

AGENDA FOR A FINANCE COMMITTEE MEETING FOR
TUESDAY, MAY 26, 2015, 6:30 PM, EXECUTIVE
CONFERENCE ROOM, SECOND FLOOR, MUNICIPAL BUILDING

(Councilmen Reed, Reynolds, Carpenter and Read)

- I. CALL TO ORDER – Councilwoman Kim Coram, Chairman
- II. ROLL CALL
- III. MINUTES – meeting held May 12, 2015
- IV. NEW BUSINESS
 1. Definition of “Capital”
 2. Budget revisions
 3. Audit
 4. Revenues and expenditures
 5. Personnel report (head count)
 6. Continued review of Charter and Ordinances
 7. Communication from Auditor Gainer to Mayor Newell (handout from May 12, 2015, concerning moving funds into contingency line items, And Charter conflicts.
- V. ADJOURNMENT

The Finance Committee of City Council met Tuesday, May 12, 2015 at 6:30 PM in the small conference room on the second floor of the Municipal Building at One Government Square, Parkersburg, WV 26101.

The meeting was called to order by Chairman, Councilwoman Kim Coram, who presided over the meeting. The Clerk noted the attendance and those present included Councilmen Mike Reynolds (6:40 PM), JR Carpenter, and Kim Coram. Councilmen Jim Reed and Aaron Read were absent.

There were several others attending the meeting, including Eric Bennett, John Stump, Erin Hall, and Greg Isaacs, all concerning the bond refinancing; Mayor Robert Newell, Chief Martin, Rick Lemley, Roger Brown, Rickie Yeager, Pam Salvage, John Rockhold, and Nancy Wilcox, and guests.

MINUTES Mr. Carpenter moved, seconded Mr. Reynolds, to approve the minutes from April 14, 2015 as amended by noting that BB & T had prepared another letter of commitment for interest rates for financing for dump trucks (not will prepare), and the motion was adopted by unanimous vote.

Parkersburg Utility Board Manager, Eric Bennett, told the committee that series 2005A and 2006C bonds were eligible for refinancing and would save between \$3,500,000.00 and \$4,000,000.00 over the next two years, and can be used for future capital improvements.

Bond Counsel Attorney, John Stump, compared this to a home refinancing, and will not lengthen the term. It will take three readings of an ordinance, and no final action will be taken until the ordinance is enacted, then there will be a supplemental resolution. Interest rates change every day, he said, and if rates go up, they will wait until it makes sense again. Water rates will not go down because of other covenants in the previous bond issues.

Ms. Coram asked why they couldn't reduce rates, and Mr. Stump said that one of the covenants for the loans is that you can't reduce rates, not ever. In 23 years he has never seen rates reduced because of expenses for operations.

Millions of dollars need to be spent in both systems, Mr. Bennett stated, and it is not likely they will ever go down, and it is against the bond covenants.

Ms. Coram said she thought if there was a reduction in customers, there could be a reduction in rates. Mr. Bennett said that if there were fewer customers, they would have to increase rates. If you have more customers and big water users, you would not. You have to meet the 1.2 debt ratio, and money in savings can't be used for that purpose.

Mr. Isaacs explained that the original 2005A issue was \$35,000,000.00 and is now down to \$18,175,000.00. The interest rate then was 4.25%, and now proposed to be 3.00%. The Series 2006C issue was \$17,500,000.00 and is now down to \$6,215,000.00. The interest rate then was 4.10% and now proposed to be 2.00%.

Both our water treatment plant and sewer treatment plant were built in the late 1970's, Mr. Bennett stated, and those bonds at the time were for 30 and 40 years.

MOTION – Mr. Carpenter moved, seconded by Mr. Reynolds, to recommend that City Council refinance those bonds, and the motion was adopted by unanimous vote.

BUDGET REVISIONS – Personnel Director, Pam Salvage, explained each line item of proposed budget revisions, including \$40,500.00 in donations to be used for tennis courts which are being moved into contractual account 230.

There is a \$10,000.00 donation from Highmark for community gardens. Ms. Coram asked if this is how we accept donations, and Ms. Salvage said the state auditors told us to budget this way if we would be spending it back out. Ms. Coram asked where that was stated in the code, and Ms. Salvage said she would find out. Ms. Coram wanted to know more about donations and in particular the \$175,000.00 for the Police Department from United Bank. Ms. Salvage it was a judgement call and the auditors said that \$5,000.00 or \$6,000.00 was a significant amount to them.

