

NEW PHILADELPHIA CITY COUNCIL MET IN A SPECIAL MEETING IN COUNCIL CHAMBERS ON NOVEMBER 24TH, 2014 AT 6:30 PM WITH PRESIDENT OF COUNCIL SAM HITCHCOCK PRESIDING.

MR. HITCHCOCK OFFERED A PRAYER, AND ALL IN ATTENDANCE RECITED THE PLEDGE OF ALLEGIANCE.

COUNCIL MEMBERS IN ATTENDANCE: MS. SANDY COX
MR. DAN LANZER
MR. DARRIN LAUTENSCHLEGER
MR. ROB MAURER
MRS. CHERYL RAMOS
MS. WINNIE WALKER
MR. JOHN ZUCAL

THE SERVICE DIRECTOR, JAMES ZUCAL, THE SAFETY DIRECTOR, GREG POPHAM, AND TREASURER, TOM GERBER WERE EXCUSED FROM TONIGHT'S SPECIAL COUNCIL MEETING.

THIS SPECIAL SESSION OF COUNCIL WAS CALLED BY PRESIDENT OF COUNCIL SAM HITCHCOCK FOR A SPECIAL PURPOSE TO DISCUSS THE AUDITOR'S FINANCIAL PICTURE FOR THE CITY TO THE END OF THE YEAR AND PROJECTION FOR THE NEXT COUPLE OF YEARS TO COME.

PRESIDENT OF COUNCIL REMINDED COUNCIL OF THE FOLLOWING:

RULE 18 OF THE ADMINISTRATIVE CODE:

DURING ALL MEETINGS OF COUNCIL BUSINESS SHALL BE TRANSACTED AS FAR AS POSSIBLE IN THE FOLLOWING ORDER.

BASICALLY EVERYTHING THAT IS ON THE AGENDA

WHICH IS WHAT WE HAVE FOR A NORMALLY FOR A REGULAR MEETING OF COUNCIL.

RULE 19 OF THE ADMINISTRATIVE CODE STATES:

ANY OR ALL RULES FOR THE GOVERNMENT OF COUNCIL NOW OR HEREAFTER ADOPTED, MAY BE SUSPENDED AT ANY MEETING OF COUNCIL BY THE CONCURRENT VOTE OF THREE-FOURTHS OF ALL MEMBERS ELECTED THERETO. (WHICH WOULD BE 6 MEMBERS)

THE PRESIDENT OF COUNCIL MR. SAM HITCHCOCK ASKED FOR A MOTION TO SUSPEND THE REMAINDER OF THE AGENDA SO WE CAN GET TO THE MATTER AT HAND.

THE MOTION WAS MADE BY MS. COX AND WAS SECONDED BY MR. ZUCAL.

ROLL CALL

7 YEAS MOTION PASSED.

THE PRESIDENT OF COUNCIL MR. SAM HITCHCOCK REMINDED COUNCIL OF HIS REQUEST FROM A PREVIOUS MEETING:

HE HAD ASKED OUR AUDITOR, MS. GUNDY TO PREPARE A STATEMENT OF FINANCIAL CONDITION UP TO THE PRESENT DATE ALONG WITH SOME PROJECTIONS FOR THE NEAR FUTURE.

VERY SOON WE WILL BE HAVING BUDGET HEARINGS AND MR. HITCHCOCK THINKS IT WILL BE BENEFICIAL FOR NOT ONLY THE FINANCE COMMITTEE BUT ALL MEMBERS OF COUNCIL TO BE FULLY AWARE OF OUR FINANCIAL SITUATION.

THE PRESIDENT OF COUNCIL MR. SAM HITCHCOCK THANKED MS. GUNDY FOR TAKING THE TIME AND EFFORT TO PREPARE THIS REPORT.

NOT ONLY WAS IT ON THE SCREEN BUT A HARD COPY WAS GIVEN TO EVERYONE IN COUNCIL PRIOR TO THE MEETING FOR THEM TO REVIEW.

MR. HITCHCOCK EXPRESSED APPRECIATION FOR REPORT.

