

**FINANCE COMMITTEE MEETING
MONDAY, DECEMBER 8, 2014**

The Finance Committee met on Monday, December 8, 2014 at 7:16 p.m. in the council chambers at the Knisely Centre.

In attendance were committee members Darrin Lautenschleger, Mrs. Ramos, alternate Winnie Walker and Chair Sandy Cox.

Guests were Mayor Dave Johnson, Auditor Beth Gundy, council president Sam Hitchcock, Clerk of Council Patti McKay, council member Dan Lanzer, Service Director Jim Zucal, council member John Zucal, Safety Director Greg Popham, Bob Lipinski, council member Rob Maurer, Mark Cox and Law Director Marvin Fete. The above guests were present for all or part of the meeting.

Item 1: Ordinance 27-2014 An ordinance by the Council of the City of New Philadelphia, Ohio amending and adjusting the permanent appropriations ordinance for the year 2014 and declaring an emergency.

INCREASE/(DECREASE) IN APPROPRIATIONS

Safety Forces – Fire

225-2500-5-3501

Maintenance

\$10,000.00

Mr. Lautenschleger moved to add Ordinance 27-2014 to the agenda this evening and pass on second reading. Mrs. Ramos seconded the motion and passed with 3 ayes. (Lautenschleger, Ramos and Cox)

Note: The Auditor informed the committee the money was being used for mandated inspections.

Item 2: Ordinance 29-2014 An ordinance to allocate funds collected under the City of New Philadelphia income tax ordinance and declaring an emergency.

1. Such part thereof as shall be necessary to meet the obligations of the City in the servicing of the General Obligation Bond debt in fund 360.
2. Such part thereof as shall be necessary to defray all costs of collecting the taxes and cost of administering and enforcing the provisions thereof.

3. Such part thereof as shall be sufficient to pay for the Special Street Lighting.
4. a. 16% of the net available income tax receipts received annually shall be used and set aside for Street Department Fund (Number 203).
b. 10% of the net available income tax receipts received annually shall be used and set aside in the Police and Fire Pension Fund (Number 265).
c. 7% of the net available income tax receipts received annually shall be used and set aside in the Cemetery Operating Fund (Number 209).
d. For January 1, 2015 – December 31, 2015, 67% of the net available income tax receipts received shall be used to defray the general operating expenses of the City.

Mrs. Ramos asked the Auditor about c. the 7% for the Cemetery Operating Fund. The Auditor said she had thought about changing the percentage but she is of the opinion we should leave it alone for now.

Mrs. Ramos said she felt uncomfortable placing nothing in Master Capital and diverting everything into the General Fund. I understand why but it leaves us no money for emergencies and other things that may come up.

Ms. Cox stated she believed Master Capital has a requirement – like 25, 20 years or even 5 years (for example: land, fire truck, paving, police cruisers, storm sewers & etc.). Master Capital is directed at purchasing certain items (capital expense items) and placing the money in the General Fund creates a more manageable solution for the Auditor.

Mr. John Zucal was concerned if we place the Master Capital into the General Fund, it makes it look stronger than what it is. It does not represent the income generated in the General Fund.

The Auditor said that is correct, that is why we will have a nice carryover this year. That is why \$800,000 or more would typically go towards Master Capital, along with \$500,000 from last year that is in that pot still.

Mr. Lautenschleger asked the administration, for planning purposes if the administration was comfortable, with the preparation of the budget and you started to look at this, knowing the formula and all that, is that correct.

The Mayor replied yes.

Mr. Lautenschleger asked if the ordinance had to be passed by the end of the year.

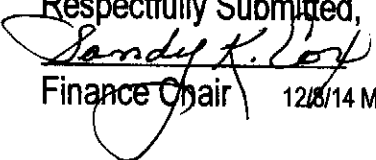
The Auditor replied no. I won't do anything with this until the end of January. This allocation is what we used in 2014 and 8 months of 2013.

Mr. Lautenschleger commented, if we are going to see increases that are substantial in negotiations, which none of us believe should happen, but if they do, there will be positions cut. That is the bottom line. We need to let the folks know across the entire city. Whether the Mayor wants to say it, I will say it - positions will be cut. If you get a giant raise, you will cut the positions in your departments.

Mr. Lautenschleger moved that we placed Ordinance 29-2014 on the agenda at the next regular meeting and recommend approval on the third reading. Ms. Cox seconded the motion and the vote was 2 ayes and 1 nay. (Lautenschleger and Cox 2 ayes – Mrs. Ramos nay)

Note: This ordinance sets up the allocation of income tax receipts collected for the year 2015. As in 2014 - d. 67% of the net available income tax receipts received was used to defray the general operating expenses.

There being no further discussion Mr. Lautenschleger moved to adjourn the meeting at 7:28 p.m.

Respectfully Submitted,

Finance Chair 12/8/14 MW