
MEMORANDUM

To: Mayor & Members of Council
cc: Finance Director, City Manager, Law Director
From: Roxanne
Subject: General Information
Date: March 24, 2017

CALENDAR

AGENDA - MONDAY, MARCH 27, 2017 @6:30 PM

Finance and Budget Committee

- 1) Approval of Minutes
- 2) Review of City's Investment Policy and Portfolio by Investment Advisor, Meeder Investment Management
 - a. A copy of the City's current Investment Policy (IP16-0003) is enclosed
- 3) Review of First Quarter Budget Adjustments
 - a. The requested first quarter budget adjustments are enclosed.
- 4) Review of Credit Card Usage Policy
 - a. Enclosed is a copy of the city's current policy and also the *Auditor of State Bulletin 2016-004* on Credit Card Controls.

AGENDA - MONDAY, MARCH 27, 2017 @7:30 PM

Special Joint Meeting Safety and Human Resources Committee Meeting with City Council

1. Approval of Minutes
2. Review of Personnel Code Section 197.18 (Vacation)
 - a) Section 197.18 Vacations is included in the packet.

CANCELLATION

Civil Service Commission Meeting

AGENDA - WEDNESDAY, MARCH 29, 2017 @6:30 PM

Parks and Rec Board

1. Approval of Minutes
2. Update on Spring and Summer Recreation Programming
3. Discussion and/or Action on Department Staffing

MISCELLANEOUS

AMP Update/March 17, 2017

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Records Retention - CM-11 - 2 Years

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MARCH/APRIL 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27 6:30 pm -Finance & Budget	28	29	30	31	
	7:30 pm - Special Joint Mtg. with Safety and Human Resources Committee and City Council		6:30 pm - Park & Rec Board			
	6:15 pm Technology Comm					
	6:30 pm Housing Council					
	7:00 pm City Council					
9	10 6:30 pm Electric Comm. BOPA	11 4:30 pm BZA 5:00 pm Planning Comm.	12	13	14 OFFICES CLOSED GOOD FRIDAY	15
	7:00 pm Water/Sewer Comm					
	7:30 pm Municipal Properties/ED Committee					
16 EASTER SUNDAY	17 6:00 pm Tree Commission 6:15 pm Parks & Rec Comm 7:00 pm City COUNCIL	18	19	20	21	22
23	24 6:30 pm Finance & Budget 7:30 pm Safety & Human Resources Comm.	25 4:30 pm Civil Service	26 6:30 pm Park & Rec Board	27	28	29
30						

City of Napoleon, Ohio

**FINANCE AND BUDGET COMMITTEE
MEETING**

Monday, March 27, 2017 at 6:30 pm

LOCATION: Council Chambers, 255 West Riverview Avenue, Napoleon, Ohio

- 1) Approval of Minutes from November 28, 2016, December 2, 2016 and December 3, 2016.
(In the absence of any objections or corrections, the Minutes shall stand approved.)
- 2) Review of City's Investment Policy and Portfolio by Investment Advisor, Meeder Investment Management
- 3) Review of First Quarter Budget Adjustments.
- 4) Review of Credit Card Usage Policy.
- 5) Any other matters currently assigned to the Committee.
- 6) Adjournment.



Gregory J. Heath
Finance Director/Clerk of Council

City of Napoleon, Ohio
SPECIAL MEETING MINUTES
of the

FINANCE AND BUDGET COMMITTEE

in Joint Session with

CITY COUNCIL

Monday, November 28, 2016 at 7:45 pm

PRESENT Committee City Staff Recorder Others ABSENT	Jeff Mires-Chair, Joe Bialorucki, Patrick McColley, Mayor Jason Maassel Gregory J. Heath, Finance Director/Clerk of Council Monica Irelan, City Manager Roxanne Dietrich News Media
Call To Order	Chairman Mires called the meeting to order at 8:20 pm.
Approval of Minutes	Minutes from the October 24, 2016 meeting stand approved with no objections or corrections.
Review of the 2017 Debt Schedules	<p>Heath began by reviewing the long term and short term debt listing schedules.</p> <p>The Ohio Water & Sewer Rotary Commission is on assessment projects funded up front in the agricultural district. We have paid down quite a bit on the North Pointe agricultural district.</p> <p>Maassel asked if the agricultural district becomes a non-agricultural use and/or commercial property the owners have to pay taxes.</p> <p>Heath said there are rules if you fall out of the agricultural district. We do not keep the money, that was advanced to us and we write a check back to them.</p> <p>Maassel inquired if the 30 acres for the spec building that was talked about is that part of the agricultural ground?</p> <p>Heath responded no we pay taxes on that property.</p> <p>The Water Pollution Control Loan Fund (WPCLF) is used for the water plant. Ohio Water Development Authority (OWDA) is the State of Ohio's version of using money for water and sewer projects. They go by market rates we do not get any discounted rates or grants.</p> <p>Original issued debt is \$27,595,802 with a current net balance as of 12/31/2016 of \$17,428,644.</p> <p>On the short term debt list is primarily the \$2.5 million for the Water Treatment Plant, \$1.4 million has been added upping it to \$3.9 million with the DEFA funding, pending the notes, will need to be modified and reissued for \$3.9 million, you will be seeing legislation to issue that note.</p>

**Review of the 2017
Estimated Revenue
Listing**

Overall total when add DEFA funding at end of 2017 is \$33,153,379 projected debt.

Next is the debt amortization schedule by fund, the printed copy only goes out 10 years. The summary is based on detail and by fund.

Maassel asked by and large you cannot prepay debt, is that correct, bond holders have a certain schedule?

Heath replied you can pay ahead on call dates. Previously call dates were generally ten years out, bond holders like to see a minimum of five years for call dates.

Maassel said as pay off some debt of \$17+ million dollars.

Heath told him only if in same fund, you cannot use sewer for water. The source funding is the most important part where the money originated from and listed by where taken from.

Heath said this is the four year history of actual budgeted and projected revenues. Projected revenues for the general fund represent property tax the Local Government Fund (LGF) been reduced. There are various line items listed LGF from the State of Ohio that are routed through the county. The State of Ohio has taken away a lot of the taxes previously received.

Interest earnings have went down as we are tied to federal rates quite a bit.

The bulk of the general fund is income tax, another big source is KWh tax.

Total projected revenues are budgeted to receive \$6.6 million, in projecting for next year the bulk is in income tax that is in the General Fund.

The way cash budgets work is you have a balance, you have a deposit, you write checks, you have a net balance. The City attempts to keep \$1 million in the general fund. By law we have to keep funds in the black.

Gross income tax projected for next year is \$4.4 million.

Maassel asked if we have ever projected \$4.4 million?

Heath replied it is one of the highest years we have had, it never has been a projected \$4 million at the beginning of the budget process. The KWh tax fund is consistent.

The Rec Levy Fund have their own source from the .2% income tax no administrative costs for income tax collections are taken out, we are still reimbursing them on utilities.

The hotel/motel tax was up and now it is down. The Holiday Inn Express was not open while it was doing renovations.

The Special Assessments bond retirement has went down over the years as the debt is being paid off.

The sanitation rates were set fairly high several years ago and we seem okay.

Maassel said as far as sanitation rates, that is assuming trustees from CCNO are still available.

Irelan responded we are still looking at hiring one more full time person. We do not always get CCNO trustees on a regular basis and have to pull someone off another department to work on the garbage truck.

**Review of the 2017
Proposed Salary and
Fringe Benefit Schedules**

Comadoll asked if we get money from the county for the yard waste site, is that the \$4,100?
Heath told him we do.
Total estimated revenues \$63,286,140.
Comadoll asked how much has the revenue went down because of fuel cost being down.
Heath responded we only charge minimal upcharges on the fuel rotary, we do not pay taxes on fuel.

The first four pages are summaries with the detail behind it.
Irelan said we did 3% across the board to see if we could get a balanced budget, I know this is not what will be approved by council. A 2016 city manager goal was to have an in-depth market analysis done on non-bargaining positions. A lot of the position ranges will be changed, we have added an engineering position and would like to add a licensed engineer to the pay scale right now there is no place to take them. Will be recommending 2% across the board for non-bargaining but use 3% to bring market analysis back up. This will be discussed during budget meetings. We want money there to be able to bump people up.
Maassel asked who will be tracking that person on how much we are saving, someone would have to show us that would be good to know. We need to know before get comfortable with that position, seems we need more guys in Jeff Rathge's department. It is easy to show savings adding someone here.
Irelan said there are 26 positions I recommend 14 are bumped up to a better market value, 6 would have bottom bumped up and not the top and one position I feel the scale is way off we are still debating what to do with that department my recommendation is to bring it down.
Heath said he did not have time to do CIP or transfer of funds summaries.
Irelan said the first pay period for 2017 starts in December, if reads are not done by then will have to retro it back.

Comadoll asked what will be proposed equipment wise?
Irelan responded some larger items are: a street sweeper, two patrol cars, a new fire vehicle, airboat but only if get the grant, a new electric line truck.
Comadoll asked if there is a dump truck for the Operations Dept?
Irelan said she didn't remember seeing one there is a utility vehicle for the Wastewater Treatment Plant.
Comadoll – can I ask why?
Irelan said they have been using an old golf cart for testing and really need utility vehicle, would be nice to have enclosed vehicle especially when it rains.
Motion: McColley Second: Maassel
To adjourn the Finance and Budget Committee meeting at 9:26 pm.

Motion To Adjourn

**Passed
Yea-4**

Roll call on the above motion:
Yea=McColley, Bialorucki, Maassel, Mires

Nay-0

Nay-

Date Approved:

Jeff R. Mires, Chair

DRAFT

FINANCE & BUDGET COMMITTEE

SPECIAL MEETING

in Joint Session with the

CITY COUNCIL

Special Meeting Minutes

Friday, December 02, 2016 at 8:00 AM

PRESENT

Committee Members
Finance Director
City Manager
Recorder
City Staff

Jeff Mires, Chairman; Joe Bialorucki, Jason Maassel
Gregory J. Heath
Monica Irelan
Roxanne Dietrich
Billy D. Harmon, Law Director
Morgan Druhot, Human Resources Director
Chad E. Lulfs, P.E., P.S., Director of Public Works
Tony Cotter, Parks & Recreation, Cemetery
Judge Rosebrook
Scott Hoover, Water Treatment Plant Superintendent
Newsmedia; Denise Dahl, CIC Director; Joel Miller, Director of Henry County Chamber

Others

ABSENT

Committee member

Patrick McColley

Finance and Budget Meeting Called to Order

Chairman Mires called the Finance and Budget Committee meeting to order at 8:09 am.

Review of 2017 Budget Proposals

Heath said it is the fiduciary responsibility of the Finance Director and City Manager to bring a balanced budget to you. The primary purpose is for expenditures for the next year. We need to have the appropriation budget passed on or before January 1st of the operational year, at least a temporary, and by law, a final budget by no later than March 31st.
The budget is prepared on a cash basis and the annual reporting, the CAFR, is done on an accrual basis.
We have projected a carry-in of \$1,022,917 on the general fund.
Right now in 2017, we are projecting we will spend more than we are bringing in by approximately \$390,000, we are using the reserves to make it balance leaving a projected balance of \$633,137. Hopefully we can anticipate more coming in than we projected.
Irelan commented for comparison reasons, the last couple of years our deficit number has been closer to \$700,000.
The budget total is around \$68 million. The big project is the Water Treatment Plant project.
The real revenue we are dealing with that being paid into the City is \$54,800,000. Expenses are approximately \$60 million, that includes the note sale on the water plant.

100-1100 City Council

8:19 am - City Council Account Number 100 – 1100

Irelan reported there was not lot of new, more was put in training.

Heath said on page 6 you will see \$1,500 to travel and training. Ireland told them the \$10,000 for a Strategic Plan Consultant is in as an additional request that we will go over at the end. Comadoll commented he would like to increase Council and the Mayor's salary, he said "it is costing me to be on Council". Maassel said other municipalities are having the same problem. Heath told them it has to be passed prior to election and maybe primary, I'm not sure what the requirements to file are. Comadoll said he likes being on Council but if it's taking money out of my pocket, I want to be reimbursed, I was thinking 25% for all elected officials.

**100-1200
Mayor**

8:26 am – Mayor Account Number 100-1200

Travel amount was increased by \$500.

Maassel said he would like to take two trips to DC in 2017 especially with new the City Manager to visit Congressman Latta's office.

There is an additional request for entry signs into the City.

Maassel explained that he and Tony Cotter have been working on new signs for the City. Napoleon Area Schools wants to put a sign on Woodlawn and Westmoreland. I would like to see two at 108 South by the fairgrounds, one on Scott Street. The price for the signs is approximately \$5,300 each. We are working with a group out of Bluffton, Ohio the delivery and installation are negotiable, if they bring us three signs our cost is for two. Other possibilities would include putting a sign along Riverview by Wayne Park, one out by the Henry County Hospital and one by Oakwood, there all kinds of good places, I would like your input where to put the signs. Napoleon Alive will be doing a fundraiser in February for this project.

Bialorucki commented he would like to see room to add to the sign if we wanted, for example if Napoleon Schools would have a district championship.

**231-3510
CIC**

8:35 am – 8:55 am CIC Account Number 231-3510

Denise Dahl, the CIC Director was present and talked about some of the projects the CIC has been involved with on behalf of the City. In 2016 the City's contribution to the CIC was 22% of our budget. For 2017 your contribution will be 20% of my budget and I would guess you take approximately 60%-70% of my time and some of the member communities get upset with that.

We are looking at increasing our memberships in the future. My personal goal is that we get to the point that we are self-sufficient. We anticipate continuing to grow.

Maassel commented the County is at 50% and we are at 20%, other memberships are 20%? Dahl said the County is 49%-50%, memberships at 26% and City 22%-23%, and other revenue sources. Everyone is getting more than they could get from the private sector, it is important to me that all my communities thrive. Baer said when talk workforce development, it is a big plus Napoleon Area Schools are on board, that may bring other county schools in too.

