

Finance Committee Minutes

October 4, 2021

Members present: Daniels, Schaber, Meade

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

Minutes – 09/07/2021 available; 09/20/2021 pending

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

Minutes of 09/07/2021 Approved (3-0)

Old Business

Item 1. DISCUSSION ONLY (no legislation provided): Thresholds for quarterly tax estimated payments. (Daniels/Ratliff)

Mr. Ratliff made a recommendation to change the threshold from \$500 to \$1,000, one area where the local municipality has the authority to specify. Many people do not have the money throughout the year to pay their quarterly taxes. They use their federal income tax refund to pay their city taxes and the penalties and interest are very high. He feels this is more friendly to working families. The city may not collect as much in quarterly taxes throughout the year.

Mr. Daniels discussed costs when individuals move from the city. Tax policy should be friendly. If they move, it leaves a higher tax burden on lower income people who remain in city.

Ratliff pointed out that it would reduce the amount of payment processing in the income tax department.

Committee directed that the previous ordinance be amended.

Deputy Auditor Watts provided information about impact, which he thinks would be minimal. He will try to run some other numbers prior to the council meeting.

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

Ordinance Recommended to Council (3-0)

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New Business

Item 1. tempORD 2021-75: ORDINANCE MAKING ADDITIONAL APPROPRIATIONS IN THE FUNDS AS PROVIDED FOR BELOW FOR THE YEAR ENDING DECEMBER 31, 2021. (Landon)

Deputy Auditor Watts explained that they needed additional appropriations for street resurfacing. Also, the law director's office had an employee retire and this covers payout. Also, sewer fund is short on funding for overtime. In transfer accounts, he is requesting these funds be in there just in case something comes down from the national level that may push a lot of funds into the general fund.

Schaber questioned the \$5 million in transfer accounts. Watts stated that it is not "fake money". If it is not spent, it will be deappropriated. Mayor explained that they had done this quarterly in other years and this is just the request for the last quarter. Schaber was concerned that it is speculative.

Daniels asked what would happen if they did not do it. Watts said that if it would come in, they would transfer at that point. Schaber was concerned that it tied up funds to these specific departments. The departments have not requested funding.

Mrs. Swanger expressed concern about additional appropriations without the books being reconciled for 2020. Watts stated that they have not been balanced according to the state. Watts stated that they have not completed the GAAP audit. Swanger wondered why they are asking for this when they are not even sure how 2020 ended? She does not think it makes sense to appropriate more money when they do not know where the previous money has gone. Watts stated that they do know how much money came in and went out last year, but they do not have it balanced according to what the state says.

Watts stated that this does not move cash and it is not encumbering it, however once it is appropriated it is available to spend.

Deputy Auditor Hutchison stated that the books are balanced. They are just not approved by the state yet. She states that they have balanced it in a different way than the previous administration, actually more thorough. Regarding the appropriations, there is a difference between appropriation and an encumbrance. When they encumber, it goes on the books, and it is only available to be spent for what it was appropriated for. If they appropriation to a large department like police and fire with a large budget, they will get more money if it comes in. Mr. Daniels asked what she was anticipating. She said that they do not have a dollar amount. They "anticipate" more.

Mayor Schertzer said that they always get a large check in December. Money keeps coming. Sometimes they do not expect it, but it just shows up. For instance, they have not yet received an amount on the opioid money.

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Mr. Ratliff stated that they are routinely told in council meetings when there is a large purchase that “they have already appropriated the money.” They hear that a lot. They have the mentality that if they have already appropriated the money that they planned on buying it or spending it. He shares the uneasiness with this.

Mr. Daniels stated he was inclined to wait. He does not know why he would appropriate that. In response to Mr. Thomas, Watts stated that these departments have not requested the money. He is concerned that this ties up money that another department may be need.

Law Director Russell confirmed that they could change the draft ordinance and remove section 4.

Deputy Auditor Hutchison asked about the additional appropriation to the law director’s office. She continued: “The employee that retired -- say on Friday -- started again like basically a day later. And that eliminates another position and the city of Marion. It is a well-paid position for someone that actually would have to go to Columbus to get a new job and that seems to be an ongoing thing. We had payroll specialist get bumped to transit operations director after she retired within days. You have this happening, and it was her sister. Then you have rumors going around about her fiancé is going to bump up at the garage once the director retires there, here in a couple months. It just seems to be an all in the family thing.”

Mr. Daniels said that there are many departments that are “all in the family”. Between the auditor’s office and other departments, he sees it everywhere. Hutchison denied that this existed in the auditor’s office. Mr. Daniels said that Hutchison’s brother (a former mayoral candidate) was the reason that she got the job.

Hutchison stated that she has a degree with a double major in accounting and business administration within finance. Daniels stated that has done that office no service at all as far as he can see. He does not care how great her accounting procedures are, if they don't satisfy the customer - which in this case is the state – they are void. They are nothing.

Hutchison explained that the state has been working from home for almost two years. They are backlogged. The auditor’s office came to the council to contract with someone else for the GAAP audit. The state was willing to let them out of the contract because they are so backlogged. Council decided not to approve that. She said she will not stand there and have those accusations thrown at her when she is more than qualified for that position. She said, “shame on all of you in this room who picked on my boss when he almost died and you're sitting there kicking him in the ground.”

Mr. Daniels said that she is now placing the blame on the state. He warned Hutchison that if she is going to make accusations, she should be ready for someone to disagree with her. Mr. Daniels commented that Auditor Landon was able to attend church service with his oxygen tank but hasn't been able to come into the office. He stated that he is furious with

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the auditor's office. He said he has never seen more incompetence than in that office. He stated that she is pointing fingers at everyone else except their office.

Schaber made a motion to recommend to Council with the transfer accounts removed (strike section 4); Meade 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.
Ordinance Recommended to Council (3-0)

Other Matters

Adjourn

With no other business, Daniels adjourned the meeting at 7:10 PM.

Chairman Daniels

Clerk of Council

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