

**THE CITY OF KENT, OHIO
FINANCE COMMITTEE
WED., APRIL 7, 2010**

This meeting of the Finance Committee of Kent City Council was called to order on Wed., April 7, 2010 at 7:22 p.m. by Wayne Wilson, Chair. Chair Wilson explained that the only item on their agenda dealt with the Facade Loan monies.

PRESENT: MR. AMRHEIN, MR. DELEONE, MR. FERRARA, MR. KUHAR, MS. SHAFFER, MR. VALENTA, MS. WALLACH, AND MR. WILSON

ALSO PRESENT: J. FIALA, MAYOR & PRESIDENT OF COUNCIL; D. RULLER, CITY MANAGER; J. SILVER, LAW DIRECTOR; L. COPLEY, CLERK OF COUNCIL; G. LOCKE, DIRECTOR OF COMM. DEV; AND B. SUSEL, GRANTS ADMINISTRATOR

ABSENT: MR. TURNER

Dave Ruller, City Manager, explained that Gary Locke, Dir. Of Community Development, has been looking at some account funds that are inactive. Mr. Ruller said that Mr. Locke believes one was set aside for the facade program, but it has not been allocated for that purpose. He said they wanted to put this into the right fund so they can use it.

Mr. Locke said on one account, they are paying \$14.00 per month as a bank fee, adding it does not make much sense. He said it is CDBG money, adding they thought it made sense to move all the monies into one account for their facade program. He said they hoped for more activity, adding they may ask them to allocate some new monies in the future, but want to use this up first.

Mr. Kuhar asked when the last time was that this account was used, and Mr. Locke said it was either 2003 or 2004, when they reallocated some CDBG monies. He said it probably had not been touched since the early 1990s. Mr. Kuhar said they have given up a few thousand dollars in fees, and Mr. Locke said he was unsure they were charged the entire time. Mr. Kuhar asked if it accrues interest, and Mr. Locke said he did not know. Mr. Kuhar asked who was responsible, and Mr. Locke said they knew they had the money. He said it was one of those things they could have done sooner.

Bridget Susel, Plans Administrator, said they are getting more interest than they are paying in monthly fees.

Mr. Valenta said Mr. Kuhar brought up a great point, and questioned why they are paying a fee on an account with close to \$50,000. He asked how many other accounts have monthly fees, and how they can eliminate and control the costs. He said they are present to control costs, adding that \$14 per statement was "kind of ridiculous."

Ms. Susel said she balances all of the RLF accounts, and has been communicating with their Controller, John Mockler. She said they need them in regular accounts, and she has been talking to Mr. Mockler about moving them into accounts with lower service fees. She said they need the funds available. Mr. Valenta said that banks are always competing for business, and Ms. Susel said this is on her "follow up" list in May, once the grants are done.

Mr. Ruller said the Budget & Finance Director and his staff handle the cash management issues. He said some of the monies are handled through a bid process, and it is an ongoing activity that occurs thru Mr. Coffee's office. Mr. Locke said they did not have another account to move it into until about 2004. He said that is when they created a separate account with the new facade program. He said they previously had to segregate the funds, but can now put it all in one account since they get it from the Federal government.

Mr. Kuhar asked if they can be segregated by bookkeeping, but not separate banks, and Mr. Locke said

they need to be separate accounts.

Mr. Silver reminded them that every five years, the City is required to solicit bids from the banks, and Council approves whom they use as a bank. Mr. Ruller agreed, adding that the pending list also references trying to get some services for free from the banks.

MOTION TO AUTHORIZE THE TRANSFER OF THE FACADE MONIES.

Motion made by Mr. Kuhar, seconded by Mr. Valenta, and carried by a voice vote of 7-0-1, with Mr. Wilson abstaining.

Hearing no further business before this Committee, Chair Wilson adjourned this meeting at 7:50 p.m.

Linda M. Copley, Clerk of Council

ACTION RECOMMENDED:

1) TO AUTHORIZE THE TRANSFER OF THE FACADE MONIES.