Bialorucki commented he would be willing to propose a little extra money as it seems like the ball is going in the right direction to bring in more businesses.

Sheaffer said we could add to the additional request list.

Bialorucki asked if we gave you additional monies, what would it give us. Dahl responded additional personnel to handle some of the paperwork or throw it right into an infrastructure fund to support a project. Bialorucki said my thought is spend a little more money this year and as Denise is saying possibly go lower next

year and eventually not pay anything at all.
10% appropriate?

**100-1300
CITY MANAGER**

8:55 am - City Manager 100-1300

Irelan said she put \$20,000 in for the citizen survey and follow-up. The next step would be the seminar and I would encourage you to move on. Sheaffer said we could do a Special Council Meeting on a Saturday in January, if so desired. Last year I gave the city admin car to WTP. It is cheaper to pay mileage than maintenance and upkeep of a vehicle. Sheaffer said if the new city manager wants a car we can discuss that next year.

400-1300 CIP REQUEST: Building and Improvements

\$6,900 for replacement of the steel entrance doors in the building, we will be keeping the electronic locks.

\$95,000 to repave the city parking lot.

Bialorucki had concerns with spending \$100,000 if you are considering selling the building and moving. Irelan said it would be expensive to move out, maybe \$4 million.

**100-1400
LAW DEPARTMENT**

9:12 am - Law Department 100-1400

The big difference was in salaries with the addition of the full time administrative assistant position.

\$50,000 for legal expenses during transition, extra consultant fees with Clemans & Nelson.

400-1400 CIP Request – one item, a printer

**100-1370
HUMAN RESOURCES**

9:30 am - Human Resources 100-1370

Irelan said she put more money into Morgan's salary, health coverage went down to employee/child.

\$30,000 consultant fees-money encumbered in 2016 carrying over to 2017.

Additional Requests: \$2,100 Clemans and Nelson's retainer fee, \$5,000 was put in negotiations and \$2,000 for IBB training.

Maassel commented you already have \$30,000 for Clemans & Nelson why add extra for training?

Irelan replied that the budget was done prior to this morning's talk.

**100-1700
ENGINEERING**

9:37 am - Engineering/Public Works

You indicated we could bring in an extra person and have started in-house design that has saved \$87,763.20.

Lulfs said we have six or seven major projects in the budget for 2017.

Bialorucki told Lulfs he was impressed with Marty Crossland's knowledge on trees, time spent on trees is important as it helps prevent damage during storms.

Maassel asked if the Downtown will be done in 2017 or 2018?

Lulfs replied in 2017.

Maassel asked if there are major ODOT funds available.

Lulfs said he is looking into it.

The sewer on Haley is half funded we are trying to get funding for the other half, will not know anything until February.

Sheaffer said when Chad was made Public Works Director he was given an additional amount and for whatever reason it was capped at that amount so any increase he gets is applied only to the Engineer portion does not apply to the additional amount.

Comadoll asked why was that not addressed back then.

Irelan responded it was politically contentious.

Sheaffer asked if legislation is needed and Irelan told him that she would cover that in the pay ordinance.

Sheaffer said will have to address later in December that Chad filling in as Acting City Manager through the 3rd and Joe will not be starting until January 9th.

Mayor commented maybe Chad will consider doing like Jon Bisher for \$1.00.

Lulfs said it is called catchup.

Personnel - a new staff engineer was approved previously, Rex Moll is retiring. Rex is our inspector on all street and water projects, we plan on hiring a new inspector and doing a three-month period of cross training.

200-5100 STREETS SCM&R

Heath said there was one change on allocation of salary for the Operations Superintendent. Previously he was keeping time sheets as he worked in other departments, like water distribution, sanitation and sewer collections.

Recommend he go to fixed allocation. Irelan said he is the only salary employee keeping a pay sheet, will spread equally 25% over the accounts, this will also be easier for him to show he has the correct number of hours allocated for his license, he has to have so many hours a year for his water and sewer license.

Heath said another note on this budget, we have maxed out how much we are receiving in the various street funds and there is a subsidy from the General Fund into these funds.

Irelan stated it started last year and we are there again this year. These funds are used for snow, ice, street patch materials.

There was discussion on purchase of salt and the snow removal process.

201-202- 203 & 204 Funds are for various gas tax and municipal license that are required by ORC.

Comadoll said he had a request for the guys to get new green t-shirts.

203 - Biannual Street Striping - 2017 is the year for street striping.

Heath - with the addition of the spray patching machine \$50,000 was put in this fund. At some point will need a subsidy from the General Fund. Lulfs said spray patching lasts longer, there is a little more labor involved but I think you get a much better product.

204 - Ice and Snow Control

Comadoll asked what is the price of salt, do we purchase off state contract? Lulfs answered he thought last year we were in the \$50's and yes.

400-1700 CIP

\$8,000 - copy machine have to have a new one.

\$35,000 - Survey Equipment. We were notified they will not service this model anymore.

\$10,000 - Survey Services always have in there

\$50,000 - Survey Monument

400-5100 CIP

\$250,000 – New Street Sweeper, the current one is old. Maassel said we do not want a Rolls Royce street sweeper.

\$2,000 - Tablets for Service Trucks. Would be a field appropriate tablet. Would be handy in the field it would help staff out and eventually Fire and Police can have access also.

\$10,000 – Dodd Street Tree Plantings

Bialorucki asked if this can be incorporated into the street project.

Irelan responded this way is more cost effective, if we put in the contract, the

contractor will charge overhead and fees.

\$20,000 - Sidewalk Improvements – funds are set aside every year, this is where residents can get reimbursed for sidewalk improvements.

\$825,000 – Downtown Resurfacing Project

Maassel asked if the manholes will be taken out.

Lulfs told him when resurface the street the manholes are adjusted to grade.

Maassel said the downtown area has several big events throughout the year. Lulfs replied we are to get a listing of events. The Chamber should be able to help us notify people, will put something in the Northwest Signal and on Facebook.

Lulfs said if the project is covered by a grant we would have no control, I would prefer to have control of the project rather than be dictated what to do.

\$20,000 - Alley Repairs

\$250,000 – Roundhouse Road. Maassel asked this project will be assessed at 50%, Irelan replied “right”.

\$336,500 – Ohio Street Waterline – due to water issues, we have a lot of filters in the system on Ohio Street.

400-5130 CIP

\$16,000 – new vertical ban hand saw. OSHA recommendation to replace current equipment, it is too old and we were told cannot keep it.

510- 6210 – Water Distribution

Irelan reported the big jump in personnel services is from what we talked about earlier with Jeff Rathge.

\$50,000 Hangers for Perry Street River Bridge – at the time of the annual inspection we were told there was an issue.

511-5210 – Major Capital Items out of Water Fund

Already talked about Roundhouse Road and Ohio Street.

Hobson Street Waterline – replace waterline on Hobson from Riverview and extend down to Shelby Street that is a 6” cast iron line, will replace services as we go. Remainder of the grant will be used to replace approximately fifteen lead services that are not on Hobson Street. Irelan said this project is 100% grant funded. Lulfs replied if project runs over will not do as many replacements, if the project is under there is a list of replacements to be done.

Maassel asked the localities that have lead do the people living there know about this? Lulfs said anytime we are working on a project and find one we notify them.

519 -WTP

Irelan – Scott Hoover will touch on the project funding, Chad is in charge.

520-6210 SEWER

Salary portion increase actual collection system from home to the plant

Maassel asked about the electric charges. Irelan replied that electric charges are a large impact on all departments.

520-6300 SEWER CLEANING

Established as part of LTCP.

\$25,000 CRAP program Clean water Removal Assistance Program. Every year certain a certain amount of sewers need cleaned, contract part is under 521.

521-6310 CAPITAL ITEMS

Park Street Rebuild moving all the required infrastructure from Glenwood to Sheffield.

Phase 1 – Park Lane we did this year.

Phase 2 - Park Street from Glenwood to Sheffield.

Have not determined if there will be Phase 3 and 4, if there are, would be:

Phase 3 - Park Street from Sheffield to Riverview

Phase 4 - would be all the stuff the EPA wants us to do in that neighborhood that did not get done in Phase 3. This is all part of the Haley Avenue interceptor project required by the EPA's LTCP.

Sanitary Sewer replacements actually starts at Park, goes 50-60 feet to Haley then up Haley towards West Washington. Haley has 50% grant we are trying to get more. Not required by the EPA, this is one we found that was failing.

Sanitary Sewer Cleaning Program this is the third year and we do plan to use the same contractor we've used the last two years.

\$100,000 - Emergency Repair Fund

Have two pump stations that have to be replaced, have \$100,000 in the budget for each of them to be designed we have applied for funding, know we are on a list for a low interest loan but have not been awarded anything yet. Maassel asked what is the actual replacement cost.

Lulfs responded on average think \$1 million per station, VanHynning could be a little more. Williams is shot, it has to go first as the EPA is involved, it serves Glenwood Estates. VanHynning takes a lot of the city flow, at least a major repair of that station is required by the EPA.

Maassel asked about the three year moratorium on new projects.

Lulfs answered rather than give you three years off doing anything just extended it and spread them out.

100-1800 MUNICIPAL COURT

12:07 pm – 12:35 pm 100-1800 Municipal Court Operations

Judge Rosebrook

Judge's salary did go up the State raised that portion.

Travel, Training and Education - \$1,000 reimbursement for college, I have staff asking to use for conferences they go to.

Court appointed fees, I am asking they be raised back up to the level they have been. It is a big expense with Police Department's misdemeanor citations under state code, also under state code is your income tax violations.

The county decided and did not inform us they will be paving the parking lot, I may have to come back for an amendment.

Safety Audit was done, we are very good at customer service but have safety to think about, we are trying to make corrections.

270 Alcohol fund – what is expended in this fund can only be used for indigent or driving alcohol related incidents. Have to do research if can be used for drug issues that have become a big issue.

Court Relations Special Project Fund take \$10,000 out for IT's salary.

2007 was the last time our computers were updated, Betty liked the old way. In 2017 we are going paperless and would like to have docket online to be assessable by the public, will have to do in increments we can afford, will take at least four years.

275 Municipal Probation Service Fund ties in with the 277 Probation Officer Fund.

Heath said the debt service for court renovations goes off in 2025, the debt principal is at \$50,000 until 2020, the original was issued in 2010.

220 PARKS & RECREATION

12:38 pm - Parks & Recreation/Cemeteries

4100 – Council's goal was to get the Parks & Rec Department off subsidy from the General Fund. This is the second year in a row on the operations side we have been 100% on the Parks & Rec levy, no subsidies from the general fund.

Cemeteries have to be a general operation that is why they are not covered by the levy.

4700 – have one full time employee for maintenance of cemeteries and a permanent part-time employee to assist in maintenance, mowing and funerals. We also rely heavily on the use of CCNO workers. Heath said the adjustment in salaries is due to a retirement and his payoff. Indigent burials are beyond our control, we are under contract for expense of \$960 in the City limits.

4200 – Golf. There is a slight increase in salary, the part-time employees worked more hours this fall than we generally do.

Preventive maintenance is to manage golf course. I commend my staff for rebounding after last year’s devastating year. Memberships in general have been dropping over time. Memberships are golfers that play all the time.

4300 – Pool. The current pool is functional, the main problem is use of water. Utility expenses are up they have been for a while. We have set aside \$25,000 to go into a reserve fund for renovations. We did have to sink a little less than \$10,000 in the pool this year, everything mechanically is in pretty good shape.

4400 - Parks and Rec Programs.

Dorothy Fahy was the fitness instructor at the Senior Center and she is going to retire.

\$22,000 - 4th of July fireworks; \$12,500 from general fund does pay for a large portion of the fireworks as well.

4400 - Outdoor Program. Rachel Palmer is the instructor

Maassel mentioned that she is not listed in personnel. Heath advised we do not list seasonal personnel.

4400 CIP

\$26,000 - Replacing a pickup truck

Irelan explained this is 50/50 split between the Rec Fund and CIP which was a goal of Council.

Cotter said we lost some trees from a disease early this year, we did receive a \$1,000 grant to replace some of the trees.

Most of 4400 is out of the Rec Fund only thing we are proposing out of the CIP is the parks mower.

Cotter brought up a comment that was made at his board meeting, there may have been a misunderstanding about the general fund. Because we reached our goal the board is very proud of that. Bialorucki asked if he had those numbers. Cotter said in 2011 they were subsidized \$73,480 from the General Fund; in 2012 is when it maxed out at \$93,500 and changes were implemented, in 2013 that amount subsidized was \$30,560 and in the last three years, we have not been subsidized from the General Fund.

Bialorucki told Cotter “I would like to commend you and the Board, very impressive”.

Baer commented he does not know of anywhere else that has as nice of park facilities that we do.

Comadoll thanked Joel and the Chamber for the Christmas lights.

Cotter informed Council he recognized Don Niebergall at the board meeting Wednesday night with a plaque. Every summer Don came back, this year he is retiring.

240 HOTEL/MOTEL TAX

240-3800 Hotel/Motel Lodge Tax

Joel Miller, Director of the Chamber and Susan Gerken, Tourism Chair were present. Joel stated we see ourselves as a central organization where people can turn to when they don’t know where to go. A lot of what we do is advertising

designed to bring people into the community, that is our goal to bring people in. We distribute brochures all around the state, they are also sent out to various groups through the Economic Development Association. Joel gave an overview of all the events the Chamber sponsors and/or help with. For the last ten years we've handled the admin duties of Fall Festival, we oversee the budget, cut the checks. Something new we are working on is we would like to do a mobile app for both the City and County.

Maassel told Joel there will be a major construction project downtown in 2017, we are going to rely on the Chamber to help us notify people. Joel said we've talked to people about developing back door entrances.

