

## Finance Committee Minutes

Honorable Council  
City of Newark, Ohio  
April 30, 2013

Finance Committee met in Council Chambers on April 29, 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. **Ordinance No. 13-12** to provide for the issuance of \$250,000 of Bond Anticipation Notes in anticipation of the issuance of bonds for the purpose of paying the cost of improvements to the City's landfill, and all necessary appurtenances thereto, and declaring an emergency was considered.

**Stephen Johnson, City Auditor-** explained the plan is to retire the bond within a 5 year period of time; pay a portion of it every year and review it each year.

**Doug Marmie-** clarified that this was an issue a couple of years ago, we had to fix the landfill and this is just the financial aspect of that.

**Stephen Johnson-** answered that Mr. Marmie was correct and some additional costs that were incurred.

**Mr. Frost-** stated the bond is for \$250,000.00 but asked how much we were going to pay.

**Stephen Johnson-** said it depended on the interest rate when we sell the note, which will be negotiated but he estimated that it would be between 1% to 2 ½ to 3% depending on the length of the debt.

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

**Mrs. Loomis-** inquired about Section 8.

**Stephen Johnson-** explained that was boiler plate language, it is in all debt. In our case this is just a general obligation one year note. Basically we are pledging our ability to tax in order to make payments. It is not a levy that affects anyone. We are saying we will collect taxes and expect those taxes to be used to return the debt. Clarified to Mrs. Loomis that it is not a new tax.

**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.

**Mr. Marmie-** stated this piece of legislation was removed from the agenda. He said that it may come back at a later date with some revisions and that it wasn't urgent.

3. **Resolution No. 13-40** authorizing and directing the Mayor of the City of Newark to prepare and submit applications to the Ohio's Governor's Office of Criminal Justice Services for fiscal year 2013 Edward Byrne Justice Assistance Grant Funding was considered.

**Barbara Gilkes-** said this is our annual Byrne Grant Resolution.

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

4. **Resolution No. 13-41** appropriating and disappropriating monies for the current expenses of the municipal corporation was discussed.

- a) A request for an appropriation from the unappropriated balance of the 230, Police Fund, in the amount of \$28,000.00 (Wireless Equipment/Installation)

Account	Description	Amount
230.233.5536	Computer Hardware/Software	\$21,500.00
230.233.5536	Computer Hardware/Software	\$ 6,500.00

**Barbara Gilkes-** stated this is for their current JAG Grant that they have with OCJS. It was put into the Police budget and it just needs to be appropriated. She also stated this is phase 4 of the wireless communication project.

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

**Mr. Frost-** asked if the wireless was in the station or in their cars.

**Barbara Gilkes** –explained the project was on a reduced wireless service gaps, there were going to be 4-5 solar access points installed in the City and that yes it does impact the in car computers. Because of the price quote that Bob Carson was able to secure they had to modify their grant, and requested the two day reading rule be waived.

**Mr. Marmie-** stated that this item would need to be moved to the expedited resolution.

**Motion passed by a vote of 5-0.**

- b) A request for an appropriation of the unappropriated balance of the 232, Transit Fund, in the amount of \$30,000 (Payroll Costs)

Account	Description	Amount
232.311.5111	Salaries	\$21, 645.00
232.311.5122	PERS	4,200.00
232.311.5126	Medicare	438.00
232.311.5127	Worker's Comp	687.00
232.311.5124	Health Insurance	3,000.00
232.311.5124.400	Life Insurance	30.00

**Director Mauter**- stated that this is a request to transfer funds into their payroll accounts, back in October, November, when they were working on the budget they didn't really know what it was going to take to shut the transit system down. He said they made their best guesstimation of what they thought they would need to cover salaries and benefits. That has been consumed therefore we have to come and ask for additional funds, which he stated was also a best guesstimation because they really don't know how much longer they are going to have on this. Why is that? It has proven to be a much longer and larger process than he anticipated. The FTA hasn't gone through very many merger processes over the years. There wasn't a whole lot of guidance or examples of what it takes to get through this. He stated they have been working hard and there has been a lot going on behind the scenes. We have been coordinating amongst ourselves, the Licking County Transit Board, MV Transit, State of Ohio, and two Federal agencies, the FTA and the NTD (National Transit Data System). He said it has been a lot of coordination, a lot of reports and paperwork that has had to be done to get them to where they are today but there is a little ways to go.

