BRUNSWICK CITY
FINANCE COMMITTEE

Agenda

SEPTEMBER 17, 2018
6:15 PM
In Caucus Room
All Council Members are Welcome

1. Discussion Items

   (a) Selection of a date for 2019 budget proposal.

   (b) Commercial paper investments presentation by Eileen Stanic, Investment Advisor.

   (c) **ORD. NO. 67-18** - An emergency ordinance amending Sections 234.03, 234.031, and 234.032 of the City of Brunswick Codified Ordinances by updating the Investment Policy - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

   (d) **ORD. NO. 69-18** - An emergency ordinance amending Ordinances #117-17, #12-18 and #30-18 to include amendments to the appropriations budget for the year ending December 31, 2018 as incorporated in Exhibit "A" attached hereto - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

   (e) **ORD. NO. 70-18** - An emergency ordinance to advance funds **- 1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

2. General Discussion

3. Adjournment

THE CITY OF BRUNSWICK

PROPOSED LEGISLATION

DATE: 09/17/2018

TO: Vice Mayor Michael Abella Jr. and Members of City Council

FROM: Carl S. DeForest, City Manager

COPY: Mayor Ron Falconi

LEGISLATION: **ORD. NO. 67-18** - An emergency ordinance amending Sections 234.03, 234.031, and 234.032 of the City of Brunswick Codified Ordinances by updating the Investment Policy - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

BACKGROUND: The City's Investment Policy has been reviewed several times but has not been formally updated in over 20 years. The latest review and discussions took place with the Citizens' Financial Audit Review & Advisory Committee on May 10, 2018 and City Council's Finance Committee on June 21, 2018.

The City's Investment Advisor has also presented information regarding the proposed changes to the Citizens' Financial Audit Review & Advisory Committee on May 10, 2018 and is set to present the same or similar information to City Council's Finance Committee on September 17, 2018. All proposed changes comply with State Law.

City Council's Finance Committee has authorized the Law Director to prepare legislation to amend the City's Investment Policy and place it on the September 24, 2018 Council agenda for 1st reading as an emergency. The proposed plan is if Council agrees with the proposed changes for it to be read 3 times and be effective by the end of October 2018. This should allow for enough time to obtain signatures form various financial institutions that they have read and understand the revised policy.

The proposed changes to the policy are attached.

PURPOSE AND EXPLANATION: The City's Investment Policy has been reviewed several times but has not been formally updated in over 20 years. The latest review and discussions took place with the Citizens' Financial Audit Review & Advisory Committee on May 10, 2018 and City Council's Finance Committee on June 21, 2018.

The City's Investment Advisor has also presented information regarding the proposed changes to the Citizens' Financial Audit Review & Advisory Committee on May 10, 2018 and is set to present the same or similar information to City Council's Finance Committee on September 17, 2018. All proposed changes comply with State Law.

The proposed changes to the policy are attached.

IMPLEMENTATION SCHEDULE:

City Council's Finance Committee has authorized the Law Director to prepare legislation to amend the City's Investment Policy and place it on the September 24, 2018 Council agenda for 1st reading as an emergency. The proposed plan is if Council agrees with the proposed changes for it to be read 3 times and be effective by the end of October 2018. This should allow for enough time to obtain signatures form various financial institutions that they have read and understand the revised policy.

FINANCIAL INFORMATION:

FINANCIAL SUMMARY:

RECOMMENDED ACTION:

One Reading	Yes
Two Readings	Yes
Three Readings	Yes
Emergency	Yes
Suspension of Rules	No

If emergency or suspension of the rules, why the request?

City Council's Finance Committee has authorized the Law Director to prepare legislation to amend the City's Investment Policy and place it on the September 24, 2018 Council agenda for 1st reading as an emergency. The proposed plan is if Council agrees with the proposed changes for it to be read 3 times and be effective by the end of October 2018. This should allow for enough time to obtain signatures form various financial institutions that they have read and understand the revised policy.

