

Finance Committee Minutes

Honorable Council
City of Newark, Ohio
January 28, 2014

Finance Committee met in Council Chambers on Monday January 27, 2014 at 5:30 P.M. with these members in attendance:

Jeremy Blake, Chair
Doug Marmie
Ryan Bubb

Carol Floyd
Bill Cost Jr.

Mr. Blake- I just want to welcome everyone and make a few comments because there have been a few exchanges about the presentations at committee and the decorum. I know myself and I have talked with other members of Council and we are really going to push to have people speak at the podium. I think that if people speak at the podium we will be able to get the minutes correct for our Clerk and also the Licking County Computer Society are recording these meetings and that will help with their audio for the recordings. So we are really going to push that comments be made from the podium and also if there are questions they are directed to the Chair so we can try to control those situations for an orderly meeting.

1. **Resolution No. 14-06** authorizing and directing the Mayor of the City of Newark to submit an application to the Ohio Department of Public Safety for an award of fiscal year 2014-2015 funding under the Ohio EMS training and equipment grant program was considered.

Ms. Gilkes- this is an annual grant application that we submit to the State. The Division of Fire fronts the cost for emergency medical service supplies and we get a portion of that cost reimbursed by the State.

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

Mr. Blake- my understanding is that this grant is due in April so this can go through the normal legislative process correct?

Ms. Gilkes- yes that is correct

Motion passed by a 5-0.

2. **Resolution No. 14-07** appropriating monies for the current expenses of the municipal corporation was considered.
 - a) A request for an appropriation of the unappropriated balance of the 231, Probation Grant Fund, in the amount of \$62,391.00 (Funds needed for Counseling and I-Sampson for the Jail Diversion Grant)

Account	Description	Amount
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231.113.5238	Service Contracts	\$62,391.00
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Scott Fulton- we went to pay bills at the beginning of the year and found out that the money was not there. I went to the Auditor's office to find out why the money wasn't there and I found out the money was not budgeted for 2014. I assume it was my error; this is grant money that pays for treatment programs as part of a grant and we have bills that need paid for treatment.

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

Motion passed by a 5-0 vote.

- b) A request for an appropriation of the unappropriated balance of the 231, Probation Grant Fund, in the amount of \$1,400.00 (Replacement of a damaged SCRAM unit)

Account	Description	Amount
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231.113.5312	Law Enforcement Supplies	\$1,400.00
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Scott Fulton- this is to replace a SCRAM unit which is an electronic monitoring unit that is used to monitor people who consume alcohol. What happened was a person late last year threw theirs in the river so we weren't able to recover it. The person gave us the money that it would cost to replace the unit and now we would like to replace the unit.

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

Mr. Blake- I apologize I should have asked this on the last one but you would like both of these to be an emergency could you explain the emergency.

Scott Fulton- Yes I would like to get the first one waived because we do have bills that are due to local agencies.

Mrs. Floyd- it doesn't have the emergency clause on it, are you talking about waiving the two day? It says emergency at the top but that usually just means waive the two day

Mr. Blake- that is what you are referring to right

Scott Fulton- I thought that I marked the emergency on there

Mr. Marmie- financial legislation can't be an emergency; it automatically meets the definition to waive the two day reading rule it goes into effect immediately, all financial legislation does.

Mr. Blake- could you also explain for the second request

Scott Fulton- we are done a unit so I would like to get it replaced and get it on somebody else. If we don't have enough units we have to rent them at a higher rate and I would like to save us money by not having to rent one.

Motion passed by a 5-0 vote.

3. **Resolution No. 14-08** appropriating and disappropriating monies for the current expenses of the municipal corporation was considered.

a) A request for an appropriation of the unappropriated balance of the 298, ODNR Fund, in the amount of \$27,530.00 (Nature Works Grant-Hollander Pool playground/picnic area enhancements)

Account	Description	Amount
298.182.5314	Recreational Supplies	\$27,530.00

Mr. Blake- this is actually three parts and I asked Mr. Johnson for the new members of Council to explain the shuffling of the money and Ms. Gilkes too since she made the request.

Steve Johnson, City Auditor- I can explain the trail of the money and Barbara can explain what she wants to do with it. I think that what we need to do is look at section 3 first. That would allow the \$27,530.00 to be disappropriated from an account in the General Fund and that account is operating transfer account that would send that money to Capital Improvements. Section 2 then would appropriate that from an unappropriated balance in the General Fund to a different transfer account so we can move it to a grant account, 298. Section 1 then would appropriate it in the 298 account so that it can be spent. Basically what you are doing is removing it from where it is right now and putting it in an appropriated balance then you are going to appropriate it so that it can be transferred out of the General Fund then you are going to appropriate it again so that when it arrives it can be appropriated and spent. This is money due to Capital Improvements from the General Fund; however Barbara will explain to you that we will be reimbursed a good portion of this when the reimbursement comes in. We will put that money back in the appropriate place in the General Fund to move it to Capital Improvements. What the Committee is doing is allowing \$27,000.00 to be spent as matching funds knowing that \$21,000.00 will be returned to the City. These complicated maneuvers are just account rules that I have to follow to make everything happen.