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

**Mrs. Loomis**- said she called today to check because at first it was coming out of the unappropriated balance of the General Fund and asked for confirmation that, that was a mistake.

**Director Mauter**- confirmed that it was a typo.

**Mrs. Loomis**- said she checked on the Transit Contingency Account and that it still has a quarter of a million dollars in it, she asked if we are allowed to have that kind of money in that account now that we have done the merger.

**Director Mauter**- answered as far he knew, yes.

**Mrs. Loomis**- Is there someone we haven't budgeted for in 2013 for salary because this is the second time we have received a request for the same dollar amount before, so there is somebody that we didn't budget for, who is that?

**Director Mauter**- stated that it would primarily be himself and Jeff Russell. We are primarily working on this consolidation and a lot of this is the accounting part, the numbers part of it and to fill out the reports that are required.

**Mrs. Loomis**- stated she knew that he was not here, but before he got here they had a salary structure that they could not sustain and so far, if this goes through, they are going to be putting \$60,000.00 in salary. \$30,000.00 from your Transit Contingency Fund and sometime in April she thinks it was NSP which he took some money out of. We are carrying somebody on salary this year and we should not be.

**Director Mauter**- said NSP was supposed to expire at the end of the year as well. The State made a change of judgment on that, or a reversal and decided to let our NSPRLF funds to continue and they haven't given us an expiration date. That was an unexpected we had no idea was coming along.

**Mrs. Loomis**- asked if prior to 2013 he didn't know about rollover funds.

**Director Mauter**- not until March 25<sup>th</sup> of this year.

**Mrs. Loomis**- so the first time that you asked for funds out of the NSP for payroll in the same amount was for whom.

**Director Mauter**- similar situation as what we have here with Transit.

**Mrs. Loomis**- which is who?

**Director Mauter**- myself and anybody else who worked on the project, like Greg Ketter.

**Mrs. Loomis**- \$30,000.00 you would know specifically who this is going to pay, correct?

**Director Mauter**- this \$30,000.00 is a best guesstimate, I would assume it is high but that is all the best I can do. I don't know how much more work will go into it. I believe that we are the better way through this process but there are still a number of things to do, there are still 5 grants to close, there are additional reports that go with each of those 5 grants. There is the FMO audit that we took on last year to try to get a good fiscal representation of what was going on with the department, that is still going on, the closing of the Wilson St buildings/property and beyond that I have them listed as unknowns.

**Mrs. Loomis**- asked if that in the beginning of 2013 he knew he was going to be short a staff member but that he was keeping that staff member here, is that correct. You did not budget for somebody in 2013.

**Director Mauter**- stated that everybody was budgeted and funded. The NSP was again just additional that we didn't carry forward because we didn't think we would have them.

**Mrs. Loomis**- ok if everybody was budgeted salary, why do you need Contingency money if everybody was budgeted for Salary, I don't understand that.

**Director Mauter**- because there is more work to do

**Mrs. Loomis**- they make a \$1.90 whether they are here all day or not.

**Director Mauter**- with Transit we didn't know it would be going on this long so we took our best guess.

**Mr. Marmie**- stated that if you budgeted for the salaries then you will be getting additional money in some salary account. If you are using this money you will end up being over and not utilizing salary dollars in another salaries account and we will be able to see that, a \$30,000.00 difference if you spend this \$30,000.00.

**Director Mauter**- you mean if we spend all of the \$30,000.00. We took each of the grants that we were working on, Transit being one of them and we did an estimate of what we thought our expenses were going to be, we are exceeding that amount.

**Mr. Cost**- stated that he was on the same path with this. The funds that are left over in this, does this ever become a General Fund situation that we have to replace the money.

