagement meeting that occurred as well from my understanding from the Service Director there were no fundamental changes from the RFP just additional clean-up work in order to move this forward. With the review of the RFP that was provided to us as well as having the community discussion I feel it is appropriate to move this forward to Council to allow the negotiations with the community partners to begin.

Mr. Marmie- I am going to vote opposed to moving it off of the table because there is nothing additional for us to warrant appropriating \$30,000.00 towards something that we don't even know what we are going to be going after. To say that we need \$30,000.00 to negotiate something that we don't know what is going to happen. If I vote for it to come off of the table then I would have to vote against it and I don't want to vote against it because we might need this to come out. There is no rush in it there is still going to be plenty of time between them drafting the RFP and the RFP going out plus time for it to come back. I don't see the purpose of this coming off of the table; no one is justifying to me the purpose of this. We may not need \$30,000.00 so why would I agree to spend \$30,000.00 when we may not need it and we don't even have agreement yet. Usually we get the agreement first then we go after the money. Why are we doing the money first this time? Until we have that clear valid picture I don't want to vote against this because I believe that we need to address the issue but this is not the way in which we address it. I can't prudently say that I'm going to say that yes I'm going to support \$30,000.00 for this project when we don't even know what the project is.

Mr. Blake- I would agree, I know that Mr. Cost and myself were at the meeting related to community partners that came together to discuss the RFP for this homeless consultant and it does seem as though that it is early in the process to say how much the city should be contributing. I agree with the Chairman that we should leave it on the table until we get additional information back from that group to decide where we want to go.

Motion to take it off of the table failed

Doug Marmie, Chair