Ms. Gilkes- this is a Nature Works grant that the Ohio Department of Natural Resources offers. We have applied for it two years in a row and at the end of last year we got word that we would be a recipient. The grant will reimburse 75% as Steve alluded to. They are for capital improvements out at the Hollander Pool Park. We are trying to coordinate our work at Hollander Pool. We have a land water

conservation grant this year that will be implemented to install the sprinkler park and the traffic improvements. The timing of this Nature Works grant is important now because today the State Controlling Board was to have this item on their agenda to release the money for Newark but we want to get it in the budget so that when we get all of the paperwork settled we can have all of this work going on at the Hollander Pool, hopefully at the same time and completed before pool season. The upgrades will involve the playground, bucket swings for tiny children, and solar shade structures that look like big plastic mushrooms but they protect you from the sun while at the pool. When you put all of these improvements together at Hollander Pool, the sprinkler park, the playground enhancements and the safety enhancements in front of the pool Newark will have a very nice recreational facility that has been largely funded by grants which has been a combination of in kind work by City employees and cash.

Mr. Marmie- if it meets the definition of capital improvements then why can't we just take it directly from Capital Improvements, why does it have to be transferred over into the other fund?

Steve Johnson, City Auditor- it would have to be spent directly from Capital Improvements and I think that it needs to go to the grant fund; it has to be spent from there. I can't transfer out of Capital Improvements. I just thought this looked like the smoothest way for us to do it.

Mr. Marmie- did you say \$21,000.00 is coming back?

Ms. Gilkes- yes in the neighborhood of that. We are going to try to reduce the amount by the in kind labor but it is a little difficult to predict how much in kind labor we will have tied up in this. I know what I estimated at the beginning of the project but it may take Chuck and company from Parks and Cemetery more time so we will try to reduce that. To piggyback on what Steve said it is very important to keep grant funds separate, it is easier to track to separate it and when the auditors come in they can clearly see how funding was spent for a grant and that it wasn't co-mingled with other funds.

Mr. Marmie- so when the money comes back in it will come back into the grant or the General Fund?

Steve Johnson, City Auditor- we will put it back into the unappropriated balance of the General Fund then we will appropriate it back to where it originally started from in this transfer fund for Capital Improvements.

Ms. Gilkes- when it comes in I will coordinate with Steve and he will get it back to where it began

Steve Johnson, City Auditor- we will get the pay in filled out correctly and then someone will come back to Council to get it appropriated to be sent on into Capital Improvements.

Mrs. Floyd- do we need to vote on section 3 first then section 2 and then section one?

Steve Johnson, City Auditor- it doesn't matter

Motion by Mr. Bubb, second by Mr. Cost to send section 1 on to full Council

Motion passed by a 5-0 vote.

- b) A request for an appropriation of the unappropriated balance of the 100, General Fund, in the amount of \$27,530.00 (Nature Works Grant-Hollander Pool playground/picnic area enhancements)

Account	Description	Amount
100.111.5901298	OPT-ODNR Grant	\$27,530.00

**Motion by Mr. Bubb, second by Mrs. Floyd to send section 2 on to full Council
Motion passed by a 5-0 vote.**

- c) A request for a disappropriation of the appropriated balance of the 100, General Fund, in the amount of \$27,530.00 (Operating Transfer- Capital Improvements)

Account	Description	Amount
100.111.5901335	OPT-CI	\$27,530.00

**Motion by Mr. Bubb, second by Mrs. Floyd to send section 3 on to full Council
Motion passed by a 5-0 vote.**

There was discussion between Mr. Blake and Ms. Gilkes about another piece of legislation that she thought was going to be on that evenings agenda. Notice was received Friday morning from LMH by Chief Stickradt however since it was past the Thursday deadline the decision was made by the Council President and Mr. Blake to put that request on the February 10th Finance Committee agenda since it wasn't due until March 1st.