Mires told Joel he had an inquiry about putting up a permanent American flag.

Comadoll commented he doesn't think you have to light them anymore.

Joel said the Chamber is doing more Economic Development, you have to have your community where everyone is working together to build the community. We all have skills we can build from, we need to work together to make us better.

**520-6300
WATER TREATMENT
PLANT**

1:57 pm - 6210 Water Treatment Plant

Heath reported the biggest salary issue is we allocated Brad Meyer's salary here for the WTP rehab project. We added a full time person in May.

On the operational side the biggest difference is in professional services.

Maassel asked if new technology will reduce amount of lagoon uses.

Hoover replied when the plant is rehabbed and rebuilt should not need any more cleaning.

Scott asked if the water tower is in there Irelan said it is in the actual project.

Irelan replied we cannot wait another two years, technically we are under violation.

CAPITAL

Hoover reported that some of the equipment is really old, most is just worn out. In the last few years we have been upgrading a few at a time.

BUILDING/ZONING

2:22 pm 2:32 pm - 100-3100

There is not much difference. Biggest increase is under professional services for update of the Zoning Code. There was some money in last year's budget but the bids come in higher than budgeted. The Master Plan expired in 2014, it is to be updated every five years. That will be outsourced, need to have someone with planning background do that. The Master Plan will give you a five year view where you want to be as community. Our current zoning ordinance is based on this plan.

Future of the Department

Irelan - I would suggest now that the structure is in place the code enforcement should go back to the building and planning department, per the codified ordinances.

If you choose to contract building inspection with Wauseon, then you will have contracts with Defiance and Wauseon which could turn Napoleon into a regional building inspection facility for this area.

Questions to be considered would be:

- 1) timing,
- 2) where employee's priorities should be, and
- 3) how his level of service will be affected.

FINANCE & BUDGET COMMITTEE

SPECIAL MEETING
in Joint Session with

CITY COUNCIL

Special Meeting Minutes
Saturday, December 03, 2016 at 8:00 AM

PRESENT

Committee Members	Jeff Mires-Chair, Joe Bialorucki, Jason Maassel
City Council Members	Travis Sheaffer, Dan Baer, Jeff Comadoll
Finance Director	Gregory J. Heath
City Manager	Monica Irelan
Recorder	Roxanne Dietrich
City Staff	Dave Pike, Wastewater Treatment Superintendent Clayton O'Brien, Fire Chief Dennis Clapp, Electric Distribution Superintendent Robert Weitzel, Police Chief

Others

ABSENT

Committee Member	Patrick McColley
Council Member	Rita Small

The Finance & Budget Committee meeting was called to order by Chairman Mires at 8:00 am

**Wastewater
Treatment Plant**

8:00 am – 8:55 am Wastewater Treatment Plant

Irelan reported the overall salary bump is due to the hiring agreement signed last December with the WWTP Superintendent, Dave Pike.

Capital Improvements -5700

Utility Vehicle at \$20,000

There is a request for a 4-wheel utility vehicle to use when staff has to drive out to the fields and to also be used around the facilities. They are currently using a golf cart. Maassel asked if there will be a request later in the year for a trailer to haul the John Deere gator. Pike responded the goal is to borrow one if need to or use existing one.

Wheel Loader at \$250,000

Pike said it is either put money into the current one or buy a new one. Comadoll responded to save some money do maintenance, if needed. Mayor suggested put \$100,000 towards it in budget this year but do not spend the money.

Wastewater Treatment Plant - 57200

Irelan said the emphasis is on the asset management/master plan to have a consultant come in and see what needs to be done to the current plant or to move the plant, reality is, it is land-locked.

Pike said the plant was built in 1959. The digester was put in 10-12 years ago and the grid sitting at the bottom is starting to lose capacity and efficiency. Irelan advised the goal is to avoid building a new plant.

Maassel told them that the plant is at the lowest spot in Napoleon and was built there on purpose. To move the plant is not an economical option. Pike responded the master plan should detail options.

Comadoll asked how the funds are doing and was told that Courtney and Associates will be doing a Cost of Service Study that will let us know where the rates stand.

Replace Clarifier Drives

The current ones are a 2003 version that costs \$10,000/month on water. To purchase a new unit would cost \$250,000 and that could cut down the water costs to \$2,000/month, is part of LTCP and has been in the budget for a couple of years. There is an additional request to set aside money to purchase.

Councilman Bialorucki asked if there is anything Council can do to help, the City Manager suggested possibly taking a tour of the plant. The plan will show how old the equipment is and its lifespan. A 10 year plan would be created.

Additional Request

WWTP Succession Planning

Will have one employee retiring this year and another employee retiring next year with combined 55 years of experience. We would like to hire two (2) new employees to train in the general operations and lab. You have to have five (5) years of experience before you can take the Class A license test, will have to hire someone with a license.

Sheaffer said he is going to refer to the Safety and Human Resources Committee review of vacation credit if worked for the state or a municipality.

Maassel asked two (2) new employees?

Pike said because of vacation and comp time we are almost always down one employee.

Irelan said by regulation we are down by one employee.

Sheaffer replied, so next year we need to contemplate keeping one position.

**Fire Department
100-2200**

9:00 am – 9:50 am Fire Department

The non-bargaining salaries are lower due to the retirement of Tony Druhot and hiring of Joel Frey.

Sheaffer asked if they are doing good on safety equipment.

Chief O'Brien responded, we have a little in capital.

Comadoll asked about grants.

Chief O'Brien told them the tanker was purchased on an AFG grant \$185,000, MMA was bought with AFG Grant of \$239,000.

Bialorucki asked about turnout gear.

Chief O'Brien said the old gear in the back storage room is used for training or initial new hires probationary period. Once it is determined to be unsafe it goes through the destruction period. We have forty-seven full time and part time employees and we do not buy brand new gear for everyone, the gear costs \$2600/set.

242 Account

Thermal Imaging Camera helps find bodies in smoke. It also works very good for the call received stating "smell something hot" as the camera can be adjusted.

Vehicle Replacement 806

806 would be replaced with a one ton truck and have the water equipment for brush and fire, haul personnel and pull the trailer, 806 is getting old.

Vehicle Replacement 807

Would be the command vehicle and the current command vehicle would be turned into a chase vehicle. New command vehicle would be a SUV purchased off state contract.

Hovercraft

A few rescues have been done on the river and the hovercraft breaks every time we take it out, it is made to be used on a pond or lake, it cannot handle the current. The airboat has a hard aluminum bottom and will not bust every single time. Jet skis are doable there just is not a place to put anyone. The airboat will go on ice and is the most practical piece of equipment. The grant was written for the airboat, if we do not receive the grant, we will not purchase the airboat.

Sheaffer told Chief O'Brien if the grant does not pass, bring it back.

The Washer and Dryer need replaced this year.

The copier has been there forever.

Comadoll asked if we could do a funding program for copiers.

Irelan told him we have a maintenance program, the upfront cost for Perry is slightly more but their service is the best.

There were additional questions on purchase, maintenance and supplies for the copiers and council and the committee was advised that is information our IT department would have.

New Account 410-2200-53310/Fire Training Facility

Maassel asked when the facility would be operational.

Chief O'Brien told him the deadline is May, there is a lot of behind the scenes paperwork.

Frey said we received a \$24,000 grant.

Chief O'Brien said it is hard for volunteer departments to get the needed training; therefore, we encourage them to come over here.

Maassel asked what the plan for engine apparatus is.

Chief O'Brien replied he has done two plans, one with no increase \$90,000 standard amount and Plan 2 with increase over the years.

Comadoll asked if he has thought about getting a new pumper.

Chief O'Brien responded that is not a need for us.

Maassel commented that a 10 year capital plan would be nice to see for everyone. Ireland told him it is not done.

Asst. Captain Frey said right now a ladder truck costs about \$2.3 million.

Councilman Sheaffer assigned to the Safety & Human Resources February meeting with the Townships discussion on ladder truck, the townships will be partly responsible for and want to start talks.

Electric Department

10:00 am – 10:33 am Electric Department

Ireland reported there is not much difference here.

We did move Karen's salary to the Electric Department since she reports to Dennie now.

Travel and Training

Training to the AMP annual conference was increased for two to attend.

Budgeted for five to go to the APPA DC Legislative Rally (the AMP and OMEA reps get reimbursed up to \$3,000). For the fall AMP conference, the City pays for everything.

Maassel noted there is a lot of money in overtime, are we short a person or is that reality?

Comadoll responded that is from the turn-offs and turn-ons.

Sheaffer said we do we get revenue from overtime for reconnect fee.

Bialorucki asked where the guys go for training.

Clapp told him I have books we go through in my office.

Bialorucki asked if this is something we could get help from NWSCC?

Clapp said no, each system is different. We are trying to get trucks out to the senior high students to get them excited about this industry, it is a really good paying job, though it is physical at times.

Maassel said he has talked to Baer about getting the junior high students involved also.

Clapp said he met with six teachers at Napoleon Middle School 6-8 weeks ago and he would like to do a field trip at the substation with AMP, everyone would stay outside of the fence. I am also trying to get permission from AMP to go to Bowling Green to look at wind turbines.

AMPGS ACCOUNT

Heath reported we still have liability on AMPGS stranded cost.

Ireland said Napoleon signed up for the AMPGS program 10 years ago. The project was ended when the contractor costs went out of control, the stranded cost are what was invested, Napoleon is one of several communities.

Bialorucki had a question on the \$1,500 for the copier when others have requested \$8,000.

Clapp said this is not for a copier itself, our copier needs a lot of maintenance because of all the dust in our building.

Heath informed the committee that the 501 and 502 accounts balance have been zeroed out as the debt has been paid off, this was for the Northside Substation trust agreement.

There are not any building and improvement requests this year.

Comadoll asked about the signal at Perry and Clinton by the hardware.

Irelan said it could be part of the downtown project.

Clapp said future plans are to replace the cameras and controller at the five road intersection they just do not work the way they should.

503-6110-57000

New pickup truck for the construction foreman, Greg Kuhlman. His current truck will be moved down the fleet with the worse shape truck getting moved out. Maassel asked how old the truck will be getting rid of. Clapp said is it 12 years old, 2-wheel drive. The new truck will be 4-wheel drive purchased off state contract.

Chipper

We originally bought a cheap chipper to see if it was worth having a Forestry Department, now that chipper is not doing what it needs to.

Account 503-6110-57600

Industrial Substation - to replace the solid copper is very expensive and what is there is shot, it has been in for fifty years.

Police Department

10:48 am -11:40 am Police

2100 Account there is not much change in the operations.

The Man Unit helps us operate, helps our agent to fight the drug problems in Napoleon, is a partnership with Henry County Sheriff and other agencies, is a regional issue.

Sheaffer asked if there has been any thought on difference between patrol officer and Lieutenant pay, with overtime for officers, the pay difference is negotiable with no incentives.

Weitzel said if you review the plan the City Manager has, it is hoped to fix that.

271 Law Enforcement Alcohol Fund - DUI, Open Container violations these monies are used to supplement our operations, ie. buy supplies, overtime for court hearings, if it is an alcohol related case, helps us supplement the General Fund.

273 Trust Fund – was created to supplement our illegal gaming operation if someone gets busted, the money goes into the trust fund, not to the court.

274 Fund

Same purpose as the 271 alcohol account, but used for drug violations.

280-2100

Certified required training focused on specific types of issue mandated by the State. Eleven certified hours were required this year, we were able to do all eleven hours in-house with our own people trained almost 100 other officers in the regional area.

Vehicles

Purchase of two (2) cars, cars 29 and 26 will be coming out. Both new

vehicles will be SUVs. I'm going to start pecking at the bear I want to keep up with technology. I should have an office laptop in my truck. If you want a better job I need better technology. A basic car is fine.

Sheaffer asked if more should be added for replacement vests.

Weitzel replied if officers want a low bearing vest, they are given \$200 a year out of the uniform account, I do not want to standardize that everyone has to wear one, it is an individualized preference.

Sheaffer asked how many computers need replaced in the cars, this could be special request. Weitzel told him seven at about \$4,000 each. I should tell our IT person what I need and he should tell you what I want.

Irelan responded that department needs leadership. We are slowly fixing with support tickets. You have to remember the person you have worked through the ranks and is not a professional. Until it is fixed you will have the same problems, same computers, same methods, the structure is a nightmare. The IT department budget should be at least \$200,000. We are thirty years behind. Until Council invests in an IT department, we will continue to have WalMart computers.

Comadoll stated this is the first time we have ever heard about this.

Irelan said she knows, I have lectured Travis and suggest recommending to technology committee to look at the structure.

Sheaffer requested additional request of \$36,500 to replace notebooks in police cars.

Bialorucki asked if we re-organize committees every year.

Heath responded every two years. Sheaffer said we can if we want to.

Bialorucki commented it would be good for the City to have someone on the technology committee that understands, part of the problem may be you don't have the right people on that committee.

Sheaffer said we will let the new City Manager analyze and bring it back next year.

Capital Outside Doors – are part of the contract with doors we have here Weitzel then went on about his vision to build a government center at the Heller Aller corner. Irelan added that the Fire Department is slowly going into the river and she has a book of notes for the next manager.

Finance Department

Heath passed out the Finance Department's Performance Plan.

He said it has been a rocky year in the Finance Department with personnel turnover. The performance plan was put together in a combined effort of the Finance Department along with the recommendations from Travis and Patrick for better communication and interaction individually. Our goal is to implement what you see here, we've had some bumps in the road but think we are now on the right track.

The Finance Department consists of three (3) functional areas.

Finance/Administration

Salaries – there was a retirement payout in 2015.

We do contract out for professional services on the audit, CAFR and

**Finance Department
continued**

investment consulting services.

Utility Billing

Salaries – the increases are in the areas that have to do with changes in hospitalization.

