

Josh Daniels, Chair
Jason Schaber, Member
Kai Meade, Member

Marion City Council
Finance Committee Agenda
January 6, 2019 at 6:35 PM

Roll Call

Minutes

Old Business:

New Business:

Item 1. BUDGET ORDINANCE (MAYOR SCHERTZER)

Item 2. BUDGET DISCUSSION

Item 3. SAFETY DIRECTOR/SERVICE DIRECTOR DISCUSSION

Items not on the Agenda

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Members present: Mr. Huddle, Mr. Landon, Mr. Daniels.

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

Mr. Landon made a motion to approve the minutes of 07/16/2019 and 09/17/2019; Mr. Daniels 2nd; Roll Call: Ayes – Mr. Huddle, Mr. Landon, Mr. Daniels

Minutes of 07/16/2019 and 09/17/2019 approved (3-0)

Old Business

None

New Business

Item 1. DISCUSSION: APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF MARION, STATE OF OHIO, DURING THE FISCAL YEAR ENDING DECEMBER 31, 2020

Mayor Schertzer explained that 2020 budget as presented will not be passed until 01/01/2020 with the first meeting of the new council. Administration had discussion with Municipal Court regarding their portion of the budget that included council members, Mr. Ratliff and Mr. Schaber.

Auditor Carr explained that Municipal Court's budget will have change to add a magistrate that was overlooked. She is awaiting specifics from their staff.

Auditor Carr explained that the income tax budget area is budgeted less than the past year, pending auditor-elect decisions on staffing levels and starting salaries for new staff. She is asking for council to allow him to adjust as details are developed and bring those updates before them as needed.

Auditor Carr addressed revenues vs. expenditures on 2020 General Fund Budget. It shows a \$493,670.69 shortfall that would rely on cash carry-over. There is about \$200,000 that will be reimbursed to police and fire for pensions that will offset and reduce (transfer out) that to \$293,670. Cash balance right now is a little over \$2 million. This falls in line to where they start every year. The amended budget for 2019 started \$145,000 short fall, but we ended \$209,000 ahead when we ended 2018. POs are closing by 12/11/2019 and last checks will be written. They will bring adjustment ordinance before Council and they will truly know what has been spent.

Mayor Schertzer explained that the \$55 million budget will be balanced. They are showing deficit spending and relying on carryover (revenues that were collected) to help balance 2020 budget. They are not borrowing from anything. This is not unusual. He would prefer that it be closer to \$200,000, however there were some changes in other departments. Administration is honoring agreement to Municipal Court. They did not ask any departments to make any cuts. Everyone stayed at current funding level. This

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budget includes the .65% increase in health care premiums and expected raises are budgeted.

Auditor Carr recommended that Council/City not allow carryover below \$1.5 million dollars to maintain and allow beginning of year to maintain cash flow. \$2 million is probably preferable to keep bond rating up.

Mr. Daniels expressed frustration in continual reliance on carryover to balance general fund. Currently, they are relying on \$145,000 of carryover for the 2018 budget but that will depend on final adjustment ordinance.

Motion made by Mr. Landon, Mr. Huddle 2nd; Roll Call: Ayes – Mr. Huddle, Mr. Landon; Nay – Mr. Daniels

Budget (with addition of corresponding legislation) sent to Council with no recommendation (2-1)

Item 2. DISCUSSION: PRESENTATION FROM CITY FIRE DEPARTMENT REQUESTING COUNCIL APPROVE THE PLACEMENT OF THE NECESSARY RESOLUTION IN ORDER TO HAVE PLACED BEFORE CITY VOTERS A REAL ESTATE LEVY SUPPORTING FIRE DEPARTMENT NEEDS

Chief Deem stated that he had met with each person on council. He is requesting 3 mil property tax levy for March 2020 for the purpose of replacing Station #1 and to cover capital needs for 30 years. This will generate \$388,419 per mil per year at 100% collection. 90% collection is more reasonable and will result in a total of \$1,048,731.79 per year. Since the initial estimates, property values have been reevaluated and he expects numbers to be revised.

Mayor Schertzer explained that this will need to be decided prior to new Council members coming in because there is a 12/18 due date for March 2020 election. With a 107-year old station, there are multiple things that need fixed. This led them to applying for (CDBG) Critical Infrastructure grant, a \$500,000 grant (minus administrative expenses). This grant will not cover everything that needs to be done to bring station to where it really needs to be to house fire fighters. Chief said they need a long-term plan/solution. There is no money in the budget and, even if they carved out money over the next 10 years, it is still not enough to build a new station. Fire Chief and team have done homework. They will continue to work on issues at station, however this is a solution for a long-term plan.

Mr. Daniels agreed that sometime in near future they need new firehouse. This levy will generate 36 million dollars over the next 30 years – far more money than is required to build fire house. Capital requirements in levy are currently paid for out of the general fund and grant dollars (with local match). The levy would divert the entire cost of the fire department's capital needs from the general fund. The Fire Department has the largest capital needs. The people in Marion have expected income tax to pay for these needs.

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The last time they asked for income tax increase, it was for this very expense (6 years ago). That levy added .25% solely to police and fire for personnel. The capital needs come out of general fund, out of 1.75% already paid. He agrees that a new station will be needed. He believes they should identify a location. He understands that they to do it in a primary because no one shows up to vote. Voter participation has been disgusting. To divert all capital needs to property tax leaves the city with more money in the general fund that will not need to go to the fire department. The do not know how city will spend the money that will be freed up. He expressed frustration and despair. If they save money, it seems like it gets spent by the end of the week. This will not result in the city being in a better financial shape and it bothers him. Voters will decide yes or no. He says that the Chief probably spends as much time worrying about finances/stable stream of revenue as he does fighting fires

Chief explained that he is not asking for a lot of money over what they have actually budgeted for costs. The grants that they have received in the past are not guaranteed for the future. He is trying to assure that the department will be taken care of in the future. He will need a ladder truck in 4 years, and it will cost one million dollars or more. He does not know where money will come from.

Mayor Schertzer that there is a portion of sales tax that is a component for capital. About \$350-375,000 is generated a year. This plan identifies a way to meet capital needs of this department and this would free up (General Fund) funds for other departments. Council will determine what election it makes sense to put this on the ballot. Primary will have a contested election at the national level.

Motion made by Mr. Daniels, Mr. Landon 2nd; Roll Call: Ayes – Mr. Huddle, Mr. Landon, Mr. Daniels.

Committee directed staff to create appropriate legislation and recommended to council (3-0)

Items not on agenda:

Mrs. Carr explained that there will be an adjustment ordinance to come before the committee. She is requesting that committee consider meeting on 12/16 as she will be not be available later that week. This would need to go to council on 12/23.

With no further business to come before the Finance Committee, Mr. Huddle adjourned the meeting at 7:09 PM.

Chairman Huddle

Clerk of Council