

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

Marion City Council
Finance Committee Agenda
February 18, 2020 at 6:30 PM

Roll Call

Minutes

Old Business:

New Business:

**Item 1. REQUEST FOR TRANSFER OF FUNDS WITHIN DEPARTMENT APPROPRIATIONS
(Mayor Schertzer; \$1170.00 within General Fund from “Benefits-Insurance Opt Out” to
“Benefits-Health Savings Acct”**

Items not on the Agenda:

Adjourn

Finance Committee Minutes

February 3, 2020

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

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

Minutes of 12/16/2019 and 01/21/2020:

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

Minutes of 12/16/2019 and 01/21/2020 Approved (3-0)

Old Business:

New Business:

Item 1. ORDINANCE MAKING AND APPROPRIATION ADJUSTMENT IN VARIOUS FUNDS FOR THE YEAR ENDING DECEMBER 31, 2020

Mayor Schertzer explained that the ordinance came from administration and the auditor's office together and includes a deappropriation which reduces the reliance on carryover.

Deputy Auditor/Tax Commissioner Watts that this is moving money around. This includes money for a vac truck in the sewer revenue fund that was approved by council last year but not purchased until this year. It was appropriated last year but not spent.

Not related to the particular ordinance and in response to inquiry, Mayor Schertzer explained that a purchase of a recycling truck was approved last year. They have been recently notified that they will get a grant through DKMM for a portion of that truck. The truck is currently on backorder. This would be funded out of the sanitation fund, which is an enterprise fund and self-supporting.

Mr. Daniels stated that they need to look at some additional deappropriations in the general fund to reduce deficit. Mayor Schertzer asked that they consider waiting until 2019 is balanced. Auditor states they are very close to balancing out. Schertzer also requested that they wait until after municipal income tax comes in. They are expecting that it may come in better than projection. He believes that revenue is understated. Also, police and fire pension is not included. Daniels reiterated his concern that city is running at a deficit in a good economy. Schertzer said that they will not have the reliance on the carryover that the budget passed on 01/01 would reflect (looking at actual expenditures in past years). Daniels said that they need to make adjustments to put them in a position to have a clearer picture earlier as they go into 2021 budget. Schertzer said that his team and auditor's office are meeting on a regular basis. Daniels said that he prefers that administration come to them with changes to reduce deficit. He prefers that the council/committee not get in the position where they are doing it.

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Mayor Schertzer stated that they did not zero out funding to the health department in the budget. Daniels explained that every five years the contract should be renegotiated.

Schaber made a motion to amend to correct addition error on Harding Centre Fund; Meade 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.

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

Ordinance recommended to council (3-0)

Items Not on the Agenda:

With no further business to come before the Finance Committee, Mr. Daniels adjourned the meeting at 6:56 PM.

Chairman Daniels

Clerk of Council

Finance Committee Minutes

January 6, 2020

Members present: Daniels, Schaber, Meade

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

Schaber made a motion to approve the minutes of 12/02/2019; Meade 2nd; Roll Call: Ayes – Daniels, Schaber, Meade

Minutes of 12/02/2019 approved (3-0)

Old Business

None

New Business

Item 1. BUDGET ORDINANCE (MAYOR SCHERTZER)

Mayor Schertzer explained that administration is not ready to bring anything forward.

Item 2. BUDGET DISCUSSION

Mayor Schertzer asked for clarification on budget passed on January 1, 2020 and whether amendments are included. He is questioning whether deficit continues to be \$293,670.69 after pension fund reimbursement. It was clarified that the revenue/expense budget report (produced by previous auditor) is not current. Law Director Russell explained that Ordinance 2020-01 reflects the expense budget as passed, with the amendment proposed by then City Councilman Landon, now Auditor Landon. He further explained that there are some additional changes needed to clean up some addition questions and totals. It was suggested that the Auditor re-run the same budget report with the updated numbers.

Item 3. SAFETY DIRECTOR/SERVICE DIRECTOR DISCUSSION (Mr. Daniels)

Daniels presented ordinance proposing merger of Safety and Service Departments, overseen by a Safety/Service Director. This was created in response to an expected proposed new position of Office of Budget Management.