ADDITIONAL INFORMATION:

CITY OF BRUNSWICK, OHIO
ORDINANCE NO. 67-18

BY: Mrs. Hanek, Mr. Ousley and Mr. Delsanter

AN EMERGENCY ORDINANCE AMENDING SECTIONS 234.03, 234.031 AND 234.032 OF THE CITY OF BRUNSWICK CODIFIED ORDINANCES BY UPDATING THE INVESTMENT POLICY.

WHEREAS: THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY ORDAINS:

SECTION 1: That Sections 234.03, 234.031 and 234.032 of the Codified Ordinances are hereby amended to read in accordance with Exhibit "A" attached hereto and incorporated herein by reference.

SECTION 2: That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety, or welfare and for the additional reason to comply with applicable State law. Therefore, the same shall be in full force from and after its passage by the required number of votes or from the earliest time allowed by law.

PASSED: 1st Reading _____

2nd Reading _____

3rd Reading _____

ADOPTED: _____ AYES_____NAYS_____

ATTEST: _____
Clerk of Council
Fijabi Julien-Gallam, CMC

234.03 INVESTMENT POLICY.

(a) Scope. All Public Moneys of the City not kept as a cash reserve in the vault of the treasury of the City as may be prescribed by the Director of Finance, except as otherwise hereinafter provided, may be invested by the Director of Finance or the Director's designee in the Eligible Investments described in Section 234.031 hereof, which Eligible Investments shall be purchased only through or from Eligible Depositories designated pursuant to the Uniform Depository Act or Qualified Securities Dealer; provided, however, that Public Moneys specifically exempted by ordinance from this Section 234.03 and Section 234.031 may be invested as permitted in such ordinance or other ordinance related to such Public Moneys. The Director of Finance is authorized to pool cash balances of the several funds of the City for investment hereunder.

(b) Objectives. The achievement of sound fiscal management for the City requires effective investment of the Public Moneys of the City. To that effect, the following investment objectives shall be applied in the investment of Public Moneys:

(1) Safety. The primary objective of the City's investment policy is the preservation of capital and the protection of investment principal. Subject to the provisions of subsection (c)(2) hereof, each investment transaction shall seek to first ensure that capital losses measured against each investment are avoided, whether they be from securities' defaults or erosion of market value.

(2) Liquidity. The City's investments shall remain sufficiently liquid to enable the City to meet its operating requirements that might reasonably be anticipated. In order to achieve this objective, the investment portfolio shall include in greater part Eligible Investments with active secondary or resale markets.

(3) Yield. In the investment of the Public Moneys of the City, the Director of Finance and any designee of the Director of Finance as permitted hereunder shall strive to attain, subject always to paragraph (1) above, a market-average rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio, but shall avoid assuming unreasonable investment risks. Yield as an objective of this policy is of least importance compared to safety and liquidity.

(c) Minimizing Investment Risk. The City acknowledges that investment risk can result from a default by the issuer of the investment, changes in the market price of the investment or technical complications leading to temporary illiquidity of an investment. The following investment limitations are directed at minimizing the effect of such investment risks:

(1) To minimize the risk of default by the issuer of the investment:

A. Public Moneys of the City shall be invested only in Eligible Investments permitted under Section 234.031 hereof, except as otherwise permitted under subsection (a) hereof.

B. The amount of Public Moneys of the City to be invested in any one type of Eligible Investment, with any one Eligible Depository or through any one Qualified Securities Dealer shall be limited based

upon guidelines developed by the Director of Finance taking into account the objectives of set forth in subsection (b) hereof.

C. No Public Moneys of the City shall be invested in any Derivative Security, Reverse Repurchase Agreement or Investment Pool or in any stripped principal or interest obligation of any Eligible Investment.

D. The use of "leveraging" by the City solely as a speculative investment strategy is prohibited under this Investment Policy. As used herein "leveraging" shall mean the use of any of the City's current assets as collateral for the purpose of purchasing other assets.

E. The issuance of taxable notes by the City solely for the purpose of arbitraging their proceeds is prohibited under this Investment Policy.

F. Contracting for the sale of securities that have not yet been acquired by the City for the purpose of purchasing such securities at a later date on the speculation that their price will decline is prohibited under this Investment Policy.

