

Minutes of Financial Oversight Committee Meeting

October 24, 2016

7:00pm

Present:

Kathy Zembrodt, Chair

Chris Carle, CoChair

Gary Huff

Pamela Spoor

Absent:

Phil Ryan

Alex Mattingly

Elishia Chamberlain

Matt Mattone

Pam Spoor made a motion to approve the minutes of the September meeting. Chris Carle seconded the motion. Minutes of September meeting approved unanimously.

A discussion of debt repayment was undertaken. It was determined that we would continue to defer repayment until November as we assess the needs of addressing concerns associated with the proposed Audubon development.

Gary Huff asked if the final payment was made on the lease per the decision of the September meeting. He would like confirmation that the payment was made and a report from City Clerk on resulting savings. ***

A discussion of why debt was incurred to complete large road projects was had. Pam Spoor explained that the long and difficult streets such as Altavia, Cleveland, Jackson, etc were of such size and cost that they could not be completed in a single fiscal year with the proceeds of the Road Tax – this was the case before the taxpayers voted a reduction in the Road Tax. Kathy Zembrodt explained that with record low tax free interest rates and low construction costs, she and Pam Spoor worked to secure tax free financing that would permit the City to complete these large problems in a single fiscal year. The tax exempt loan is secured by a pledge of \$200,000 per annum from the Road Tax. The remaining \$100,000 of Road Tax is dedicated to maintenance, mill and overlay and other necessary repairs. The debt is fully secured and self amortizing through the pledge. Kathy Zembrodt explained that the debt allows City to take advantage of low construction costs and expedite road work.

A discussion of potential methods of funding the purchase of the Berling development area by residents or by a combination of entities was undertaken.

It was decided to delay discussion of the Procurement policy proposal. Kathy Zembrodt did indicate that she favored the Fort Wright format.

Next Meeting: November 21 at 7:00pm at City Building