The sidewalk revenue of \$14,410.00 trickled in and we are budgeting it all at once. We accept homeowner's payments and the money goes into department supplies.

Ms. Lynch asked if the City did any publicity so the citizens would know the program is available. Mr. Reynolds suggested possibly putting something on the sanitation bill, and Mr. Lemley said he would check into it.

Postage in the amount of \$9,961.10 is now being paid out of the finance department and amounts moved accordingly from other departments.

In city council's budget, \$700.00 is being moved from travel into contractual services because of data service usage for the I pads. We have changed our plan and there is now a \$15.00 fee per month, each.

There was a \$1,700.00 error in the street cleaning department – blades and spreaders will now be in supplies.

In the fire department we got a Durango and new chassis for the new rescue truck. It was to be lease/purchase, but was not in the budget, and we wanted to pay it off this year. Ms. Coram asked what we were losing if we moved \$60,950.00, and Ms. Salvage said it was a truck that has not been purchased yet. That truck is out for bid and budgeted for next year. The truck still has to be built. Chief Taylor said there was a problem with the bid, and it took longer.

When Ms. Coram asked if there were any other situations like this, Ms. Salvage said she did not think so. Ms. Coram said this was like the \$127,000.00 we were not expecting for the new phone system.

Mayor Newell said we do this all the time when we can pay something off and save interest.

MOTION – Mr. Reynolds moved, seconded by Mr. Carpenter, to refer the revisions to City Council, and the motion was adopted by unanimous vote.

GRANT - \$16,000.00 – Ms. Lynch said that she had 3 sponsors to go to Council with this request.

Development Director, Rickie Yeager, stated that this grant was available for homelessness and the Family Crisis Intervention Service is asking for \$16,000.00 for general operating and supplies. Ms. Lynch said this was a domestic violence issue and pass through request also through the Wood County Commission.

No action required.

REVENUES AND EXPENDITURES – Ms. Salvage said she did not have any personnel reports yet. We had talked about a payroll report that would match with what was paid out. We will do a head count and gross dollar value. She and Ms. Coram will discuss it further, because of employee deductions and taxes that are quarterly, etc.

Ms. Coram wanted a summary for the whole City. They want to know what we have not spent each payroll so it can go back into the budget. She asked if Ms. Salvage could still do the personnel report and she said she would have it at the next meeting.

There need to be money left in the budget for comp time and other possible pay-outs, Ms. Salvage stated. Ms. Coram said she just wanted to know what had not been spent – just a head count.

Mr. Carpenter said that he and Ms. Wilcox were concerned about names being given to the public. Ms. Lynch said employees should be listed by employee number and not by name. Ms. Salvage said they could redact the names manually, but their names and salaries are in the budget.

They are looking for a quick oversight, Ms. Coram stated – how many employees and how many were paid, no names. They are looking at what money they haven't spent. Mr. Reynolds agreed we should look at it closer. Ms. Lynch asked how we would replace employees if we took the money for something else, and Ms. Coram said they want the review to be done quickly so they have done their oversight.

Ms. Salvage also explained the \$43,000.00 line item that was encumbered for the City's credit card – and the amount was taken from travel – the first line item, but it was for the monthly credit card bill for many things.

CAPITAL IMPROVEMENT PROGRAMS – Ms. Coram said the plan was not in the proper form, and again asked for definition of capital. Ms. Salvage said we could use the \$500.00 amount in the 459 account if it is expendable used over time. Ms. Salvage said that City Council needs to tell the administration the definition so we can make adjustments if necessary. Ms. Coram agreed and said for our next agenda the definition would be discussed.

AUDIT – Ms. Salvage said we have not heard back from our auditors on Ms. Coram's question about where Council had previously had oversight, but she will email them tomorrow and ask what they look at as Council's oversight.

Mayor Newell distributed a letter he sent to Ora Ash, the Deputy State Auditor, dated April 2, 2015, about City Council moving money during the budget process into contingency funds for travel, training, insurance for auto and liability, and capital equipment, and Mr. Ash's response.

Ms. Coram said they could discuss it at the next meeting.

The meeting adjourned at 7:20 PM.

Respectfully submitted,
Connie Shaffer, City Clerk

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