(2) To minimize the risk of changes in the market price of an Eligible Investment:

A. Any Eligible Investment made pursuant to Section 234.03 and 234.031 hereof shall mature within five years from the date of settlement unless the Eligible Investment is matched to a specific obligation or debt of the City and will be held until its maturity; provided, however, that no investment shall be made in any Eligible Investment hereunder unless the Director of Finance or the authorized designee of such Director of Finance reasonably expects that the Eligible investment can be held until its maturity and with respect to any investment of the City's Public Moneys in STAR OHIO, the limitation of this subparagraph A. shall not be construed as restricting the maturity date of any individual asset held by STAR OHIO.

B. Notwithstanding anything herein to the contrary. nothing in this subsection (c)(2) or (b)(l) shall be construed to prohibit such Director of Finance or such designee from selling such Eligible Investment prior to its maturity, or to impose liability on such Director of Finance or such designee for any loss occasioned by the sale of any Eligible Investment otherwise made in accordance with Sections 234.03 and 234.031 at a price or prices lower than its cost or balance, if the liquidity needs of the City required such a sale or if the yield on the reinvestment of the sale proceeds of such Eligible Investment, after taking into account the loss incurred in connection with such sale, will exceed the yield that the City otherwise would have earned if it had held the original Eligible Investment to the earlier of its maturity date or the maturity date of the Eligible Investment purchased with such sale proceeds.

(d) Standard of Care. Investment of the Public Moneys of the City shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, that 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. The foregoing standard shall be applied to the each Eligible Investment of the City in the its investment portfolio.

(e) Authority to Invest Public Moneys. The Director of Finance is hereby authorized and directed to invest the Public Moneys of the City in accordance with the provisions of Sections 234.03 and 234.031 hereof. The Director of Finance may delegate the authority to invest the Public Moneys of the City hereunder to another employee or employees of the City, provided that any such delegation shall be in a writing that shall be filed with the City Manager, and such a delegation shall be effective for all purposes of this section unless the City Manager disapproves such a delegation within ten days of receipt of such written delegation. Such a delegation may be for a limited or unlimited period of time; provided that, if such delegation is for an unlimited period of time, revocation of such delegation shall be effective only if made in a writing instrument signed by the Director of Finance and termination of the employment by the City of such employee shall automatically terminate such employee's authority to invest the Public Moneys of the City hereunder without the need for a written instrument.

(f) Conflicts of Interest.

(1) Officers and employees of the City involved in making investment decisions shall refrain from:

A. Personal business activity that could conflict with the proper execution and management of the investment program of the City, or that could impair their ability to make impartial decisions regarding the City's investments, and

B. Undertaking personal investment transactions with the same individual or company with whom business is conducted on behalf of the City.

(2) Officers and employees of the City involved in making investment decisions shall disclose to the City Manager:

A. Any material interests in Eligible Institutions or Qualified Securities Dealers with which they conduct investment business on behalf of the City, and

B. Any personal investment positions that could materially affect, or be materially affected by, the performance of the investment portfolio of the City.

(g) Periodic Reports with Respect to Eligible Investments. The Director of Finance shall prepare at least quarterly an investment report, including a management summary describing the investment portfolio at the end of the quarterly or other period and the transactions made over such period. Such report shall include: a list by maturity date of all Eligible Investments (including, without limitation, a description of the obligation or security that includes the type, original cost, par value, maturity date, coupon interest rate and yield to maturity) for the period covered by such report and held at the end of such period; unrealized gains or losses on any Eligible Investment over one-year duration that may have to be sold prior to its maturity; the average weighted yield to maturity of the investment portfolio; and the percentage of the total portfolio that each type of investment represents. A copy of such report shall

be attached to the City's monthly bank reconciliations and be made available ~~delivered~~ to ~~the~~ City Council and the City Manager upon request.

(h) Authorized Purchasers from and Sellers to the City of Eligible Investments. Purchases and sales of Eligible Investments hereunder shall be made only from or to, as the case may be, an Eligible Depository or a Qualified Securities Dealer, which in either case has acknowledged to the City in writing that in the case of such a party that initiates investment transactions with the City, it has received a copy of this section, and it will not sell to the City any investment security prohibited hereunder or not included as an Eligible Investment within the investment securities described in Section 234.031 hereof or in the case of such a party that executes investment transactions initiated by the City, it has received a copy of this section, and it comprehends the investment policy stated in this section. The Director of Finance shall annually review the past performance, if any, financial condition, rating, if any, and registration of each Eligible Depository and Qualified Securities Dealer with or through whom the Public Moneys of the City are invested.