**AN ORDINANCE RE-CREATING THE DEPARTMENT OF PUBLIC SAFETY/
SERVICE WITHIN THE CODIFIED ORDINANCES OF THE CITY OF MARION CHAPTER 133, CREATING
NECESSARY SECTIONS, REPEALING THOSE SECTIONS OF ORDINANCE 2007-107 WHICH ARE
INCONSISTENT HERewith, AMENDING THE YARGER REPORT AND DECLARING AN EMERGENCY**

Mayor Schertzer asked that this be tabled for a period of time. He is looking at another position but wanted to discuss at next committee.

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Mayor Schertzer then brought forward an ordinance proposing a new position, Administrator – Office of Management and Budget. Currently, Randy Caryer is working in the position of Safety Director and they had talked about him serving in Safety and Service positions for a while. In the interim, they discussed a new position to modify the table of organization. He is asking them to not legislate a combination of departments until they work out the details on adding a new position.

ORDINANCE AMENDING ORDINANCE 1969-29, COMMONLY KNOWN AS THE YARGER REPORT, BY CREATING A NEW POSITION IDENTIFIED AS THE ADMINISTRATOR OF MANAGEMENT AND BUDGET, ESTABLISHING SALARY AND BENEFITS FOR SAID POSITION, AND DECLARING AN EMERGENCY

Daniels read the ordinance and called attention to the salary range that would achieve around a \$7,000 cost savings. The Mayor said that he has always started at the minimum of the pay range and made mention of the increases that the S/S Directors receive (same as nonbargaining unit). Some of the duties performed by the former Safety Director. Daniels went on to explain that there is some precedence with administrations combining and dividing Service/Safety, HR Director, etc. to create the administrative structure they desired.

Mayor indicated that there are transfers coming from Service Director, a revenue sharing fund. This appointed position will report directly to Mayor and will not have any subordinates. It will not accrue holiday or sick time. He is not asking for any new money. It is all in the budget.

Ratliff asked if they were planning to “0” out Service Director to apply that savings to the bottom line. Mayor said not until it passes. This would save \$75,000 from the bottom line, once money is shaved from other departments. It could be higher with consideration of benefits/roll ups. Savings is not just salary.

Motion made by Meade, Schaber 2nd; Roll Call: Ayes – Daniels, Schaber, Meade
Legislation recommended to council (3-0)

Discussion then resumed on:

AN ORDINANCE RE-CREATING THE DEPARTMENT OF PUBLIC SAFETY/ SERVICE WITHIN THE CODIFIED ORDINANCES OF THE CITY OF MARION CHAPTER 133, CREATING NECESSARY SECTIONS, REPEALING THOSE SECTIONS OF ORDINANCE 2007-107 WHICH ARE INCONSISTENT HERewith, AMENDING THE YARGER REPORT AND DECLARING AN EMERGENCY

Motion made by Schaber, Meade 2nd; Roll Call: Ayes – Daniels, Schaber, Meade
Legislation recommended to council (3-0)

Items not on agenda:

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Ratliff came forward with some questions suggestions proposals, including:

