

Finance Committee Minutes

November 16, 2020

Members present Mr. Daniels, Mr. Schaber, Mr. Meade

With a quorum present, Daniels called the meeting to order at 6:30PM.

Minutes

Schaber made a motion to approve minutes of 11/02/2020; Meade 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.

MINUTES OF 11/02/2020 APPROVED (3-0)

Old Business:

New Business:

Item 1. ORDINANCE AUTHORIZING AND DIRECTING THE SERVICE DIRECTOR TO PREPARE PLANS AND SPECIFICATIONS, ADVERTISE FOR BIDS AND ENTER INTO CONTRACT FOR THE FY 2019 CDBG GRANT PROJECTS AND DECLARING AN EMERGENCY (Regional Planning)

Mrs. Warr-Cummings stated that this is for a CDBG project that was already planned. This allows them to do a spec and bid to move project forward.

Meade made a motion to recommend to council; Schaber 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.

Legislation sent to council (3-0)

Item 2. ORDINANCE AUTHORIZING AND DIRECTING THE DIRECTOR OF PUBLIC SERVICE TO ENTER INTO CONTRACT WITH CT CONSULTANTS INC. FOR ENGINEERING SERVICES NECESSARY FOR THE FY 2019 CDBG MARION OF 223-227 N. MAIN STREET PROJECT, AND DECLARING AN EMERGENCY (Regional Planning)

Mrs. Warr-Cummings stated that this is for a CDBG project that was already planned. This allows them to contract with engineer for services related to nuisance property on N. Main Street.

Meade made a motion to recommend to council; Schaber 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.

Legislation sent to council (3-0)

November 16, 2020

Item 3. ORDINANCE MAKING AN ADDITIONAL APPROPRIATION IN THE BELOW LISTED ACCOUNTS ENDING DECEMBER 31, 2020, TO COVER CURRENT COST AND FUTURE PAYMENTS (Landon)

Deputy Auditor Watts explained that this is mostly to cover bond payment due the end of November. There are additional appropriations because we are paying off some of the outstanding bonds. None of this comes from General Fund. It comes from Special Revenue Funds.

Meade made a motion to recommend to council; Schaber 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.
Legislation sent to council (3-0)

Item 4. REQUEST FOR TRANSFER OF FUNDS WITHIN DEPARTMENT APPROPRIATIONS (Kurz)

Public Works Director Bischoff explained that this is to get them through the rest of the year for the Central Garage Fund to maintain their fleets. This money has already been appropriated; it just needs put in a different fund for maintenance. Older vehicles are requiring additional maintenance.

Mr. Daniels asked about the engine that was at the city's garage. Chief Deem stated that the part took several months to get, but they have it now and the engine is back in service.

Meade made a motion to recommend to council; Schaber 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.
Legislation sent to council (3-0)

Item 5. DISCUSSION ITEM – 2021 BUDGET (NO LEGISLATION/DOCUMENTATION AVAILABLE) (Landon)

Deputy Auditor Watts explained that he did not have a completed budget to present to Council. He has not had the Mayor review it and there is a meeting tomorrow with the Judge related to the budget. He is sure that the budget as it exists will change after the meeting tomorrow. He will get it out to council once complete.

Item 6. DISCUSSION OF ROUTINE REPORTS:

- PERFORMANCE AGAINST BUDGET
- CREDIT CARD STATEMENT
- GENERAL FUND
- EXPENSES

Deputy Auditor Watts explained that these are the routine monthly reports that he provides to Council each month.

November 16, 2020

He also wanted to bring Council up to date on the recent COVID Small Business Grant Program. The deadline was 11/10. They had 59 applicants from city of Marion. There were 6 other applications that were rejected for various reasons. Some did not live in the city or did not meet eligibility for grant based on criteria identified by Council. They have incurred \$74,318.56 for 52 companies. They have 5 pending cases where people need to get them more information no later than tomorrow. They will know how much is left of the \$100,000 and communicate with Service Director Chaffin to use on other COVID expenses. It is his understanding that the City will be able to use the entire remainder by the COVID deadline.

Mr. Schaber asked what kind of documentation they are waiting on from companies. Deputy Director Watts stated that they have to have a w-9, 941 or an affidavit, and proof that they paid expenses based on the requirements that Council gave them. Mr. Schaber stated that he hopes that they are not holding any application for lack of a 941 or affidavit, because those verifications were not stipulated by Council. Watts stated that Council said it was based on the number of employees that they had. They needed to verify how many employees they have or make a notarized statement. They have to verify the number of employees to determine the amount of the grant. Mr. Schaber said that he wanted to be clear that the 941 or affidavit was not required by Council and should not keep someone from receiving the grant. Watts said that he would discuss with the auditor tomorrow and they will decide based on what comes in tomorrow and follow Council's guidelines.