In terms of comparison of dollar increases, we did not spend a lot in travel training last year as we did not have the ability to send individuals out due to turnover.

Additional Request for Pay Scale Change has to deal with bringing the Utility Billing Supervisor in line with the Income Tax Supervisor, would look to change title to Utility Billing Administrator Supervisor. Currently that position oversees all utility enterprise funds, \$23 million worth, which is 51% of all collections, Income Tax Administrator oversees \$4.2 million dollars.

Comadoll asked if we can we hold off on another year.

Heath told him we are looking at twenty years of corporate knowledge. Ireland said with market analysis that was done, that position not funded appropriately the scale is off, we are focusing on the position. This is a conversation you should have with Greg.

Income Tax

Changes in terms of salary due to step increases, operational expenses there wasn't any major changes.

Because of what we done, that has made an impact on the collections changing procedures on utilizing support, we have to pay \$40 or \$45 for each and that is added back in judgment. People do not want on credit report.

Capital

Utility billing \$2,500 machinery and equipment to update PC's.

Sheaffer said he would like to see the PC amount to go up.

Heath told him, understand we do what the procedure is.

Maassel left at 12 noon.

Capital/Administration

The biggest item is the CMI upgrade that is a carryover from 2016.

I need an office chair, the one I'm using goes back in Council chambers.

Budget Timing

Heath said what we need to talk about is timing of the budget and what you want to do. We have a list of things made that I can incorporate into sheets. You will need to make final decisions on the additional requests plus what has been added and per the charter, direct the Mayor to present the budget to Council. The budget has to be passed on or before January 1st it is now scheduled for December 19th.

Ireland said we should at least go through the additional requests and I would also like to give you guys the information on the salaries and pay ordinance so you can look it over and ask any questions you may have. That pay ordinance is part of the December 19th meeting, this will give you time to look over suggested changes and can work through any questions you

Adjournment

may have.

Finance and Budget Committee meeting was adjourned at 12 Noon.

Approved:

Jeff Mires, Chair

City of Napoleon, Ohio - Investment Policy



CITY OF NAPOLEON, OHIO

INVESTMENT POLICY

IP16-0003

ORDINANCE EFFECTIVE DATE – June 15, 2016

Policy Updates: - New Policy by Ordinance No. 013-16, passed 05/16/2016

NEW POLICY APPROVED AND ADOPTED BY CITY COUNCIL
IN ORDINANCE NO. 013-16, passed 05/16/2016, Effective 06/15/2016

Repealing Ordinance 87-99, Passed November 15, 1999,
INCLUDING ALL SUBSEQUENT AMENDMENTS THEREIN MADE BY MOTION OR LEGISLATION

Subsequent Policy Updates and Changes shall be approved by simple Motion of Council.

CITY OF NAPOLEON, OHIO
255 WEST RIVERVIEW AVENUE
P.O. BOX 151
NAPOLEON, OHIO 43545-0151
PHONE: (419) 599-1235
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City of Napoleon, Ohio - Investment Policy

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APPENDIX'S ATTACHED:

APPENDIX A	- Chart of Accounts - Fund Listing
APPENDIX B	- Ordinance Authorizing Crediting of Interest
APPENDIX C	- Authorization to Invest (City and State Code Sections)
APPENDIX D	- Procedures Manual
APPENDIX E	- Ohio Ethics Law
APPENDIX F	- Authorized Brokers/Dealers, Banks and Advisors
APPENDIX G	- Ordinance Adopting Investment Policy

City of Napoleon, Ohio - Investment Policy

POLICY 0.0 PREFACE:

This document known as the Investment Policy (hereinafter referred to as **POLICY**), of the City of Napoleon, Ohio (hereinafter referred to as **CITY**), has been adopted and formally approved by the Legislative Body of the CITY, its City Council (hereinafter referred to as **COUNCIL**), in conjunction with the Revised Code of the State of Ohio as amended (hereinafter referred to as **ORC**), will govern the investments and the investment activities of the CITY.

POLICY 1.0 INVESTMENT POLICY MISSION STATEMENT:

It is the **POLICY** of the CITY to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the CITY, and conforming to all ORC and CITY statutes governing the investment of public funds.

POLICY 2.0 SCOPE:

This **POLICY** applies to all financial assets of the CITY. These funds are accounted for in the CITY's Comprehensive Annual Financial Report (hereinafter referred to as **CAFR**), and includes the following categories of funds:

2.1 Fund Categories:

- 1) General Funds
- 2) Special Revenue Funds
- 3) Debt Service Funds
- 4) Capital Project Funds
- 5) Enterprise Funds
- 6) Internal Service and Agency Funds

See "**APPENDIX A**" for a detailed listing of Fund Numbers and Names. Fund income allocation is authorized by a separate City Ordinance and is attached as "**APPENDIX B**". These Appendixes shall be deemed automatically updated from time-to-time as funds are added or deleted. All new funds are established and approved by **COUNCIL**, or by State Legislative Action pursuant to the ORC.

POLICY 3.0 PRUDENCE AND DUE DILIGENCE:

Investments will be made with judgment and care--under circumstances then prevailing--which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

3.1 Prudence:

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio.

City of Napoleon, Ohio - Investment Policy

3.2 Due Diligence:

Investment officials acting in accordance with written procedures of this INVESTMENT POLICY, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

POLICY 4.0 OBJECTIVE:

The primary objectives, in priority order, of the CITY's investment activities shall be **Safety, Liquidity and Return on Investment:**

4.1 Safety:

Safety of principal is the foremost objective of the investment program. Investments of the CITY shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will include steps to mitigate credit risk and interest rate risk.

1.) Credit Risk - the CITY will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

A - Limiting investments to the safest types of securities;

B - Diversifying the investment portfolio so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2.) Interest Rate Risk - the CITY will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

A - Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operation, thereby avoiding the need to sell securities on the open market prior to maturity;

B - Investing a portion of operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

4.2 Liquidity:

The CITY's investment portfolio will remain sufficiently liquid to enable the CITY to meet all operating requirements which might be reasonably anticipated.

4.3 Return on Investment:

The CITY's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the CITY's investment risk constraints and the cash flow characteristics of the portfolio.

City of Napoleon, Ohio - Investment Policy

POLICY 5.0 DELEGATION OF AUTHORITY AND INVESTMENT PROCEDURES:

Authority to manage the CITY's investment program is derived from the following: City Charter, Article 5, Section 5.03 and City Administrative Code of Ordinances - Chapter 137 all sections, and related sections of the ORC Chapters 135 and 731 (Sections 135.14 through 135.182, and Sections 731.57 to 731.59). All items listed are attached as "**APPENDIX C**". This Appendix shall be deemed updated from time-to-time as changes occur to those sections listed.

5.1 Management Responsibility:

Management responsibility for the investment program is hereby delegated to the Finance Director (hereinafter referred to as **DIRECTOR**), who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Pursuant to Section 137.03 of the City Administrative Code, in the absence of the DIRECTOR, the designated ACTING FINANCE DIRECTOR is authorized to take those actions on behalf of the CITY that are delegated to the DIRECTOR.

The DIRECTOR and his/her Assistants shall participate in any beginning and/or continuing education training programs sponsored by the Treasurer of the State of Ohio, the Auditor of State of Ohio, or any professional association such as the Government Finance Officers Association (GFOA) or the Ohio Association of Public Treasurers (OAPT). Through participation in such programs, the DIRECTOR and his/her Assistants will develop and maintain an enhanced background and working knowledge in investment, cash management, and ethics.

5.2 Investment Procedures:

The DIRECTOR shall establish written procedures for the operation of the investment program consistent with this POLICY. The procedures should include reference to: safekeeping, PSA repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. The ACTING FINANCE DIRECTOR is authorized to execute investment transactions, or delegate such authority, in the absence of the DIRECTOR. No person may engage in an investment transaction except as provided under the terms of this POLICY and following the procedures established by the DIRECTOR. Procedures are attached as "**APPENDIX D**". This Appendix shall be deemed updated from time-to-time as changes occur.

POLICY 6.0 ETHICS AND CONFLICTS OF INTEREST:

6.1 Ethics:

All State of Ohio ORC Ethics Laws and related statutes, see attached "**APPENDIX E**", shall apply to those with the responsibility and authority of investment transactions. This Appendix shall be deemed updated from time-to-time as changes occur.

City of Napoleon, Ohio - Investment Policy

6.2 Conflicts of Interest:

Investment officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials and employees shall disclose to COUNCIL any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the CITY.

POLICY 7.0 AUTHORIZED FINANCIAL DEALERS, ADVISORS & INSTITUTIONS:

The DIRECTOR will maintain a list of Financial Institutions and Advisors authorized to provide investment services to the City. See attached list “**APPENDIX F**” for approved financial institutions, advisors and dealers. This Appendix shall be updated from time-to-time as institutions or dealers are added or deleted.

7.1 Investment Advisors:

The CITY may engage the services of an investment advisor (hereinafter referred to as ADVISOR) to assist in the management of the CITY investment portfolio in a manner consistent with the CITY objectives. Such investment advisor may be granted discretion to purchase and sell investment securities in accordance with this investment policy. The investment advisor must be licensed by the division of securities under section 1707.141 of ORC or registered with the Securities & Exchange Commission, and possess experience in public funds investment management specifically in the area of state and local government investment portfolios, or the investment advisor is an eligible institution as mentioned in section of 135.03 of the ORC.

7.2 Annual Review:

The investment advisor must enter into a written investment advisory agreement with the CITY. The investment advisor must supply a copy of their Form ADV Part 2, or make a copy available, on an annual basis. In addition, the investment advisor must provide a periodic update to the CITY of the investment strategy, activity and portfolio metrics. Such update will be scheduled upon the request of the CITY on an annual basis, at a minimum.

7.3 Public Depository:

No public deposit shall be made except in a qualified public depository as established by laws of the State of Ohio.

7.4 Policy Verification:

The State of Ohio requires a copy of this POLICY to be forwarded to each investment advisor, bank, broker or dealer doing investment transactions with the CITY. Their signature will be required indicating that they have received, read, understand, and will abide by its contents when recommending or selling investments to the CITY. The CITY and/or ADVISOR will develop and provide an authorization form for this verification process.

City of Napoleon, Ohio - Investment Policy

POLICY 8.0 AUTHORIZED & SUITABLE INVESTMENTS:

The DIRECTOR is empowered to invest in any security specifically approved as a part of this POLICY, listed below, and any security listed in the ORC, Chapter 135, that may be amended from time-to-time. The DIRECTOR and/or ADVISOR may obtain competitive quotes for each investment transaction. Eligible obligations include but are not limited to:

8.1 Obligations of the United States Government:

Bonds, notes, or other obligations of or guaranteed by the United States, or those of which the faith of the United States is pledged for the payment of the principal and interest thereon. This will include:

- 1) U.S. Treasury Bills;
- 2) U.S. Treasury Notes;
- 3) U.S. Treasury Bonds;
- 4) U.S. Treasury Strips.

8.2 Instrumentalities of the Federal Government:

Bonds, notes, debentures, or any obligations or securities issued by any federal government agency or instrumentality. All federal government agency or instrumentality securities must be direct issuances of the federal government agency or instrumentality. Issuers include:

- 1) Federal Farm Credit Bank;
- 2) Federal Home Loan Bank;
- 3) Federal Home Loan Mortgage Corporation;
- 4) Federal National Mortgage Association.

8.3 Commercial Paper:

Commercial Paper issued by any corporation incorporated under the laws of the United States or any state for which the following conditions apply:

- 1) Rated at the time of purchase in the single highest classification by two nationally recognized rating agencies.
- 2) The aggregate value of the notes does not exceed ten per cent of the aggregate value of the outstanding commercial paper of the issuing corporation.
- 3) Any investment in commercial paper of a single issuer shall not exceed 5% of the CITY investment portfolio at time of purchase.
- 4) The maximum maturity is 270 days.
- 5) The combined total invested in commercial paper and bankers acceptances is limited to 40% of the CITY investment portfolio at time of purchase.

8.4 Banker's Acceptances:

Banker's acceptances of banks insured by the Federal Deposit Insurance Corporation (FDIC) for which the following conditions apply:

- 1) The maximum maturity is 270 days.
- 2) The combined total invested in commercial paper and bankers acceptances is limited to 40% of the CITY investment portfolio at time of purchase.

8.5 Master Repurchase Agreements:

Repurchase Agreements with banks or institutions that have signed a written "Master Repurchase Agreement" which is on file with the CITY and are eligible for investment under State of Ohio statutes.

City of Napoleon, Ohio - Investment Policy

8.6 Certificates of Deposit:

Interim deposits in the eligible institutions applying for interim monies as provided in Section 135.08 of the ORC. The award of interim deposits shall be made in accordance with Section 135.09 of the ORC.

This includes investments in Certificates of Deposit with FDIC insurance coverage on the full amount of deposit plus accrued interest administered through the Certificate of Deposit Account Registry Service (CDARS). Eligibility of this investment is outlined in ORC.135.144 and would also apply to any other program that is deemed to meet the requirements of such statute.

8.7 Municipal Securities:

Bonds and other obligations of the State or its political subdivisions provided that, with respect to bonds or other obligations of political subdivisions, all of the following apply:

- 1) The bonds or other obligations are payable from general revenues of the political subdivision and backed by the full faith and credit of the political subdivision.
- 2) The bonds or other obligations are rated at the time of purchase in the three highest classifications established by at least one nationally recognized standard rating service and purchased through a registered securities broker or dealer.
- 3) The aggregate value of the bonds or other obligations does not exceed 20% of the City's investment portfolio at the time of purchase.
- 4) The CITY is not the sole purchaser of the bonds or other obligations at original issuance.

8.8 Money Market Mutual Funds:

No-load money market mutual funds consisting exclusively of securities described in paragraphs 8.1 and 8.2 of this Section and repurchase agreements secured by such obligations, provided that the investments in securities described in the division are made only through eligible institutions mentioned in Section 135.03 of the ORC.