1. They've taken \$75,000 off the bottom line.
2. Last year they projected a deficit but ended up ahead at the end of the year. He does not want anyone to overstate revenues and he understands that.
3. He would like to see at least another \$100,000 to take off that bottom line to get them closer to previous bottom line.
4. In talking to Law Director, they need about \$3,000 in professional services in Law Director's office because of pending litigation that is a conflict for his office to handle. They need to hire an outside prosecutor. He currently has \$3,000 but needs additional \$3,000.
5. He has concern about additional money in auditor's office. He asked if job titles/duties/descriptions been changed since 01/01/2020. Auditor states that all titles are the same – deputy auditor, internal auditor, and administrative assistant. There is no need for new job descriptions.
6. He asked about salaries for people who were hired as indicated on spreadsheet used for amendment. \$61,000 is correct for internal auditor. Deputy auditor is correct. He is working with law director to modify admin assistant to reduce hours and to have \$15,000 savings. Ratliff indicated that \$61,000 is more than paygrade that has been approved by council. Daniels indicated that he had a conversation with Landon about pay ranges established by council and that he could not expend past the maximum. Ratliff stated that he believes that they have.
7. There is an employee who was paid under auditor's office and they are budgeted \$30,000 for an employee who is no longer in the department. He thinks steps need to be taken to fix that.
8. There is an employee split between income tax and auditor's office and is solely under auditor's office now that needs to be corrected within budget.
9. There are a lot of house cleaning items that could be done.
10. He is concerned about liability for unemployment for three people – up to \$47,000+ -- that is not included in the budget. He suggests that they consider not filling position within auditor's office to cover liability. They should not take this from other departments.
11. He asked about security for city hall that was budgeted for the entire year, but equipment is not yet in place and would yield a savings until it starts.
12. IF they would go through a clean up these kinds of things, it would make that bottom line much more acceptable. He does not believe that it is as bad as it looks.

Daniels stated that he did not vote on the budget because it was not accurate and because of the deficit.

Ratliff said that they had an obligation to pass budget on 01/01 so that people could get paid. Now that it is passed, they need to dive in and start the clean up process.

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Mayor Schertzer explained that benefits coordinator was hired by him and was placed in auditor's budget, but it is an HR function. HR has either been paid out of separate line item or Safety Director's line items. They moved benefits coordinator over to area that it should be paid out of. New auditor would not have known that.

Security issue is a supreme court mandate and something that municipal court judge wants to put into place. They now meet four of the five. They put \$100,000 in city hall line item. He does not know when those security personnel will be hired.

Christian Dunston (E. Fairground) expressed concern about discrepancy of wages between departments, i.e. probation officer vs. firefighter. Daniels clarified that the court sets the salaries for probation officers.

Schaber requested that the Auditor update the revenue/expenditure budget for the next meeting.

ORDINANCE MAKING AN ADDITIONAL APPROPRIATION IN THE OFFICE OF THE LAW DIRECTOR FOR THE YEAR ENDING DECEMBER 31, 2020.

Motion made by Schaber, Meade 2nd; Roll Call: Ayes – Daniels, Schaber, Meade
Legislation recommended to council (3-0)

With no further business to come before the Finance Committee, Mr. Landon adjourned the meeting at 7:16 PM.

Chairman Daniels

Clerk of Council

**REQUEST FOR TRANSFER OF FUNDS
WITHIN DEPARTMENT APPROPRIATIONS**

REQUEST NO. _____

DATE: 02/04/2020

I, Scott Schertzer, Mayor
(Name) (Title)

hereby request that \$ 1170.00 be transferred within the General Fund - Mayor's Office
(Name of Fund and Department)

\$ 1170.00 from: Benefits-Insurance Opt Out to: Benefits Health Savings Acct \$ 1170.00
Fund No. 101.1009.5102.15 Fund No. 101.1009.5102.12

\$ _____ from: _____ to: _____ \$ _____
Fund No. Fund No.

\$ _____ from: _____ to: _____ \$ _____
Fund No. Fund No.

\$ _____ from: _____ to: _____ \$ _____
Fund No. Fund No.

\$ _____ from: _____ to: _____ \$ _____
Fund No. Fund No.

Reason for request: Funds were not moved during budgeting process
from Insurance Opt Out to Health Savings Account.

Signed: [Signature]

Date: 2-4-2020

Director _____ Approved _____ Disapproved _____

Date: _____

[Signature]
Mayor Scott Schertzer ☒ Approved _____ Disapproved _____

Date: 2-4-2020

[Signature]
Auditor ☒ Approved _____ Disapproved _____

Date: 2/4/2020

FINANCE COMMITTEE

Chair _____ Approved _____ Disapproved _____

Date: _____

Member _____ Approved _____ Disapproved _____

Date: _____

Member _____ Approved _____ Disapproved _____

Date: _____