Mr. Daniels asked about some numbers that look unusual to him. He is looking at monthly expenses. He said some of it could be related to COVID, but he cannot come up with an explanation of the increase in one year's time. The 2019 revenue was \$41 million and in 2020 is was \$57 million. The expenses went from 30 mill to 55 million in one year's time. Watts was not immediately able to respond. Bischoff indicated that it could be sewer plant improvements and they have to book it in and out. This could be OPWC as well. That is processed the same way as a pass through. Watts said that he would look into it deeper.

Mr. Ratliff asked when an employer has employees, he would assume that they make quarterly payments to the city for the money they hold out of paychecks. Wouldn't we know how many employees an employer had? Why would your office make additional requirements that council did not make to prove information that we already know? Deputy Director Watts said that yes, they could have looked it up themselves. If the business did not submit verification or make notarized statement, they could look that up and have information. Mr. Ratliff has heard some feedback from people that the added requirements prompted them to not apply for it.

Regarding the budget, Mr. Ratliff asked what is the timeline for getting this passed. It is Deputy Auditor Watts' understanding that there will be an ordinance number of 2021-01. His timeline is contingent on when the mayor and the auditor have their meetings with

November 16, 2020

the judge and finalize the budget that she has requested. It should be ready to go and should be in council's hands this week. Mr. Ratliff wondered if there was enough time for three readings. Watts said no. It should have been out today. Mr. Ratliff said that it could have been passed out of committee with one department left to go (Courts).

Mayor Schertzer said that administration did what they normally do on the budget and forwarded it to the auditor on October 30th with the request that the salaries need to be adjusted. We know what the change will be in salaries (bargaining units) and 4.5% reduction in health care costs and the debt service because of the refinancing of the bonds that we just did. Two of the three things are a savings to the city. Obviously, the wage changes across the city will be an increase of 2.25% across all staff (including enterprise funds). This is about a \$540,000 increase. The budget that he has provided to the auditor was about \$40,000 in the black. We knew that the budget would not be balanced. There are some streams of revenue that have come in and will continue to come in to benefit the city, that would more than make up for that 2.25%. They had previously submitted whatever budget the court provides to them. There is another meeting with the court about possible changes tomorrow. They would have had options to fit in 3 readings. To get a third reading, they may need to call a special council meeting. This year, they had COVID monies to reimburse for a qualifiable expense. Some of those departments will have a larger carryover because of that COVID revenue.

Mr. Schneider indicated that they would have liked to get this through committee tonight to get it through three readings. Three council people could add to the agenda on 11/23/2020 to allow for three readings. That would be his recommendation.

Mayor Schertzer says that he does not know if the changes tomorrow will be major or minor. If there are significant changes that he is not aware of, then it will take the Directors and the Mayor some time for review. He cannot in good conscience say that there would be a budget to release tomorrow.

Other Business:

Item 1. ORDINANCE AUTHORIZING THE PUBLIC WORKS DIRECTOR TO ENTER INTO CONTRACT FOR PROFESSIONAL SERVICES, SPECIFICALLY PROFESSIONAL MANAGEMENT OF THE CITY'S ELECTRIC AGGREGATION PROGRAM DUE TO THE REAL AND PRESENT NEED TO HAVE ON-GOING EXPERTISE IN REGARD TO THE ELECTRIC GENERATION INDUSTRY, AND DECLARING AN EMERGENCY

Since the creation of the city aggregation group for electric, every two years they contract with an expert for the professional management of the program. We have done this six times.

Finance Committee Minutes

November 16, 2020

Meade made a motion to recommend to council; Schaber 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.

Legislation sent to council (3-0)

Item 2. REQUEST FOR TRANSFER OF FUNDS (Landon)

Deputy Auditor Watts explained this was a housekeeping transfer to get departments through the end of the year. Funds are already appropriated. They are just moving them from line item to line item. Mrs. Swonger asked about previous legislation where they had just appropriated dollars into the same department. It is a transfer to Garage Maintenance to Salaries is for Transit not Central Garage. The other transfer was by Mr. Kurz for the street department.

Meade made a motion to recommend to council; Schaber 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.

Legislation sent to council (3-0)

With no other business, Daniels adjourned the meeting at 7:11 PM.

Chairman Daniels

Clerk of Council