8.9 Other Suitable Investments:

- 1) The Ohio State Treasurer's Asset Reserve Fund (STAR Ohio).
- 2) The STAR Plus Federally Insured Cash account.

POLICY 9.0 COLLATERALIZATION:

Collateralization will be required on two types of investments: CD's and repurchase (and reverse) agreements.

9.1 Certificates of Deposit:

CD's must be backed by collateral with a market value of at least one hundred five percent (105%) of pooled collateral of the certificate's value, less FDIC, by a surety bond, or other as allowed by ORC.

9.2 Collateral Holding:

The collateral for certificates of deposit may be held by a third party, or in a separate trust account, or in a pool of securities as defined in Chapter 135 of the ORC. Specific collateral issued will always be held by an independent third party with whom the CITY has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the CITY and retained. The right of collateral substitution is granted.

City of Napoleon, Ohio - Investment Policy

The CITY's demand deposit accounts may be placed in an account which meets the pooled collateral requirements stated in ORC Chapter 135. In this case, the collateral may be held by the institution at which the active funds are deposited.

9.3 Repurchase Agreements:

A Master Repurchase Agreement must be entered into between the CITY and the bank or broker/dealer covering any investments in repurchase agreements.

The individual securities which collectively are the subject of a repurchase agreement become the property of the CITY for the period of the agreement and are to be held by a third party for safekeeping. In order to anticipate market changes and provide a level of security for all funds invested under a repurchase agreement, the collateralization level will be one hundred two percent (102%) of the market value of principal and accrued interest.

POLICY 10.0 SAFEKEEPING AND CUSTODY:

All security transactions, including specific collateral for repurchase agreements, entered into by the CITY, except CD's, shall be conducted on a **delivery-versus-payment (DVP)** basis. Securities will be held by a third party custodian designated by the DIRECTOR and evidenced by safekeeping receipts.

POLICY 11.0 DIVERSIFICATION:

The CITY will consider diversification in its investments by security type and institution. Portfolio allocations by percentage of total funds available at time of investments are:

1) U.S. Government Guaranteed Obligations	100%
2) Obligations of Federal Instrumentality's	100%
3) Certificates of Deposits	100%
4) Repurchase Agreements	100%
5) Star Ohio (Authorized Pool)	100%
6) Commercial Paper & Banker's Acceptances Combined	40%
7) Commercial Paper per Issuer	5%
8) Municipal Securities	20%
9) Money Market Mutual Funds	100%
10) Star Ohio or Star Plus	100%

POLICY 12.0 PROHIBITED INVESTMENT PRACTICES:

The CITY is prohibited by state law from investment in stripped principal or interest obligations, reverse purchase agreements and derivatives. The issuance of taxable notes for the purpose of arbitrage, as well as the use of leverage and short term selling is also prohibited.

POLICY 13.0 MAXIMUM MATURITIES:

To the extent possible, the CITY will attempt to match its investments with anticipated cash flow requirements.

City of Napoleon, Ohio - Investment Policy

13.1 Maximum Maturity:

The maximum maturity for any investment including certificates of deposit but excluding commercial paper and banker's acceptances will be five (5) years from the date of purchase unless, as per the ORC, the investment is matched to a longer term liability of the CITY. Commercial paper and banker's acceptances are limited to a maximum maturity of 270 days.

Investments shall be made with the reasonable expectation they can be held to maturity. Securities may be redeemed or sold prior to maturity to meet additional liquidity needs, to enhance the yield of the portfolio, to re-structure the portfolio or to realize any capital gains.

POLICY 14.0 INTERNAL CONTROLS:

The DIRECTOR shall establish an annual process of independent review by an external auditor. This review will provide internal controls by assuring compliance with policies and procedures. Annual Audits are directed or performed by the State of Ohio, State Auditors Office.

POLICY 15.0 PERFORMANCE STANDARDS:

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

15.1 Market Yield- Benchmark:

The entity's investment strategy is active. Given this strategy, the basis used by the DIRECTOR to determine whether market yields are being achieved shall be the one year U.S. Treasury Bill.

POLICY 16.0 REPORTING:

The DIRECTOR shall provide COUNCIL, at a minimum, quarterly investment reports which provide a clear picture of the status of the current investment portfolio. The reports should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies.

16.1 Reporting Format:

Schedules in the quarterly report should include the following:

- 1) A detailed listing of individual securities held at the end of the reporting period by authorized investment category.
- 2) Average life and final maturity of all investments listed.
- 3) Coupon, discount or earnings rate.

City of Napoleon, Ohio - Investment Policy

- 4) Par value, Amortized Book Value and Market Value as applicable.
- 5) Percentage of the Portfolio represented by each investment category.

POLICY 17.0 INVESTMENT POLICY ADOPTION:

The CITY's POLICY shall be adopted by Ordinance of the CITY's legislative authority, see "**APPENDIX G**". This POLICY may be reviewed annually by the COUNCIL and modifications made thereto must be approved by the COUNCIL on a simple Motion.

POLICY 18.0 SIGNATURES (APPOINTING AUTHORITY):

_____ Monica S. Irelan, City Manager	_____ /S/ Monica S. Irelan, City Manager
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_____ Gregory J. Heath, Finance Director	_____ /S/ Gregory J. Heath, Finance Director
---	--

APPROVED AS TO FORM

_____ Lisa L. Nagel, Law Director	_____ /S/ Lisa L. Nagel, Law Director
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City of Napoleon, Ohio - Investment Policy

POLICY 19.0 GLOSSARY:

Agencies: Federal agency securities and/or Government-sponsored enterprises.

Asked: The price at which securities are offered.

Bankers' acceptance (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Bid: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

Broker: A broker brings buyers and sellers together for a commission.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

Collateral: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public funds.

Comprehensive Annual Financial Report (CAFR): The official annual report for the City of Napoleon, Ohio. It includes five (5) combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

Coupon: 1.) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. 2.) A certificate attached to a bond evidencing interest due on a payment date.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery Versus Payment: There are two (2) methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount securities: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

City of Napoleon, Ohio - Investment Policy

Federal Farm Credit Banks (FFCB): The Federal Farm Credit Banks Funding Corporation is an integral part of the Farm Credit System, a leading provider of loans, leases and services to rural communities and U.S. agriculture. The Farm Credit System is a government sponsored enterprise, created in 1916 and dedicated to assuring a steady source of financing to qualified borrowers. The Funding Corporation issues highly rated notes and bonds on behalf of the four Banks of the Farm Credit System: AgFirst FCB, AgriBank, FCB of Texas and CoBank, ACB and partners with a select group of dealers to market and distribute the securities to investors in the United States and around the world.

Federal Funds Rate: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLB's is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC): The Federal Home Loan Mortgage Corporation (FHLMC), known as Freddie Mac, is a stock-holder owned government-sponsored enterprise (GSE). The FHLMC was created in 1970 to expand the secondary market for mortgages in the US. Along with the Federal National Mortgage Association (Fannie Mae), Freddie Mac buys mortgages on the secondary market, pools them, and sells them as a mortgage-backed security to investors on the open market. In addition Freddie Mac issues general debt obligations to fund its working capital requirements. Freddie Mac's securities are highly liquid and widely accepted.

Federal National Mortgage Association (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five (5) of the twelve (12) Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven (7) member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Generally Accepted Accounting Practice (GAAP): Generally Accepted Accounting Practice for local governmental entities.

General Purpose Financial Statements (GPFS): General Purpose Financial Statements prepared for the entity reporting financial status.

City of Napoleon, Ohio - Investment Policy

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHM mortgages. The term "pass-through" is often used to describe Ginnie Maes.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pool (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase--reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

Municipal Securities: A general term referring to a bond, note, warrant, certificate of participation or other obligation issued by a state or local government or their agencies or authorities (such as cities, towns, villages, counties or special districts or authorities). A prime feature of most municipal securities is that interest or other investment earnings on them are generally excluded from gross income of the bondholder for federal income tax purposes. Some municipal securities are subject to federal income tax, although the issuers or bondholders may receive other federal tax advantages for certain types of taxable municipal securities.

Offer: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

City of Napoleon, Ohio - Investment Policy

Prudent Person Rule: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Qualified Public Depositories: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad Valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits; as established by laws of the State of Ohio.

Rate Of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

Repurchase Agreement (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Sec Rule 15c301: See Uniform Net Capital Rule.

Structured Notes: Notes issued by Government Sponsored Enterprises (FHLB, BNMA, SLMA, etc.) And Corporations which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three (3) months, six (6) months, or one (1) year.

Treasury Bonds: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than ten (10) years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two (2) to ten (10) years.

City of Napoleon, Ohio - Investment Policy

Treasury Strips: Treasury STRIPS are fixed-income securities sold at a significant discount to face value and offer no interest payments because they mature at par. STRIPS is the acronym for Separate Trading of Registered Interest and Principal of Securities. STRIPS let investors hold and trade the individual interest and principal components of eligible Treasury notes and bonds as separate securities. When a Treasury fixed-principal note or bond or a Treasury inflation-protected security (TIPS) is stripped through the commercial book-entry system each interest payment and the principal payment becomes a separate zero-coupon security. Each component has its own identifying number and can be held or traded separately. STRIPS are not issued or sold directly to investors. STRIPS can be purchased and held only through financial institutions and government securities brokers and dealers.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as non-member broker-dealers in securities maintain a maximum ratio of indebtedness of liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: The rate of annual income return on an investment, expressed as a percentage.

- 1.) *Income Yield* is obtained by dividing the current dollar income by the current market price for the security.
- 2.) *Net Yield or Yield To Maturity* is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



CITY OF NAPOLEON, OHIO

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Gregory J. Heath, Director of Finance/Clerk of Council

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DATE: March 27, 2017

TO: Members of Finance & Budget Committee
Members of City Council
Jason P. Maassel, Mayor
Joel L. Mazur, City Manager
Billy D. Harmon, City Law Director

FROM: Gregory J. Heath, Finance Director/Clerk of Council

SUBJECT: 1st Quarter Budget Adjustments and Income Tax Estimate Review

Attached hereto is the proposed 1st Quarter Budget Adjustments for 2017. These proposed adjustments summarize as follows:

\$30,000 - for Legal Services from Clemens and Nelson for negotiations and other services.

NOTE: This was originally encumbered in 2016; however, the Carryover PO was closed in error. An Appropriation was not included in the original 2017 Budget due to the Carryover PO.

\$16,010 – for Telephone Service bills not processed out of 2016 Appropriations in error. The bills were caught up in 2017, but after the City rolled the books from 2016 to 2017. This amount is needed to restore 2017 accounts for their 2017 billings.

\$ 2,000 – for Unemployment Compensation in Fire/Safety Service not included in the Original Budget.

\$ 580 – in the 100 General Fund to Transfer to the 130 Economic Development Fund.

\$ 580 – of Appropriations in the 130 Economic Development Fund to pay a Legal Services Bill on City property sold through the CIC.

\$34,000 - of Appropriations in the 243 Refund-Fire Loss Fund, on a Fire Loss Claim received in 2017.

\$ 7,200 - of Additional Appropriations in the 287 Probation Imp.& Incentive Grant Fund for Professional Services and Machinery and Equipment purchases.

\$ 2,200 - of Additional Appropriations in the 400 Capital Imp. Fund for computer purchase in the City Manager's office.

\$92,570 - Total 1st Quarter Supplemental

In addition, there is a Transfer of Funds to move the \$580 from the 100 General Fund to the 130 Economic Development Fund

(Budget Adjustments – Continued Next Page)

(Budget Adjustments – Continued)

After reviewing the Income Tax collects to date, and comparing them to the same periods from prior years, I am concerned the current 2017 Income Tax estimate of \$4,400,000 may not be achieved by 12/31/2017. It is still early, but current collection levels are running somewhere between 2014 and 2015, and if that holds true the City would only see Income Tax revenue of \$4,000,000, or maybe \$4,100,000.

The original 2017 Income Tax estimate was developed in October, 2016, and was thought to be conservative as compared to the then current year (2016) and when compared to the trend from the prior two (2) years. However, 2016 did turn out be an extraordinary year in collections and probably reflects a higher than normal year.

Currently, we are still within the estimated Budget Certificates and the City has adequate reserves to meet all current and 1st quarter proposed budget adjustments. This is due to conservative estimates in other revenue sources. However, if this trend in the Income Tax continues I may have to recommend a reduction in Appropriations for 2017. I would like to get through April, 2017, and then review where we stand at that point. That would still give us eight (8) months to make adjustments if necessary.

The impact of a -\$400,000 reduction in Income Tax, if needed, is as follows:

100 General Fund	-\$215,760
220 Recreation Levy Fund	-\$ 52,000
400 Capital Improvement Fund	<u>-\$132,240</u>
Total	<u>-\$400,000</u>

I will bring the most recent data to Monday's meeting.