(i) Purchases and Sales of Eligible Investments by the City. The Director of Finance or such Director of Finance's designee shall purchase an Eligible Investment hereunder for cash at a price not in excess of the current market price, which price shall be deemed to be the best price as determined hereunder and shall sell any Eligible Investments for cash and for a sum not less than their current market price, which price shall be deemed to be the best price as determined hereunder. Except as otherwise provided in subsection (j)(2) below with respect to an overnight repurchase agreement, all purchases and sales of Eligible Investments hereunder shall be made only on a delivery versus payment basis. With respect to the purchase or sale of any Eligible Investment other than the Eligible Investments described in Sections 234.031(a)(8) and (9) hereof, the Director of Finance or such Director of Finance's designee, subject to the provisions of subsection (h) hereof and except as otherwise provided in this subsection (i), shall purchase or sell any Eligible Investment at the best price based upon preferably three bids, but not less than two bids, if the Eligible Investment is offered as such from any of the parties described in subsection (h) hereof. If there is no readily available competitive offering on the same specific Eligible Investment, then quotations from comparable or alternative Eligible Investments shall be obtained. When purchasing an Eligible Investment as an original or new issue, no competitive offerings will be required as all Qualified Securities Dealers offer the security at the same original issue price. As used in the immediately preceding sentence in connection with any purchase of an Eligible Investment, the "best price" shall mean that price which produces the highest yield to maturity with respect to such Eligible Investment and in connection with the sale of an Eligible Investment, the "best price" shall mean the highest price with respect to such Eligible Investment; provided, however, that in any case where there are two or more bids at the best price, the Director of Finance or such Director of Finance's designee may, in their absolute discretion, determine which of such bids constitute the best price. The Director of Finance or the designee shall keep a written record of the bids taken with respect to each purchase or sale of an Eligible Investment.

(j) Registration. Custody and Safekeeping of Eligible Investments.

(1) If any Eligible Investments purchased pursuant to Section 234.03 and Section 234.031 hereof are to be issued to a designated payee or to the order of a designated payee, the name of the Director of Finance and the title of the Director's office shall be so designated. If any such Eligible Investments are registrable either as to principal or interest, or both, then such Eligible Investments shall be registered in the name of the Director of Finance as such.

(2) With respect to each Eligible Investment, the Director of Finance shall obtain a document evidencing, in the case of a book-entry security, and conforming, in the case of a certificated security held by other than the Director of Finance, each such investment. The Director of Finance is responsible for the safekeeping of all Eligible Investments and documents evidencing such Eligible Investments acquired by such Director of Finance. All Eligible Investments acquired as investments under Section 234.03 and Section 234.031 hereof by the Director of Finance on behalf of the City, whether in certificated or book-entry form, ~~may~~ shall be held on behalf of the City by a Qualified Trustee under a written custodial agreement. Any investment advisor, consultant or Qualified Securities Dealer doing business with the City cannot serve as custodian or safekeeping agent. Such Qualified Trustee shall provide to the Director of Finance a copy of each document evidencing or confirming such Eligible Investments which such Qualified Trustee receives and shall be required to report to the Director of Finance or to the Auditor of the State of Ohio or a duly authorized independent auditor of the City at any time upon request of such party the identity and location of the document evidencing each Eligible Investment made hereunder and held by such Qualified Trustee. In lieu of such custody, such Eligible Investments or documents evidencing or confirming such Eligible Investments may be held in a safe deposit box or vault belonging to an Eligible Depository or in a safe or other secure place at the office of the Director of Finance. Such safe deposit box or vault shall be opened only upon the order of the Director of Finance, such Director of Finance's designee hereunder or a person duly authorized as the Acting Director of Finance in the presence of one or more of the Director of Finance, the Director of Law, the City Manager or persons duly authorized as Acting Director of Finance or Acting Director of Law or Acting City Manager. With respect to any repurchase agreement that matures on the business day that immediately succeeds the business day on which such repurchase agreement was entered into, if the participating institution is a designated depository of the City for the current period of designation, the securities that are the subject of the repurchase agreement may be held in trust by the participating institution on behalf of the City, notwithstanding anything to the contrary in this subsection (j).