**Mr. Marmie**- we don't actually have the money, we get reimbursed the money. We are allowed to spend up to that amount from the Transit but it is a reimbursable expense so we have to prove to them. The reason they have to come to us for the money is because it is not a budget item. Our Auditor can't say that we can spend money out of this so then we can request it back from the State. We don't actually have the \$250,000.00 available.

**Mrs. Loomis**- we don't even have a Transit Department.

**Mr. Marmie**- exactly. The grant allowed us up to that amount; if we don't spend we just don't receive it.

**Mrs. Floyd**- this \$30,000.00 doesn't go to a person to take care of Transit. The way I have understood it is that if you work two hours on Transit then you have to take the salary dollars, PERS and other benefits out of Transit, then if you work on another grant the money comes out of that grant fund. So if you spend some time, Jeff Russell spends some time, Greg Ketter spends some time then all that time goes into this. At this point you still have all these reports you have to finalize according to the Federal Government to finish out the grant and then at that point when we are totally done with it and have taken care of the Wilson St property, we no longer have any transit money and no longer have any Transit duties. Is that what we are doing?

**Director Mauter**- that is exactly what we are doing.

**Mr. Marmie**- requested the documentation for the request from the State of those items that are required. I believe at this point we have spent all of our money we don't have a department anymore; we should be able to come up with a final report at this time. I understand that Wilson St could be taken care of. When we don't have a Transit Department any longer, we aren't spending any more money on it, why we can't have a final report; I don't know what they are asking for that we shouldn't already have. Spending an additional \$30,000.00 in salaries at this point when we haven't had a Transit Department since January, it's not registering with me.

**Director Mauter**- said that they guesstimated high with the \$30,000.00 so they wouldn't have to go through this process again.

**Mr. Marmie**- said that he wants to make sure that they are being accountable with this money and he doesn't want them to come back and say you can't

justify your spending of those funds and they want it back and it comes from our General Fund. He wants justification of the request from the State and what they are requesting. I can't see on going reports like you are indicating because we don't have an ongoing transit. We have finalized our Transit, I understand the Wilson property and there are going to be some issues there but that is not going to take this kind of money.

**Director Mauter-** our budget was set up back at the end of last year and we spent a whole lot more time this year than we ever anticipated. Again just because of the unknowns. We had no way of knowing how much work we were going to have to do, what we were going to be accountable for, what the requirements were going to be. He said he was on the phone with Nicole Neil, who is their FTA representative, who administers their grant funds for an hour. She said we will continue to do the monthly reports and the quarterly reports that are due until these grants are closed out.

**Mr. Marmie-** asked how we have to do reports when we have nothing to report

**Director Mauter-** stated that there are still grants out there being administered and bills that are still getting paid. We just finished paying MV Transit this past month for their final billings because of the issues there were with preventative maintenance on the vehicles that were transferred, the issues with the rental situation, for the property they were maintaining.

**Mr. Marmie-** asked how far are we spent down on this or where we were at currently, are you out of money completely?

**Director Mauter-** for what was budgeted for salaries and benefits yes

**Mr. Marmie-** stated that he wanted in writing what the FTA is requiring and why because it doesn't make sense why they are requiring us to do reports on a program that no longer exists in the City of Newark, not only that we do not have the staffing for it. The County has the staffing, the merge does.

**Director Mauter-** stated as long as the grants are in our hands, even if we have to fill in zeros, we have to do the reports.

**Mr. Marmie-** told Mr. Mauter that he could do that.

**Mr. Bubb-** asked Director Mauter how long he expected the grants to go on, there would probably be a known factor on that wouldn't there.

**Director Mauter-** stated that Nicole with the FTA would like our grants to be no later than September, which seems to be way out there to me. We are relying on Licking County Transit; there is only \$31,000.00 left and that is supposed to be used for fair boxes, computer equipment, they need to run their business over there that was left over here from the City. There was \$480,000.00 was set up for the purchase of the buses, another \$50,000.00 set up for fair boxes and computer equipment and bicycle racks that attached to the buses. We have been waiting on Licking County Transit to run those purchase orders through, those are not done yet. They are very bogged down with what they have taken on regarding the Transit responsibilities from Newark.