4. Budget Document Discussion:

Mr. Blake- I just wanted to take a few minutes of the Committees' time, I know we have Street Committee after this, I just wanted to present an idea and get input from the committee about a conversation I had with Mr. Johnson and a brief conversation with Mrs. Resta our Deputy Auditor. Before you are samples of budget documents. I printed off a few from different municipalities from different cities. When I was on the Newark School Board we created a budget document which is just a way of presenting the financial information in a way that yes it is a policy document, yes it is a guide to operations, and it is a financial plan but also as a communications device. I think that it could be very viable making sure that we and the citizens are actually aware of what is occurring within a budget. When the Mayor and the Auditor present their budget in December, this is January now so we have plenty of time to discuss something of this nature so I just wanted to present the idea as a way to which we can be more inclusive and more informative about what is occurring when they present the budget to us in

December. I have printed off a few samples from different cities that we can look over and from what I understand from talking with Mr. Johnson is that we won't be able to do anything as extensive as some of these other cities but we could with this business analytics program that you are hoping to utilize might be able to talk about the narratives and present some charts to help better explain things. Is that a fair assessment?

Steve Johnson, City Auditor- that is a fair assessment. I think that the document that you shared with me was very nice and probably pretty expensive. We publish a Comprehensive Annual Financial Report every year and we used to provide several copies that we would distribute to schools, libraries and other entities but it got to the point where it became very expensive to reproduce one. I started receiving letters from other governments saying they were no longer going to present a hard copy of their CAFR because of budgetary concerns and that they were going to post it on the web page. That is what we do now and we also for a few years prepared what was known as a popular report which is a brief version of the CAFR. It became very expensive to produce as well and the thing with the CAFR is that it is presented in a format that is difficult for most people to understand but that is what we are required to do because it really is a tool for investors, banks and public records. With business analytics, Lori and I have talked about this before, it will give us the ability to present charts and easy to read pie charts for example. I think that is a very nice tool to use and a very nice tool to share with the public because it is easy to read and it gives them a bird's eye view of what we are doing with their tax dollars. I also think that it would be nice to prepare a brief narrative as to what we are trying to accomplish in a budget year and who does what. I think that we could present something like that for very little cost if you don't count Lori's time for preparing it. I think that it would be very nice to present something that isn't very expensive but informative. As we progress with this we can work with you and show you what we have and we can arrive at something that isn't that difficult for us to produce from a time stand point and something that isn't costing the taxpayers because we don't them to have to pay to find out what we are doing with their money. I don't know what Mayor Hall's thoughts are on this but we would certainly include him and follow his lead because I think that the final analysis would be his decision as to what we want to do and how in depth we want to go. I am willing to look at this on an abbreviated basis.

Mr. Blake- I agree with you some of these cities have received the GFAO award for producing this document. It could be a PDF that is on the website that is available or even to members if they want it.

Steven Johnson, City Auditor- we sometimes have people come in and want a copy of the City's budget and even in the format it is in it is overwhelming for a lot of people unless you have a financial background. A lot of times they just want to know a specific thing like how much many did you spend on gasoline for fire trucks. That is in the budget and we could also do a user report and show them that but if you look at the CAFR that isn't going to tell you that. If you present too much information it is kind of useless because they don't know what they are looking at.

Mr. Cost- if you are able to produce an abbreviated version or charts as you said would be easier for the general public to read is that something that would be able to be put on the website so everybody would have access to it?

Steven Johnson, City Auditor- I do, I think that could be done relatively easy. I am thinking charts that show where their income taxes go, of the General Fund what goes where Safety, Administration, Judicial and so on. How much we are spending on paving and things like that that most people are interested in.

Mr. Marmie- this is something that would be after the budget is passed because you wouldn't want to reproduce it over and over again.

Steve Johnson, City Auditor- What I envisioned would be something that would be attached to the budget. We would have the budget document with the appropriations, you would start with the General Fund and the various appropriations there, this would be a little receiving document that would start out saying this is what we plan to do, these charts indicate how the money will be spent. I think that if Council would amend the budget I doubt it would change the charts all that much because we would do it by category like Safety.

Mr. Marmie- all I am saying is that if you have that done and printed that out then it is changed and you print it out again there goes the cost.

Steve Johnson, City Auditor- if we got the budget passed by Council early enough it would be great because once December ends my office gets very busy with non-budget issues and it would be nice if after the budget passed then put together the chart as long as we got it out of our office by the end of the year.

Mr. Marmie- I just know the time constraints with just the budget itself

Steve Johnson- it is like when you got it in house our software is doing these charts it would just be a matter of changing the data that is going into the system. This is in its' infancy right now.

Mr. Blake- I just wanted to make the Committee aware of the discussions that we have been having about this and keep everyone in the loop. I really appreciate you and Lori's time with the discussions and emails.

Chair, Jeremy Blake