

Finance Committee Minutes

December 7, 2020

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

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

Minutes

Meade made a motion to approve minutes of 11/02/2020 and 11/16/2020; Schaber 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.

MINUTES APPROVED (3-0)

Old Business:

New Business:

Item 1. ORDINANCE MAKING AN APPROPRIATION IN THE BELOW LISTED ACCOUNT ENDING DECEMBER 31, 2020. (Auditor Landon)

Auditor Landon said that this is to make an appropriation of a \$10,000 donation to Marion City Fire 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)

Item 2. ORDINANCE TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF MARION, STATE OF OHIO, DURING THE FISCAL YEAR ENDING DECEMBER 31, 2021. (Mayor Schertzer)

Mayor Schertzer stated that he feels that this is a better budget than the 2020 budget. Cares Act money was largely used to reimburse line items, police and fire overtime, etc. The Safer Grant is also there for the Fire Department. They did not draw down on COPS Grant but will be doing that. The general fund budget is out of balance about \$230,000. Mayor Schertzer stated that the primary reason for that is budgeting of a department not under his control. Congress is currently looking at additional monies to local governments in 2021. They are not relying on them. We also got some reimbursements from BWC. He looks to a strong carryover going into 2021. He has no concerns about the -\$230,000.

Daniels stated he is accustomed to preparing a budget with consideration of past expenditures (2019 and 2020YTD). The report that the have only shows what was previously budgeted.

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Schaber indicated that the previous report only shows 2019 and 2020 budgeted. \$1.1 million dollars expenses over revenues. In January 2020, they were going to talk about the budget and closing the gap. Mayor Schertzer said they will not have the 2020 actual numbers and carryover amount until year is closed out – late January or mid-February 2021. With CARES Act and the BWC, he does not see the city dipping into the carryover at all.

Safety Director Chaffin explained that she still has \$1.2 million that is supposed to be reimbursed. She is also working with Auditor on some final expenses. She said that 2020 will look “different” because of the substantial funds and expenditures related to the CARES Act.

Daniels reiterated his need for actual expenditures in previous years. He cannot answer whether they are creating a fiscally responsible budget.

Auditor Landon stated that council gets a monthly report that shows actual YTD.

Deputy Auditor Watts stated that we have about \$1.9 million dollars that is unencumbered in the general fund.

Daniels said that they need more information. He wants report of actual expenses in previous years. He does not like doing this at the last minute. They have been approving past budgets because there is a time crunch.

Auditor Landon apologized for the late date of the budget. They did have some departments come in late.

Auditor Landon explained that his office has met with ClearGov. They can upload data and make it accessible to people. It also allows comparison with other municipalities. He believes that this might help Mr. Daniels in the future.

Schaber stated he does not have any confidence in sending this out of committee tonight, even with no recommendation. Chaffin explained that about \$700,000 in CARES Act dollars to be reimbursed through the general fund. The “deficit” was about \$750,000 in 2020 budget. She does not believe that there will be much deficit spending, possibly none.

Daniels reiterated that he wants a report that shows actual for 2019 and 2020 and budgeted for 2021. He cannot approve this budget until he can get a report like that.

Fosnaugh said she needed more information because it was confusing.

Schaber stated he would like to see the report rerun as Daniels requested. Meade concurred. They are not requesting a change to the format of the ordinance. They are requesting a more detailed report.

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Ratliff agrees that a supplemental report (budget worksheet) really is needed. He is interested in projected revenue. What model are they using to project revenues? With employment changes for residents, he is concerned about what our revenue will be.

Mayor Schertzer stated that they could provide that information. He believes that the budgeted revenue is based on the 2020 budget.

Daniels commented on department that is putting City in a deficit. What increases have they already had and are they expecting more? He would like to see trend lines.

Mayor Schertzer asked if they could get this moved on to council and they will provide additional information within the next 24-48 hours.

Schaber made a motion with no recommendation to council so that they could get a first reading in on 12/14; Meade 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.

Legislation sent to council (3-0)

Other Business:

Mr. Daniels said they did not call a Legislation and Codes Committee meeting tonight. He has/will be sending out his proposed Ordinance on incentivizing residency for police and fire. He requested that council members review the policy and give feedback.

Chaffin wanted to clarify some information on City bonds. Bonds cannot be used for operating expenses. Bonds are for infrastructure projects, sometimes a capital improvement item (like a \$1.4 million fire truck). They do not bond for resurfacing projects either. Those are funded by taxes. They did not bond any money for the airport building. It was financed through FAA grant, ODOT grant, airport improvement fund, and an advance from the general fund that will be repaid as property is sold at innovation drive.

Mayor stated that the Mayor's office and the Auditor's office worked collaboratively on the refinancing of those bonds. Sometimes people are misquoted. These bonds will save a significant amount of money.

Ratliff commented on an article in the Marion Star. He is concerned about the content because of inaccuracies. He wondered if the auditor was misquoted. Auditor Landon said he was misquoted, although he had not seen the article yesterday. He also did a press release that did not mention the airport terminal, etc.

With no other business, Daniels adjourned the meeting at 7:16 PM.

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Chairman Daniels

Clerk of Council