**Mr. Marmie-** suggested that Director Mauter put together a correspondence that stated a drop dead date and if we don't have it by then don't come to us,

we are closing out the grant. He also stated he wanted to know how many hours in 2013 have been spent on transit. To fill out a report that has zeros on it should take about 15 minutes a month. Paying salary dollars whether it is Newark City tax payer's dollars or Federal taxpayer's dollars, paying salary dollars because someone is not giving you information and holding on to a grant and leaving it open because someone is dragging their feet.

**Director Mauter**- said that was only one example. There is a report due tomorrow, an annual report for the entire year of 2012. There is a safety and security report due tomorrow also. A drug and alcohol report was just due; a lot of these reports have to do with 2012 information. He said he spent three hours just trying to figure out what a drug and alcohol report was let alone fill it in. He also said that Laurie Pitchford, who is the fiscal officer from Licking County Transit helped them all day that day on the reports.

**Mr. Frost**- asked Director Mauter if he was confident that we would get reimbursed the money.

**Director Mauter**- confirmed we would get reimbursed the money. He said last fall Nicole told him that there would funds to do whatever we needed to do to continue the process of consolidation to get the grants closed out.

**Mr. Frost**- also asked if the people who told you there would be funds are the same people telling you to do the reports.

**Director Mauter**- absolutely.

**Mrs. Loomis**- asked if he was telling them that this was the first time his fiscal officer has done these reports before.

**Director Mauter**- yes, he is learning. Anne Arnott would have been responsible for those, and then when Anne left, Aaron Schill then Aaron left at the end of the year.

**Mrs. Loomis**- secondly you just went through an FTA audit correct?

**Director Mauter**- we haven't been through the second phase yet where they come back and review the findings with us.

**Mrs. Loomis**- asked again if the \$251,000.00 is there and that he is guarantying them that they won't have to pay it back out of the General Fund.

**Director Mauter** -told her that the grants are still in the City of Newark's name.

**Mr. Guthrie**- suggested that they cut the request in half and have Mr. Mauter come back. He stated that in his experience at ODOT with the Feds he didn't think that with an open audit we would receive anything in writing from them.

**Mr. Marmie**- said that they had salary dollars budgeted for Transit for 2013 because they knew there would have to be some time spent on the grant.

**Mr. Bubb**- asked Director Mauter if there was a lower amount what would he be comfortable with if it wasn't the \$30,000.00.

**Director Mauter**- I wish I knew

**Mr. Bubb**- stated he would open to pass this on to Council if they get some further questions answered then we could amend it on the floor at a lower amount at that time. We have to appropriate some money to finalize these grants but I don't think anybody has the answers tonight as to whether it's \$30,000.00, \$20,000.00 or \$15,000.00.

**Mr. Frost-** asked Director Mauter if they pass on the \$30,000.00 if he could provide some numbers on what has to be done and what has been done.

**Director Mauter-** said he would do his best.

**Mr. Marmie-** said his opinion is that he is not comfortable passing on the \$30,000.00. He said he would rather amend it here for a smaller dollar amount and if there is proof that it needs to be more we could do more. He said then he would feel more comfortable sending to full Council. If there is anybody who wants to vote on it separately then we will have to split it out on Council floor. He said he would rather go with a lesser amount here and have it amended here. Then if we have to amend it higher and there is justification, normally that would go through better.

**Director Mauter-** stated that they had \$12,000.00 plugged in salaries and benefits originally and they are about on the bubble, he suggested that they take that same number and plug it in.

**Mr. Marmie-** restated \$12,500.00; he would be more comfortable with that.

**Director Mauter-** said he has to believe that they have done the lion share of what has to be done. He said he didn't know what kind of findings they may have regarding the audit and how much work it may take to answer those questions.

