

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
March 6, 2018

The Finance Committee met in Council Chambers on Monday March 5, 2018 with these members in attendance:

Jeremy Blake, Vice Chair
Jonathan Lang For Doug Marmie
Ryan Bubb
Bill Cost Jr.
Mark Fraizer

1. **Resolution No. 18-20** 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 153 Compensated Absences Fund, in the amount of \$9,800.00 (Payout Ernest Green)

Account	Description	Amount
153.205.5143	Termination Sick	\$9,800.00

Director Baum- I was here last week for a termination vacation and a termination vacation but it took us a minute to calculate the termination sick for a resigning firefighter so I am here today for the sick payout of \$9,800.00

**Motion by Mr. Bubb to send to full Council, second by Mr. Fraizer
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 \$660,667.00

Account	Description	Amount
100.111.5901152	OPT Budget Stabilization	\$500,000.00
100.111.5901335	OPT Capt. Imp	\$100,000.00

100.111.5901422	OPT Debt Service	\$60,667.00
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City Auditor, Steve Johnson- the city is very fortunate this year that we have a very large unappropriated balance in the General Fund, it is about \$761,000.00. Normally we track the unappropriated balance on a spreadsheet because it is substantially smaller most years however with the size of this I feel we should put this in our cash reserve account for a couple of reasons. The first reason is transparency and secondly this will greatly improve our bond rating because that always seems to be the one thing that a bond rating agency is concerned about is our anemic reserve balance. It will increase the cash reserves to almost \$800,000.00. All we are doing here is appropriating \$500,000.00 and moving it Budget Stabilization where it will remain. It's just like when it is unappropriated it takes Council action to do anything with it. Rather than appropriating it from an unappropriated balance you'd be appropriating it from Budget Stabilization. The second thing of this unappropriated balance the Mayor would like to transfer \$100,000.00 of this to Capital Improvements to be earmarked for street paving. That appropriation will come later; this appropriation will just move it to Capital Improvements. The third amount of \$60,667.00 will be the payoff of a \$91,000.00 note the city took out last year to repair a fire engine. This is a very small note there is no reason to renew that note when we have the cash to pay it off. We already have \$31,000.00 appropriated in the budget this will be the additional \$60,000.00 needed to retire it.

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

Mr. Fraizer- is it increased tax revenue that accounts for this extra money?

Steve Johnson- I believe so I have talked to the Tax Administrator several times about this and she can't really point to any specific thing but I think probably from all of the construction that has gone on in the past year has a significant impact on it but I think I have been telling people our office tracks tax revenue after we get it so bringing it into the Treasurer's Office I don't know a lot about that but I was inquiring and I think that seems reasonable to me.

Mayor Hall- as we roll into a budgeting process we usually about October have to put a line in the sand of what we are projecting and do that in a conservative fashion so we don't push out an expense budget that we are not able to meet. It is a continuation of what Auditor Johnson said this is predominately tax collections that were unexpected. We are putting money into Budget Stabilization that was needed since we dipped into that a couple of years ago. We had a very busy January with our safety forces so that put a little taxing stress on our overtime budget but it is still early in the year to see how that will play out but you never know where we may need a little bit of money

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 \$111,662.22

Account	Description	Amount
422.904.5423	Interest Pymt	\$397.22
422.901.5413	Principal Pymt	\$35,000.00
422.901.5423	Interest Pymt	\$669.70
422.902.5413	Principal Pymt	\$15,000.00
422.902.5423	Interest Pymt	\$173.85
422.903.5413	Principal Pymt	\$60,000.00
422.903.5423	Interest Pymt	\$421.45

City Auditor, Steve Johnson- last year we rolled some higher interest bonds into the bond issue known as the refunding issue and there were principal and interest payments due in December. The paying agent didn't invoice us for an existing December principal and interest payment apparently they thought that it was paid off and they didn't have to include it but they did have to include it so they recently invoiced us. This is money that we had last year to make that final payment so it just needs to be appropriated again to keep our financial train running on the tracks.

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

Mr. Fraizer- do we get penalized for not paying?

Steve Johnson- no, I think the bank went ahead and paid it they are just trying to collect from us.

Motion passed by a vote of 5-0.

2. **Resolution No. 18-21** authorizing the Mayor to make application to and enter into agreements with the Ohio Department of Transportation State Infrastructure Bank for a loan in the amount of \$2,717,728.00 for the Ohio Street and Manning Street Bridge rehabilitation and Ohio Street bike path construction projects, authorizing the execution of all documents necessary to effectuate the same and declaring an emergency was discussed.-**LATE ITEM**

City Engineer, Brian Morehead- this came to me on Friday and I wasn't able to get this on the regular committee agenda. This is a piece of legislation to allow us to sign all the agreements and enter into the SIB loan for this project. A couple of weeks ago I was before with the final legislation that goes to ODOT for the project but this would allow us to enter into the loan documents. Friday I got the

word that we had been approved for the application. It is important that we have this passed at the March 19th meeting as an emergency and on March 20th I would plan on taking all of the signed documents over to ODOT and the bid opening for the project is actually scheduled for March 22nd.

Mr. Fraizer- the next steps, when will the project actually break ground?

Brian Morehead- ODOT will open the bids on March 22nd and then it typically takes 4-6 weeks to award the project and get the pre-construction meeting with the contractor I would guess they wouldn't start work until the beginning or mid-May.

Jeremy Blake, Vice Chair