Attachments

2017 APPROPRIATION BUDGET - SUPPLEMENTAL BUDGET ADJUSTMENT				
BUDGET SUMMARY BY FUND, DEPARTMENT AND CATEGORY				
ORDINANCE No. ____-17, Passed ___/___/2017 FUND/DEPARTMENT-1ST QUARTER ADJUSTMENT	2017 SUPPLEMENTAL BUDGET ADJUSTMENT			2017 FUND TOTAL
	PERSONAL SERVICES	OTHER	TOTAL	
100 GENERAL FUND				
1370 City Manager/Human Resources	\$0	\$30,000	\$30,000	
- 1370 City Man./HR - Legal Services for Negotiations & Other Items, 2016 Carryover PO closed in error - \$30,000:				
Accounts - 100.1370.53350 Service Fees-Consulting		\$30,000		
1800 Municipal Court/Judicial	\$0	\$1,100	\$1,100	
- 1800 Mun.Court/Judicial - Additional for Telephone Service Billings from 2016 not processed - \$1,100:				
Accounts - 100.1800.53114 Utilities-Telephone		\$1,100		
1900 General Government/Miscellaneous	\$0	\$5,800	\$5,800	
- 1900 Gen.Gov./Misc. - Additional for Telephone Service Billings from 2016 not processed - \$5,800:				
Accounts - 100.1900.53114 Utilities-Telephone		\$5,800		
2100 Police/Safety Services	\$0	\$2,100	\$2,100	
- 2100 Police/Sfty.Serv. - Additional for Telephone Service Billings from 2016 not processed - \$2,100:				
Accounts - 100.2100.53114 Utilities-Telephone		\$2,100		
2200 Fire/Safety Services	\$2,000	\$1,300	\$3,300	
- 2200 Fire/Sfty.Serv. - Additional for Unemployment Compensation not included in Original Budget - \$2,000:				
- 2200 Fire/Sfty.Serv. - Additional for Telephone Service Billings from 2016 not processed - \$1,300:				
Accounts - 100.2200.51900 Unemployment Compensation	\$2,000			
Accounts - 100.2200.53114 Utilities-Telephone		\$1,300		
4700 Cemetery/Operations	\$0	\$800	\$800	
- 4700 Cemetery/Ops. - Additional for Telephone Service Billings from 2016 not processed - \$800:				
Accounts - 100.4700.53114 Utilities-Telephone		\$800		
5130 Service/Buildings, Properties, Equipment	\$0	\$260	\$260	
- 5130 Service/Bldg.&Prop. - Additional for Telephone Service Billings from 2016 not processed - \$260:				
Accounts - 100.5130.53114 Utilities-Telephone		\$260		
9900 Transfer Accounts	\$0	\$580	\$580	
- 9900 Transfer Accounts - Additional for Payment to CIC on Legal Fees Bill for Property Sale - \$580:				
Accounts - 100.9900.59550 TR-TO Economic Development		\$580		
Total - 100 General Fund	\$2,000	\$41,940	\$43,940	\$43,940
130 ECONOMIC DEVELOPMENT FUND				
3500 Economic Development	\$0	\$580	\$580	\$580
- 3500 Economic Development - Additional for Payment to CIC on Legal Fees Bill for Property Sale - \$580:				
Accounts - 130.3500.53300 Serv.Fees-Professional		\$580		

2017 APPROPRIATION BUDGET - SUPPLEMENTAL BUDGET ADJUSTMENT				
BUDGET SUMMARY BY FUND, DEPARTMENT AND CATEGORY				
ORDINANCE No. ____ -17, Passed ____/____/2017	2017 SUPPLEMENTAL BUDGET ADJUSTMENT			2017
	FUND/DEPARTMENT-1ST QUARTER ADJUSTMENT	PERSONAL SERVICES	OTHER	FUND TOTAL
170 MUNICIPAL INCOME TAX FUND				
1510 Finance/Income Tax Collection	\$0	\$230	\$230	\$230
- 1510 Fin./Income Tax - Additional for Telephone Service Billings from 2016 not processed - \$230:				
Accounts - 170.1510.53114 Utilities-Telephone		\$230		
220 RECREATION FUND				
4100 Parks/Administrative	\$0	\$550	\$550	
- 4100 Parks/Admin. - Additional for Telephone Service Billings from 2016 not processed - \$550:				
Accounts - 220.4100.53114 Utilities-Telephone		\$550		
4200 Recreation/Golf Operating	\$0	\$900	\$900	
- 4200 Rec./Golf - Additional for Telephone Service Billings from 2016 not processed - \$900:				
Accounts - 220.4200.53114 Utilities-Telephone		\$900		
Total - 220 Recreation Fund	\$0	\$1,450	\$1,450	\$1,450
243 REFUND-FIRE LOSS FUND				
1900 General Government/Miscellaneous	\$0	\$34,000	\$34,000	\$34,000
- 1900 Gen.Gov./Misc. - Additional for Fire Loss Claim recieved in 2017, not in Original 2017 Budget - \$34,000:				
Accounts - 243.1900.59030 Refunds-Fire Loss Cla		\$34,000		
287 PRBTN.IMP.&INCENTIVE GRANT FUND				
1810 Municipal Court/Probation Department	\$0	\$7,200	\$7,200	\$7,200
- 1810 Mun.Court/Prob.Dept. - Additional for Professional Services as allowed in Grant - \$5,800:				
- 1810 Mun.Court/Prob.Dept. - Additional for Purchase of a Computer not in Original Budget - \$1,400:				
Accounts - 287.1810.53300 Service Fees-Professi		\$5,800		
Accounts - 287.1810.57000 Machinery and Equipm		\$1,400		
400 CAPITAL IMPROVEMENT FUND				
1300 City Manager/Administrative	\$0	\$2,200	\$2,200	\$2,200
- 1300 City Man./Adm. - New Computer for City Manager and Front Desk - \$2,200:				
Accounts - 400.1300.57000 Machinery & Equipme		\$2,200		
500 ELECTRIC UTILITY REVENUE FUND				
6110 Electric/Operations, Distribution System	\$0	\$2,700	\$2,700	\$2,700
- 6110 Electric/Dist. - Additional for Telephone Service Billings from 2016 not processed - \$2,700:				
Accounts - 500.6110.53114 Utilities-Telephone		\$2,700		

2017 APPROPRIATION BUDGET - SUPPLEMENTAL BUDGET ADJUSTMENT				
BUDGET SUMMARY BY FUND, DEPARTMENT AND CATEGORY				
ORDINANCE No. ____ -17, Passed ___/___/2017 FUND/DEPARTMENT-1ST QUARTER ADJUSTMENT	2017 SUPPLEMENTAL BUDGET ADJUSTMENT			2017
	PERSONAL SERVICES	OTHER	TOTAL	FUND TOTAL
560 SANITATION (REFUSE) REVENUE FUND				
6400 Sanitation(Refuse)/Collection and Disposal	\$0	\$270	\$270	\$270
	=====	=====	=====	
- 6400 San.(Ref.)/Coll.&Disp. - Additional for Telephone Service Billings from 2016 not processed - \$270:				
Accounts - 560.6400.53114 Utilities-Telephone		\$270		
	-----	-----	-----	-----
* GRAND TOTAL - ALL FUNDS	\$2,000	\$90,570	\$92,570	\$92,570
	=====	=====	=====	=====

2017 APPROPRIATION BUDGET - TRANSFER OF FUNDS

RESOLUTION No. -17, Passed / /2017

BUDGET REVIEW - 2017 TRANSFER OF FUNDS - 2

= TRANSFER AMOUNTS =

FUND NAME, FROM - TO, PURPOSE

FROM

TO

FROM: 100 GENERAL FUND

\$580

TO: 130 ECONOMIC DEVELOPMENT FUND

\$580

Purpose: Additional Funds to CIC on Legal Fees Bill for Property Sale.

TOTALS - FROM

\$580

TOTALS - TO

\$580

=====

Account Numbers From & To

<- 100.9900.59550 TR-TO 130 Economic Development Fund
<- 130.0000.49900 Transfers-In

POLICY FOR ISSUANCE AND USE OF CREDIT CARDS

PREFACE:

The City Finance Director has authorized the issuance and use of Credits Cards for specific persons, and for restricted uses and purchases.

PURPOSE:

The purpose of this Policy is to establish general and specific guidelines for the use and record keeping of City issued Credit Cards.

PROCEDURE:

A. Credit Card Issuance:

- Credit Cards are issued solely under the authority of the Finance Director.
- Credit Cards issued are in the **Names** of those to whom they are issued.
- Credit Cards are issued to limited staff members as determined by the Finance Director, with recommendations from the City Manager.

Cards Issued to those in the following positions -

- City Manager
- Administrative Assistant to the City Manager
- Law Director
- Finance Director
- Assistant Finance Director
- Special Projects Clerk (Employee of Council)
- Municipal Court Judge
- Municipal Court, Clerk of Court

B. Credit Card Safekeeping, Record Keeping and Reporting:

- Each person issued a Card is directly responsible for the use, safekeeping and proper documentation of receipts for the Card.
- Receipts must be keep and turned over to the Finance Department in a timely manner for proper crediting and timely payment.

NOTE: Use of the Credit Card DOES NOT waive or change the requirement of a prior Encumbrance (Purchase Order) as required under the Ohio Revised Code or by other City Policies and Procedures.

(Policy - Credit Card Use Continued Next Page)

(Policy - Credit Card Use Continued)

- Receipts must be submitted as soon as possible to the Finance Department for audit and verification of payment when the statement comes due.
- Any Finance or Late Fee charges directly related to delays in getting receipts or verification of statements shall be the direct responsibility of the Card Holder.

C. Credit Card Use:

- Cards can generally be used for TRAVEL related expenditures and limited other uses as approved by the Finance Director on a case by case basis.
- Prior policies and procedures on Travel still apply. Card can be used to reserve hotel/motel rooms, pay conference fees, or make airline reservations. As in the past, the City shall continue to cut a warrant (check) for those services to be paid by said warrant when actually utilized or picked up.
- City Personnel not issued a card, but wanting to make a hotel/motel, airline or other reservations requiring a Credit Card, will need to coordinate with the Administrative Assistant to the City Manager for said reservation.
- Administrative Assistant to the City Manager will make any needed reservations on their Card, and City Personnel will take with them the warrant for actual payment.
- There shall be **NO** personal items of any type or kind charged to the Credit Cards, including telephone calls, alcohol at meals or other tangible items Not City related.
- Misuse of Credit Card or disregard of policies governing its use shall mean a revoking of the Card Issued.



Dave Yost • Auditor of State

Auditor of State Bulletin 2016-004 *Supersedes Bulletin 2016-003*

DATE ISSUED: September 13, 2016

TO: All AOS Financial Audit Staff
All Public Offices, Agencies, Boards, and Commissions
Colleges and Universities
Independent Public Accountants

FROM: Dave Yost, Auditor of State

SUBJECT: Credit Card Cash Withdrawals and Credit Card Controls
in General

Introduction

This is an amended advisory directed to public offices¹ and public officials² subject to the general laws of Ohio, including the provisions of Ohio Revised Code Sections (R.C.) 301.27, R.C. 505.28, R.C. 505.29, R.C. 505.64, R.C.1515.093, R.C. 3313.291 and R.C. 302.01, and subject to Section 12 U.S.C. 4007(2)(b). This amended advisory is provided to afford guidance to covered entities throughout the State and to Auditor of State audit staff and independent auditors who engage in audits of public entities. This advisory supersedes Bulletin 2016-003.

Policy Considerations

Cash is the monetary medium of choice for drug dealers and criminals for a reason: controls are difficult and tracing transactions is nearly impossible. For this reason, public transactions in cash are strongly disfavored.

With the widespread use of credit cards and similar electronic instruments, the Auditor of State has noted public entities using them for cash withdrawals. Very few reasons exist for a public entity to use cash, and the Auditor of State will view such transactions with a rebuttable presumption that cash withdrawals are not for a public purpose.

¹ R. C. 117.01(D)

² R. C. 2921.01

This bulletin is designed to outline how a public entity should approach designing controls for the use of credit cards for cash withdrawals in those extraordinary situations where it is absolutely necessary.

Many public entities, but not all, are authorized to use credit cards under Ohio law, and legal requirements vary between entities. (For purposes of this discussion, "credit card" includes credit card, debit card, procurement card, payment card, fleet card or similar device.)

Ohio law does NOT explicitly authorize a public entity to use a credit card to withdraw cash from a financial transaction device or automated teller machine (hereinafter, ATM), or to obtain cash (back) in a credit card transaction. The first question to be answered is whether cash withdrawals are "necessarily implied" from other powers that are explicitly granted to the public entity. See *State ex rel. A. Bentley & Sons Co. v. Pierce*, 96 Ohio St. 44, 47, 117 N.E. 6, 7 (1917); *City of Youngstown v. Craver*, 127 Ohio St. 195, 201, 187 N.E. 715, 717 (1933).

If the governing body of the public entity determines that cash withdrawals are necessarily implied from its other powers, that determination should be memorialized by specific legislative action (or where applicable, administrative action). The action should explicitly authorize the cash withdrawals and reference the entities credit card policy -- see "Credit Card Policy" below for further detail.

AOS will presume that a cash withdrawal which has not been properly authorized was not made for a proper public purpose. Such presumption is rebuttable on the basis of a factual analysis.

NOTE: Any unauthorized cash withdrawal transaction may result in a non-compliance citation and/or finding for recovery, including joint and several liabilities, against the person or persons responsible for such misuse.³ Further, each such act may constitute a violation of Section 2913.21 of the Ohio Revised Code, "Misuse of a Credit Card".

Discussion

When a public entity authorizes issuance of a credit card,⁴ use of the card is for the efficient acquisition of goods or services solely for the benefit of the operation of the public entity. A governing framework of policies and procedures providing adequate tracking and control must be adopted and consistently utilized. Ohio Administrative Code (OAC) Section 117-2-01 provides that:

117-2-01 Internal controls.

(A) All public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the achievement of objectives for their respective public offices in certain categories.

³ R. C. 117.28

⁴ The credit cards referenced here fall under the Electronic Funds Transfer Act, 15 U.S.C. § 1601, et seq.

(B) "Internal control" means a process affected (sic) by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (1) Reliability of financial reporting;
- (2) Effectiveness and efficiency of operations;
- (3) Compliance with applicable laws and regulations; and
- (4) Safeguarding of assets against unauthorized acquisition, use or disposition.

Absent proper authorization, there will be a presumption of non-compliance with OAC 117-2-01(A) and (B).

Credit Card Policy

Cash withdrawals are a tiny subset of all credit card activity, and require specific controls. These specific controls are in addition to the controls which should govern credit card use generally.