**Mr. Bubb made a motion to amend to \$12,500.00, second by Floyd.**

**Motion passed by a vote of 5-0.**

**Previous motion to forward to full Council by Mrs. Floyd, second by Mr. Frost still stands**

**Motion passed by a vote of 5-0.**

- c) A request for a disappropriation of the appropriated balance of the 232, Transit Fund, in the amount of \$30,000 (Payroll Costs)

Account	Description	Amount
232.311.5299	Contingency	\$30,000.00

**Motion by Mr. Bubb to amend disappropriation to \$12,500.00, second by Mrs. Floyd**

**Motion passed by a 5-0 vote.**

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

**Motion passed by a 5-0 vote.**

**Mr. Marmie-** requested from the Auditor some information on software on all the grants for their financials that go into your software. He asked if we had a time table on when that might be available.

**Stephen Johnson-** said he didn't think we did but that they could pursue that avenue and find out.

**Mr. Marmie-** said that we definitely need that because we are using a homemade program and it is taking a lot of hours to do things. He said if there was something that would work in conjunction with theirs that would be better than a separate program.



**Mr. Cost-** asked when he was requesting the report from Mr. Mauter by **Mr. Marmie-** said as soon as he can get that to us. If there is information that you can't get us just let us know when it can be available so we can continue to move forward.

**Mayor Hall-** stated that we are coming into May and the last thing that they want to do is a transfer. We are dealing with the Federal Government; they keep coming up with new things preventing them from getting done and moving on.

- d) A request for an appropriation of the unappropriated balance of the 100, General Fund, in the amount of \$3,600.00 (Cemetery roof repair)

Account	Description	Amount
100.432.5238	Service General	\$3,600.00

**Director Rhodes-** explained that they received a check in the amount of \$3,600.00 from our insurance company for a roof repair at the cemetery and they are just asking for the money to be appropriated.

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

- e) A request for an appropriation of the unappropriated balance of the 621, Water Department Fund, in the amount of \$12,500.00 (Software-Annual License Agreement)

Account	Description	Amount
621.706.5536	Software	\$12,500.00

**Roger Loomis-** explained the request is for the licensing for their GIS system

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

**Resolution No. 13-42** appropriating and disappropriating monies for the current expenses of the municipal corporation was discussed.

- a) an appropriation from the unappropriated balance of the 231, Probation Grants Fund in the amount of \$29,570.03 (Grant Budget Revision from Ohio Dept. of Rehabilitation and Corrections)

Account	Description	Amount
231.232.5123	Waived Insurance	\$1,575.00
231.232.5221	Travel, Lodging, Meals	2,800.00
231.232.5222	Training Registration	7,100.00
231.232.5224	Memberships	200.00
231.232.5300	Office Supplies	1,181.16
231.232.5312	Law Enforcement Supplies	14,314.45
231.232.5536	Computer Hardware/Software	2,399.42

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

- b) A request for a disappropriation from the appropriated balance of the 231, Probation Grants Fund, in the amount of \$67,529.00 (Grant Budget Revision to appropriately represent salaries and fringes for 2013)

Account	Description	Amount
231.232.5111	Salaries	\$44,297.00
231.232.5122	PERS	5,868.00
231.232.5124	Health Insurance	9,066.00
231.232.5124.400	Life Insurance	79.00
231.232.5126	Medicare	642.00
231.232.5127	Workers Comp	193.00
231.232.5238	Service General	7,384.00

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

- c) A request for an appropriation from the unappropriated balance of the 153, Compensated Absences Fund, in the amount of \$11,800.00 (Retirement of Jim Amore NFD)

Account	Description	Amount
153.205.5143	Termination Pay Sick	\$6,600.00
153.205.5144	Termination Pay Vacation	4,300.00
153.205.5145	Termination Pay Comp	300.00

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

- d) A request for an appropriation from the unappropriated balance of the 930, Inter/Intra Govt Fund, in the amount of \$1,934.94 (Distribution of JEDD Income Tax collections)

Account	Description	Amount
930.134.5289	JEDD Account	\$1,934.94

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

- e) A request for an appropriation of the unappropriated balance of the 100, General Fund, in the amount of \$234.29 (Worker's Comp-Civil Service)

Account	Description	Amount
100.109.5127	Worker's Comp	\$234.19

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

Doug Marmie, Chair