MEMORANDUM DATED NOVEMBER 19, 2014
 TO NP COUNCIL MEMBERS
 FROM MS. GUNDY, AUDITOR
 PROJECTIONS FOR THE NEXT 3 YEARS

CITY OF NEW PHILADELPHIA GENERAL FUND REVENUES WITH 67% INCOME TAX RECEIPTS.
PROJECTIONS BASED ON ACTUAL EXPENSES AND 0% TAX REVENUE TO MASTER CAPITAL
ACTUAL NUMBERS FOR 2013 PROJECTION FOR 2014 2015 2016 AND 2017.
FIVE PAGES OF GENERAL FUND EXPENDITURES ACTUAL NUMBERS FOR 2013 PROJECTION FOR 2014 2015 2016 AND 2017. FUND BALANCE
STREET FUND PROJECTIONS REVENUE AND EXPENDITURE ACTUAL NUMBERS FOR 2013 PROJECTION FOR 2014 2015 2016 AND 2017. FUND BALANCE
CEMETERY FUNDS PROJECTIONS REVENUE AND EXPENDITURE ACTUAL NUMBERS FOR 2013 PROJECTION FOR 2014 2015 2016 AND 2017. FUND BALANCE
POLICE/FIRE OPERATING PROJECTIONS REVENUE AND EXPENDITURE ACTUAL NUMBERS FOR 2013 PROJECTION FOR 2014 2015 2016 AND 2017. FUND BALANCE
POLICE/FIRE PENSION PROJECTIONS REVENUE AND EXPENDITURE ACTUAL NUMBERS FOR 2013 PROJECTION FOR 2014 2015 2016 AND 2017. FUND BALANCE
MASTER CAPITAL PROJECTIONS REVENUE AND EXPENDITURE ACTUAL NUMBERS FOR 2013 PROJECTION FOR 2014 2015 2016 AND 2017. FUND BALANCE
AMBULANCE FUND PROJECTIONS REVENUE AND EXPENDITURE ACTUAL NUMBERS FOR 2013 PROJECTION FOR 2014 2015 2016 AND 2017. FUND BALANCE

Ms. Gundy gave some of the assumptions she has made in the projections

- Income Tax Revenue does not increase by 3% or so since we are losing or have lost a couple of businesses or jobs have been moved outside of New Philadelphia she doesn't know if potential new jobs will make up for the \$300,000+ loss in Tax Revenue.
- Health Insurance Costs increase by 25% in 2015. But after 2015 increase, but not by any particular percentage.
- The General Fund has to cover negative cash balances in Street, Cemetery, and Police/Fire Operating Funds. It also has to cover Engineering and Paving Expenditures that would normally be in Master Capital.
- The Ambulance Fund cannot make the Front Street Lots Loan Payment after 2015 and that payment will have to come out of the General Fund.
- Ms. Gundy doesn't know how many jobs will be coming with the opening of the new Restaurant/Motel or Menard's (in 2016) Ms. Gundy did show an increase in Lodging Tax for the new motel.

Ms. Gundy used Budget Numbers that should be closer to what we will actually spend.

Ms. Gundy had used \$35,000 for the Lodging Tax.

Mr. Lanzer questioned that:

Ms. Gundy said it is hard to tell some motels are \$2,000 per month and some are 4 and 5 thousand a month so it could be \$35,000 to \$50,000.

Mrs. Ramos asked if the Fire Revenue is the Ambulance Fund.

Ms. Gundy informed Mrs. Ramos that was the Fire Contract for Goshen Township.

Ms. Gundy went over the projections in detail.

Mrs. Ramos wanted to know what funds the projects like West High Avenue come out of.
Ms. Gundy replied Master Capital. But that doesn't start until 2017.

Ms. Gundy reported that we do have Other Debt that comes out of the Water and Sewer Fund.
Mrs. Ramos asks if that is covered by the fees.
Ms. Gundy replied yes.

Comment Mrs. Ramos:
Looking at 2014 to 2015, why did the Mayors increase \$19,000?

Ms. Gundy replied:
Medical Insurance and the Receptionist.

Mayor Johnson:
What is the Final Projection for 2015, will we make it?

Ms. Gundy Replied:
Probably not. I'm showing that we will breakeven but things change throughout the year.
Depends on how many emergencies we have.

Comment from Mrs. Ramos:
About the jobs that we lost, the last memo that we got from you said that the jobs lost would not be a significant hit on our Income Tax but now we are saying \$300,000.

Ms. Gundy replied jobs lost from Lauren, now there is a second business.

Comment from Mrs. Ramos:
There have been about 200 jobs that have left us.

Ms. Gundy Replied:
"Things change."

Comment from the Mayor:
What do you predict the carryover as?

Ms. Gundy replied
1.2 and I already think that is a little low.

Comments from Mr. Lautenschleger:
Darrin thanked Ms. Gundy and said the assumptions helped him a lot;
Good exercise to do this again before the end of January 2015
before we get into the budget process.

Ms. Gundy replied:
We can do that I would like to wait until we get our insurance figure.

Mr. Lautenschleger asked if that would be February.

Comment Mayor Johnson:
They do go out for quotes and we do have a second company that has already given us a quote.

Comment Mr. Lautenschleger:
Mr. Lautenschleger stated that he was comfortable waiting until the Auditor is ready to do that.

Mrs. Ramos requested:
The Auditor to show places that we could possibly make cuts. We look for ways to make cuts in the budget to try to save money. "Can we gather the information before we start the budget process?"

Comment from the Auditor:
If the Mayor could work with her.

Comment from the Mayor:
We have been cutting all along
And we plan to do even more.

Mrs. Ramos requested:
The Mayor and the Auditor have a plan.
"Somehow we need to operate smarter."

Bottom line we are going to have to look at that.

Once again, the President of Council, Sam Hitchcock thanked the Auditor for her report.

MOTION BY MR. LANZER TO ADJOURN AT 6:49 PM

CLERK OF COUNCIL _____

APPROVED _____

PRESIDENT OF COUNCIL _____