If an entity has authority to secure and to use a credit card, the governing body must create and adopt a credit card use policy to strengthen and to maintain internal controls over credit card transactions. The absence of an appropriate policy and of thorough monitoring of this activity increases the risk of unauthorized and/or otherwise improper expenditures that do not further the public purpose of the entity and are likely to result in audit findings or other sanctions.

This policy should include, at a minimum, the following provisions:

- Designation of the person or persons who are empowered to authorize and approve credit card transactions;
- The names and job titles of officers or employees who are authorized to use cards;
- Limits on the total dollar amount each authorized card user may incur as part of any individual transaction;
- A clear indication that the credit card may be used only for official business and for the benefit of the public entity;
- The disciplinary action or range of disciplinary actions which may be taken in the instances in which the credit card is utilized for other than a proper public expenditure/purpose or in violation of the entity's policies and procedures;
- If cash withdrawals are to be permitted, a comprehensive indication of the circumstances under which they are to be permitted and limits as to amounts of such withdrawals;
- A thorough listing of the documents which are to be created or secured, and maintained so as to create and to preserve an appropriate audit trail, and
- A statement signed by each potential card user acknowledging that he/she has read the credit card policy, understands it, and agrees to abide by it.

Further, the entity should consider inclusion in its policy of a definition of expenditures that are strictly prohibited (e.g. entertainment, alcoholic beverages, personal services, cash advances, etc.).

Conclusion

The use of credit cards maintained by public entities, although permitted in many instances under Ohio law, is particularly subject to potential abuse. The likelihood of such incidences is exacerbated when the transactions involve cash withdrawals. All public entities, therefore, should exercise the utmost care and diligence in authorizing and permitting credit card usage, particularly when cash withdrawals are involved. In addition, all public entities should develop, maintain, and strictly apply appropriate authorization and tracking controls incident to credit card usage, again with particular emphasis on cash withdrawals.

If you have any questions regarding this Bulletin please contact the AOS Center for Audit Excellence at (800) 282-0370 or the Legal Division at (800) 282-0370 or (614) 466-2929.

A handwritten signature in blue ink that reads "Dave Yost". The signature is fluid and cursive, with the first name "Dave" and last name "Yost" clearly legible.

Dave Yost
Auditor of State

City of Napoleon, Ohio

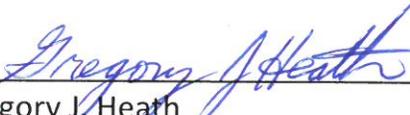
SPECIAL JOINT MEETING
of
SAFETY AND HUMAN RESOURCES COMMITTEE
with
CITY COUNCIL

Monday, March 27, 2017 at 7:30 pm

LOCATION: Council Chambers, 255 West Riverview Avenue, Napoleon, Ohio

SPECIAL MEETING AGENDA

- 1) Approval of Minutes from February 27, 2017 (*In the absence of any objections or corrections, the Minutes shall stand approved.*)
- 2) Review of Personnel Code Section 197.18 (Vacation).
- 3) Any other matters currently assigned to the Committee.
- 4) Adjournment.



Gregory J. Heath
Finance Director/Clerk of Council

City of Napoleon, Ohio
Joint Special Meeting
of

SAFETY & HUMAN RESOURCES COMMITTEE

with

Freedom, Napoleon, Harrison Townships &
Henry County South Joint Ambulance District

Meeting Minutes

Monday, February 27, 2017 at 7:30 PM

PRESENT	
Committee	Dan Baer, Chairman; Jeff Comadoll, Rita Small
Finance Director/Clerk	Gregory J. Heath
Acting City Manager	Chad E. Lulfs, P.E., P.S.
Fire Chief	Clayton O'Brien
Human Resources Director	Morgan Druhot
Recorder	Roxanne Dietrich
Others	Harrison Twp., Scott Buddelmeyer-HCSJAD; Sonnenberg ?-Napoleon Twp.; Newsmedia
ABSENT	
Call To Order	Chairperson Baer called the meeting to order at 7:30 pm.
Minutes Stand Approved	Minutes of the November 28, 2016 meeting stand approved as presented with no objections or corrections.
Review of EMS Costs and Revenue with the Townships	<p>Chief O'Brien gave a summary of the Fire Department Annual Report for 2016. We are still down one full time firefighter/paramedic, in 2016 we hired four new full time firefighter/paramedics and promoted Dave Bowen to Captain. All positions were replacements due to having three personnel leave. Training is our foundation, multiple education hours are needed just to recertify (96 hours for a paramedic, 56 hours for firefighters and 30 hours for an inspector).</p> <p>In 2016, we were awarded the HB64 Grant in the amount of \$239,000.00 and will be building a new training facility. It will be where the current building is at on Oakwood Avenue, we are getting ready to go out to bid and hope to have the facility done by September 1st.</p> <p>2017 grants we applied for include the AFG for the airboat and the State Fire Marshal's Grant for the communication system, all the county departments went together and applied for this grant.</p> <p>2017 capital items include the replacement of both pickup trucks 806 and 807. 807 will be replaced with the current Ford Explorer as a chase unit and 806 will replace the command car. The airboat will be the first piece of rescue apparatus for the water, the Hovercraft is not built for search and rescue. The county formed a committee to update the A communications system, we currently operate on an old UHF system. There were 1,509 calls for service with 18% of those runs overlapping calls (second or third ambulance or fire calls) equaling 272 calls overlapping.</p> <p>Heath said he sent out a packet to all townships and Henry County South Joint Ambulance District with the annual re-computation of</p>

City of Napoleon, Ohio

SPECIAL MEETING

of

CITY COUNCIL

in Joint Session with the

SAFETY AND HUMAN RESOURCES COMMITTEE

LOCATION: Council Chambers, 255 West Riverview Avenue, Napoleon, Ohio

SPECIAL MEETING AGENDA

Monday, March 27, 2017 at 7:30 pm

- 1) Review of the Personnel Code Section 197.18 (Vacation)
- 2) Any matters that may properly come before Council
- 3) Adjournment.



Gregory J. Heath

Finance Director/Clerk of Council

197.18 VACATIONS**(a) Entitlement Restrictions**

Except as otherwise provided in Section 197.18(h), full-time regular employees are entitled to vacation with pay after one (1) year of continuous service in the most recent employment with the City and will be due only upon the completion of the first year of said employment, calculated from hire date. The amount of vacation leave to which an employee is entitled is based upon length of service and calculated and earned on a biweekly basis as follows:

Full-time regular employees:

<u>Years of Service</u>	<u>Annual Hours</u>	<u>Bi-Weekly Accrual Hours</u>
0 year but less than 6 years	80 hours	3.077 hours/each normal pay
6 years but less than 12	120 hours	4.616 hours/each normal pay
12 years of more	160 hours	6.154 hours/each pay

(b) Effect of Time Spent on Authorized Leave of Absence

Time spent on any authorized leave of absence, whether paid or unpaid, shall be counted in determining length of service for purposes of vacation eligibility.

(c) Scheduling of Vacations

Vacations will be arranged to give consideration to the desire of the employee in accordance with a procedure established by the employee's department head which will not interfere with City operations.

(d) Vacations to be Taken During Year After Earned

Except for the first year of service, accrued vacation leave may be taken by an employee at any time after accrual and entitlement, subject to the minimum increments established, so long as properly scheduled in accordance with other provisions of this Code, policy manual or work rule.

An employee shall not allow his/her total vacation time to exceed his/her maximum accrual entitlement for any employment year without prior approval from the appointing authority. For the purpose of this section, the twelve-month span of time between employee's anniversary date is an employment year.

This provision is applicable to accrued vacation as a result of sick leave conversion which is authorized in Section 197.16(e)(12) of this Code. When carryover is requested by a department director, such approval may be by the Council President, with notification to the body of Council, or merely by the body of Council.

(e) **Vacation Forfeiture**

Employees shall forfeit their right to take or to be paid for any vacation leave to their credit which is in excess of any authorized balance; moreover, any vacation time accrued in the first year of service shall be forfeited if any employee fails to complete one (1) year of continuous service.

(f) **Accrual**

Vacation leave is accrued only while on active pay status, excluding overtime and in accordance with Section 197.18(a).

(g) **Lump Sum Payment of Vacation**

In the event an employee is denied the opportunity to schedule and take accrued vacation leave due to operational needs of the City, or in the event an employee fails to schedule and take accrued vacation leave due to the operational needs of the City, the appointing authority may authorize a year-end lump sum payment to the employee in an amount not to exceed the monetary value of the employee's annual vacation accrual as provided in Section 197.18(a). In the case of a department director, lump sum payment may be approved by the Council President, with notification to the body of Council, or merely by the body of Council.

(h) **Prior Service Credit.**

- A. Except as otherwise provided for in separate legislation, and except as otherwise specifically excluded by a collective bargaining agreement under Ohio R.C. 4117, to determine prior service for the purpose of computing the amount of vacation leave for an employee first employed on or after July 5, 1987 by the City of Napoleon, the employee shall have only his or her prior service with the City of Napoleon counted. Those employees (not elected officials) who were employed by the City of Napoleon prior to July 5, 1987 shall have all their public service with the State of Ohio or any of its political subdivisions credited pursuant to Ohio R.C. 9.44 (A). An employee who has retired in accordance with the provisions of any retirement plan offered by the State of Ohio and who is employed by the State of Ohio or any political subdivision of said State on or after June 24, 1987, shall not have his or her prior service with the State of Ohio or any political subdivision of said State counted for the purpose of computing vacation leave.
- B. Except as may be otherwise provided for by separate legislation, employees entitled to prior service credit for purpose of computing vacation leave shall have their anniversary date deferred to their most recent date of employment with the City of Napoleon for purposes of:
1. Vacation use or,
 2. Any use or forfeiture policy regarding vacation.
- C. Elected officials are not entitled to prior service credit for purpose of calculating vacation benefit, if any. (Ord. 002-15. Passed 1-19-15.)



CITY OF NAPOLEON, OHIO

255 West Riverview Avenue • P. O. Box 151 • Napoleon, Ohio 43545-0151

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MEMORANDUM

TO: Civil Service Commission, City Council, Mayor, City Manager,
City Law Director, City Finance Director, Department Supervisors, Newsmedia

FROM: Gregory J. Heath, Finance Director/Clerk of Council

DATE: March 24, 2017

RE: Civil Service Commission Meeting Cancellation *G.J.H.*

The Civil Service Commission meeting regularly scheduled for Tuesday, March 28, 2017 at 4:30 pm has been CANCELED due to a lack of agenda items.

City of Napoleon, Ohio

PARKS & RECREATION BOARD

Meeting Agenda

Wednesday, March 29, 2017 at 6:30 pm

LOCATION: Council Chambers, 255 West Riverview Avenue, Napoleon, Ohio

1. Call to Order.
2. Approval of January 25, 2017 Minutes (in the absence of any objections or corrections, the Minutes shall stand approved)
3. Update on Spring and Summer Recreation Programming.
4. Discussion and/or Action on Department Staffing.
5. Miscellaneous.
6. Any Other Matters to come before the Board.



Gregory J. Heath

Finance Director/Clerk of Council



Update

A weekly newsletter presented by AMP President/CEO Marc Gerken

March 17, 2017

PJM announces results of 2017-2018 third incremental capacity auction

By Mike Migliore – vice president of power supply planning & marketing

Each February, PJM runs its final installed capacity auction for the upcoming planning year. The most recent auction was for the planning year from June 2017 through May 2018.

The recent auction that cleared allowed generators and curtailable loads to true-up their obligations to PJM. Purchases or sales in the third incremental auction are due to either generators' changes in forced outage rates or backup generation, or curtailable loads that can no longer meet their obligation due to environmental rule changes or the fact that they already generated or reduced load during the PJM five peaks in 2016. Additionally, new or better performing generators can sell additional capacity above the amount that the generator has available in the May 2014 base auction.

The chart below shows the results of the four PJM auctions for 2017-2018. Most of the generation and demand response is sold in the Base Residual Auction. The prices of the incremental auctions have dropped mainly because PJM has reduced their load forecast and resold capacity previously purchased in the base auction.

2017/2018 RPM AUCTION CLEARING PRICES (\$/kW-month)				
Product Type	Base Residual Auction	First Incremental Auction	Second Incremental Auction	Third Incremental Auction
Demand Response	\$3.22	\$2.56	\$0.81	\$1.11
Generation Resources	\$3.65	\$2.56	\$0.81	\$1.11

Energy markets update

By Jerry Willman – assistant vice president of energy marketing

The prompt month April contract closed down \$0.079/MMBtu to settle at \$2.902/MMBtu. The EIA reported a withdrawal of 53 Bcf for the week ending March 10. This withdraw was in line with expectations, but still well below average. Weather forecasts are showing moderating temperatures for the balance of the month.

On-peak power prices for 2018 at AD Hub closed yesterday at \$35.97/MWh, which was \$0.35/MWh lower for the week.

FERC accepts new AEP transmission rate

By Chris Norton – director of market regulatory affairs

On March 10, 2017, the Federal Energy Regulatory Commission (FERC) accepted AEP's proposed forward-looking formula transmission rate effective Jan. 1, 2017. FERC set the new rate for hearing, but then directed AEP and the companies that protested the rate filing to engage in FERC mediated settlement talks before a FERC administrative law judge. AEP filed the new rate on Nov. 22, 2016. AMP protested various aspects of the rate and is therefore a party to the docket and will participate in the settlement talks.

In the original rate filing, AEP did not include cost information. On March 14, 2017, AEP filed the actual cost information for the first year of the new rate, the 2017 rate year. The rate increased from \$45,545 MW-year (\$3.80 kW-month) to \$56,991.36 MW-year (\$4.75 kW-month), an increase of approximately 25 percent.

Not all of the rate increase is due to the change in how AEP calculates the rate. The AEP zonal load decreased from 24,725.1 MW in 2016 to 22,475.7 MW in 2017. The decrease in load of almost 2,300 MW means there is less load to pay for AEP's transmission facilities, which results in an increase in the rate. The load decrease accounts for about half of the increase in the rate. The other half of the increase can be attributed to the new rate calculation as well as new transmission facilities AEP intends to complete in 2017.

The filing changes the AEP formula transmission rate from a part historic, part forward-looking rate into a completely forward-looking formula transmission rate. Forward-looking formula transmission rates update each year based

continued on Page 2

AFEC update

By Jerry Willman

The Fremont plant operated in 2x1 configuration and remained online for the week. Duct firing operated for 23 hours this week.

The plant generated at a 75 percent capacity factor (based on 675 MW rating).

Solar dedication ceremony to take place April 27

By Karen Ritchey – director of member events & programs

A dedication ceremony for AMP's Solar Phase II project will take place at 1 p.m. April 27 at the Bowling Green Solar Facility. Invitations will be mailed to AMP members, consultants and local officials next week.



The 20-megawatt (MW) Bowling Green facility, the first installation of AMP's Solar Phase II initiative, achieved commercial operation in January 2017. The facility consists of 85,680 solar panels spanning more than 165 acres, and is the largest solar installation in the state of Ohio. Additional Solar Phase II installations in Ohio, Michigan, Delaware and Virginia are underway.

The Solar Phase II Dedication Ceremony is by invitation only and will be held outdoors at the solar site in a tent. Parking is limited and carpooling is recommended. Attendees are encouraged to dress appropriately, bring an umbrella and wear comfortable shoes. For additional information or to RSVP, please contact Jodi Allalen at 614.540.0916 or jallalen@amppartners.org.

Calendar

March 23—Grounding & Lightning Protection for Overhead & Underground Distribution
AMP Headquarters, Columbus

March 23—Finance & Accounting Webinar
Contact Joe Regan at jregan@amppartners.org for dial-in information by March 20

April 5-6—Groundworker Training
Jackson Center, Ohio

April 11-13—Underground Distribution Workshop
AMP Headquarters, Columbus

April 18—Changes, Overview of 2017 NESC
AMP Headquarters, Columbus

April 25-26—Technical Services Conference
Quest Conference Center, Columbus

On Peak (16 hour) prices into AEP/Dayton Hub

Week ending March 17

MON	TUE	WED	THU	FRI
\$39.78	\$47.10	\$49.26	\$40.86	\$33.46

Week ending March 10

MON	TUE	WED	THU	FRI
\$28.06	\$24.91	\$28.16	\$29.17	\$35.81

AEP/Dayton 2018 5x16 price as of March 16 — \$35.97

AEP/Dayton 2018 5x16 price as of March 9 — \$36.32

New AEP transmission rate

continued from Page 1

on the transmission company's projected costs, including projected new transmission facilities, for the upcoming rate year. After the rate year is complete, the transmission company determines the actual costs from the year and compares the actual costs to the projected rate that it recovered during the rate year. Any difference between the actual costs and projected costs it recovered during the rate year is then applied to the next rate year as a true-up charge or credit. To prevent the company from providing itself with interest-free loans, FERC requires the company to include interest in the true-up charge or credit.

AMP will continue to update members as new information becomes available.

Lineworkers Rodeo planning meeting to be held March 22

By Bob Rumbaugh – manager of technical training

A planning meeting for the 2017 AMP Lineworkers Rodeo, to take place August 25-26, will be held March 22 at AMP headquarters. The meeting will begin at 9 a.m. and will cover a variety of topics, including selecting the Rodeo events, reviewing and revising the rules, and choosing chief judges for the events.

To attend the meeting, please contact Jennifer Flockerzie at 614.540.0853 or jflockerzie@amppartners.org.

Regional Safety Meeting rescheduled for April 4

By Jennifer Flockerzie – technical services program coordinator

Due to the threat of inclement weather, the Regional Safety Meeting originally scheduled for March 15 was rescheduled. The event will now take place April 4.

As previously planned, the meeting will be held at Bashlin Industries in Grove City, Pennsylvania, and will include a discussion of the Occupational Safety and Health Administration's (OSHA) changes and updates, a tour of the Bashlin factory, and drop test and para pack demonstrations.

Regional Safety Meetings are provided to AMP members at no cost, but registration is required by March 28 to attend. For additional information or to register for the meeting, please contact jflockerzie@amppartners.org or 614.540.0853.

Singh joins AMP as accountant

Rupa Singh joined AMP this week as an accountant. She will be responsible for fixed asset accounting, assisting with project accounting and other month end close activities. She holds a master's degree in finance from Franklin University and a master's degree in zoology from Berhampur University.



Rupa Singh

Please join us in welcoming Rupa to AMP.

AMP to offer RP3 application assistance to members

By Jennifer Flockerzie

AMP's RP3 Assistance Program will again help members complete their application for the American Public Power Association's (APPA) Reliable Public Power Provider (RP3) designation. The RP3 Program recognizes utilities that demonstrate high proficiency in reliability, safety, workforce development and system improvement. Communities that achieve RP3 designation report many benefits, including:

- Recognition as a reliable utility;
- Local and national media attention;
- A workforce that has a better understanding of their role within the utility;
- Higher bond ratings;
- Lower costs for workers compensation and insurance; and
- Improved economic development.

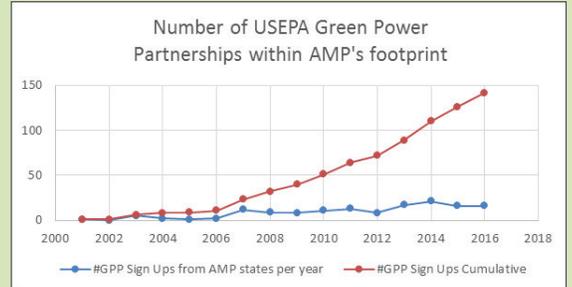
RP3 application assistance will be offered to eight members on a first-come, first-served basis. AMP staff will work with members to complete applications on a question by question basis, sending a few questions per week over a several month period. AMP will also continue to assist all members in assembling and submitting their RP3 applications.

A [preview](#) of the 2017 RP3 application is available online and the official application will be released in the coming weeks.

Completed applications will be accepted through APPA's online application process May 1 to Sept. 30. The RP3 designation is for a three-year term.

Using APPA's eReliability Tracker services can help members earn point towards RP3 designation. Through this service, subscribers are provided customized annual reports that analyze the utility's outage information for the previous year and compare the data to other subscribers in the same region and class size. This service is available to members at no cost through AMP membership.

Additional information about the RP3 Program and eReliability Tracker is available on the APPA [website](#). For application assistance or to subscribe to the eReliability Tracker Program, please contact me at 614.540.0853 or jflockerzie@amppartners.org.



Corporate support for use of renewable energy, PPAs at an all-time high

By Erin Miller – director of energy policy & sustainability

Corporate support for the use of renewable energy seems to be at an all-time high and corporate power purchase agreements (PPA) for renewable energy are a rising trend.

According to the American Wind Energy Association, corporations such as Microsoft, Google Energy, Procter & Gamble, General Motors and Owens Corning have signed deals with wind farms totaling more than 4,955 megawatts (MW) over the past six years.

This trend is also present within AMP's membership territory. According to the U.S. Environmental Protection Agency (USEPA) Green Power Partnership [database of participants](#), the number of businesses within AMP's nine-state footprint that have signed the agreement to procure green power has steadily increased over time. Notable participants include Ikea, Mars, Inc., Fifth Third Bank, Mansfield-King, Astra Zeneca, MedImmune and Herman Miller Inc.

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News or Ads?

Call Kerin Scott at 614.540.6406 or email to kscott@amppartners.org if you would like to pass along news or ads.

Efficiency Smart® helps Continental ContiTech reduce energy use

By Steven Nyeste – communications project manager, Efficiency Smart

Continental ContiTech knew it had significant potential to reduce energy use and operating costs at its plant in St. Marys. Looking for advice, the technical rubber products supplier turned to Efficiency Smart for assistance on upgrading the lighting at its facility.

Efficiency Smart's energy consultants reviewed the company's plans and conducted an energy-saving analysis based on different lighting options. Continental ContiTech decided to replace its outdated lights in multiple phases, starting in 2016 by replacing 220 metal halide lights with high-performance T8s (HPT8s) and fluorescent high-bay lights. In addition, exterior light fixtures were replaced with LED wall-packs and LED flood lights.

For the final and largest portion of the project, Efficiency Smart's energy consultants recommended LEDs as the price of the technology continues to decrease. Combined with the longer lifespan and reduced maintenance costs compared to fluorescent lights, Efficiency Smart was able to verify that the company would receive the best return on its investment with LEDs for the final phase.

Continental ContiTech decided to move forward with the LEDs and is currently replacing its remaining 1,200 metal halide lights with LED linear lights. The project is expected to be completed in 2017.

The new lights will be able to reduce electric costs significantly due to the plant's 24-hour operating schedule and will also provide better light throughout the plant.



Continental ContiTech's main plant entrance after the first phase of its lighting project. The company is expected to complete the final phase of the lighting upgrade in 2017.

As a result, Continental ContiTech is expected to save more than 2,733,900 kilowatt-hours (kWh) of energy annually, more than \$185,000 annually, and more than \$2,500,000 over the lifetime of the new lights.

"It's been a very valuable experience working with Efficiency Smart for our energy efficiency improvements," said Frank Smith, plant engineering manager at Continental ContiTech. "Its highly knowledgeable staff worked closely with our facilities personnel to optimize a plan which resulted in significant savings for our organization. The staff of Efficiency Smart were very professional and extremely helpful as a technical resource."

Classifieds

City of Bowling Green seeks police officer candidates

The Bowling Green Civil Service Commission will administer a written examination for police officer candidates on March 25. Candidates must complete an application, available through the city's personnel department in the City Administrative Services Building, located at 304 N. Church St., Bowling Green, OH 43402. Office hours are 8 a.m. to 4:30 p.m. weekdays. The telephone number is 419.354.6200; the email is BGPersonnel@bgohio.org; and the fax number is 419.352.1262.

Application materials are available [online](#). Resumes may be included, but will not substitute for a completed city application. Specific information about the examination process and a copy of the job description will be provided upon application. Applications will be accepted through March 10.

An associate degree or the completion of at least 96 quarter hours or 64 semester hours toward a bachelor's degree is required. Proof of education is required at the time of application. The post-secondary education must be obtained from an accredited college or university. Hours must be eligible for transfer to Bowling Green State University.

In accordance with Section 124.41 of the Ohio Revised Code (ORC), no person shall be eligible to receive an original appointment as a police officer unless the person has reached the age of 21 and has not yet reached the age of 35. The age restriction is permitted by the Public Safety Exemption to the Age Discrimination in Employment Act (29 U.S. Code 623 (j)). Credit for military service will be awarded in accordance with Section 124.23 of the ORC. A copy of Section 124.23 will be provided to candidates. No credit will be given if proof of eligible military credit is submitted after the candidate's application has been submitted to the City.

New employees must serve a one-year probationary period. Starting salary is \$24.15 per hour. AA/EEO.

City of Westerville is in search of electric field superintendent

The City of Westerville is accepting applications for the position of electric field superintendent. This position is responsible for planning and overseeing electric utility projects for the city's electric division. Work involves planning, scheduling and organizing work projects and crews; ensuring job safety and completion; interacting

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with the public; specification development in compliance with policies and procedures; and maintenance of transmission, distribution and substation facilities.

Qualifications include a high school diploma and 10 years of experience in electrical maintenance and construction, including three years of supervisory experience; or any equivalent combination of training and experience which provides the required knowledge, abilities and skills. A valid Ohio commercial driver's license is also required.

Applications and a complete job description are available on the city's [website](#). The deadline to apply is March 22.

Pretreatment coordinator needed in City of Jackson

The City of Jackson is in search of a pretreatment coordinator to work within the city's wastewater treatment department. The position is responsible for the operation of the wastewater pretreatment program, sludge management program and laboratory testing. Qualifications include an associate degree in a science-related field or two years of experience in wastewater treatment, and/or possession of a Class I OEPA operator's certification at time of employment.

Applications and a complete job description is available [online](#) or at the City of Jackson Memorial Building, located at 145 Broadway St., Jackson, OH 45640. Applications should be returned to the City of Jackson Service/Safety Director's Office, 145 Broadway St., Jackson, OH 45640. The deadline to apply is 4:30 p.m. March 30. EOE.

Fulltime, intern opportunities are available at AMP

American Municipal Power, Inc. (AMP) is seeking applicants for the following positions. For additional information or complete job descriptions, please visit the "careers" section of the AMP [website](#).

Finance Manager – This position is responsible for the management and oversight of the credit programs and evaluating finance options for member communities. The finance manager will regularly communicate with third-party consultants, community representatives and rating agencies. Qualifications include a bachelor's degree (master's preferred); two to five years of relevant financial leadership management expertise; excellent oral and written communication skills; and a strong commitment to public service. Strong analytical skills and knowledge of municipal capital markets is preferred.

IT Intern – The essential functions of this internship will include monitoring the IT Support Application and resolving tickets, providing network preventative maintenance services to ensure network integrity and assisting with acquisition and deployment of hardware, software and services. Applicants must be currently enrolled at an accredited college or university; have experience with

Microsoft Windows and Microsoft Office tools; and have experience with or the aptitude to learn PC and printer maintenance, software installation and configuration, basic computer networking and basic Internet application development and deployment.

Manager of Marketing/Member Relations – This position is responsible for fostering member relationships and implementing AMP's strategic growth plan. This includes assisting the director of marketing/member relations in the administration and marketing of AMP services, programs and projects to members, performing regular visits to member communities and educating members about power supply portfolios, energy markets and AMP programs and services. Qualifications include a bachelor's degree in business or an engineering-related field; three or more years of experience in the electric utility industry; and excellent interpersonal and communication skills. Travel required.

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