(k) Internal Controls with respect to Eligible Investments. The Director of Finance shall establish and maintain an internal control structure designed to ensure that the assets of the City are protected against theft. loss or misuse, and in connection therewith, shall maintain written procedures relating to such internal control.

(l) Exemptions from this Section and General Law.

(1) Any investment of Public Moneys which on the effective date of – this section does not qualify as an Eligible Investment under this section (each an "Ineligible Investment") may, notwithstanding anything herein to the contrary, be held until the first to occur of- its maturity or its sale; provided, however, that if the investment does not have a maturity date, it may be held no later than five years

from the effective date of this section. The proceeds of any sale of an Ineligible Investment shall be reinvested, if at all, only in an Eligible Investment.

(2) The City and the Director of Finance, any designee of the Director of Finance pursuant to this section, and any other official of the City, being governed by a charter adopted under Article XVIII, Ohio Constitution, and special provisions regarding the investment of the City's Public Moneys having been made through the passage of this section, are hereby exempted, except as otherwise expressly provided herein, from the provisions of the general laws of the State of Ohio, including, without limitation, the Uniform Depository Act, applicable to the investment of public moneys, as defined in the Uniform Depository Act.

(m) Annual Review of Section: Amendments. This section shall be reviewed on an annual basis by the Director of Finance and the City Manager to determine if amendments to this section are required in order to further the best interests of the City in connection with the management of its investment portfolio.

(Ord. 137-96. Passed 10-28-96.)

234.031 ELIGIBLE INVESTMENTS.

(a) The Director of Finance or the Director's designee may invest in any of the following classifications of obligations which are hereby determined to be eligible for investment of the Public Moneys of the City ("Eligible Investments"):

(1) United States Treasury bills, notes and bonds (excluding stripped principal or interest obligations of such issuances), or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

(2) Bonds, notes, debentures or other obligations or securities issued by any federal government agency or instrumentality (excluding stripped principal or interest obligations of such issuances), including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association~~, and Student Loan Marketing Association~~; provided that such securities shall be direct issuances of federal government agencies or instrumentalities;

(3) A written repurchase agreement between the Director of Finance or such Director of Finance's designee and any Eligible Depository or any Qualified Securities Dealer if, and only if, under the terms of which agreement the Director of Finance or such Director of Finance's designee purchases for the City and such institution agrees unconditionally to repurchase within a period of not more than thirty days securities described in subsections (1) or (2) hereof that will mature or are redeemable within five years from the date of purchase; provided that:

A. The market value of such securities subject to a repurchase agreement that mature:

1. On the business day immediately succeeding the business day on which such repurchase agreement was entered into shall be at least one hundred two percent (102%) of the principal amount of the repurchase agreement; and

2. On any other business day after the business day described in the immediately preceding item (1) shall be at least one hundred two percent (102%) of the principal amount of the repurchase agreement; and

B. The repurchase agreement shall contain the requirement that for each transaction pursuant to such agreement the Eligible Depository or Qualified Securities Dealer shall provide all of the following information:

1. The par value of the securities subject to such agreement;

2. The type, coupon rate, if any, and maturity date of the securities; and

3. A numerical identifier generally accepted in the securities industry that designates the securities;

(4) Certificates of deposit of Eligible Depositories which may provide (and, if so, shall be shown on its face) that the amount of such deposit is payable upon written notice a specified period before the date of the scheduled maturity, provided that security for the repayment of any such certificates of deposit is provided in accordance with Ohio R.C. Section 135. 18~~;. This shall include investments in Certificates of Deposit administered through the Certificate of Deposit Account Registry Service ("CDARS"). Eligibility of this investment is outlined in the Uniform Depository Act and would also apply to any other program that is deemed to meet the requirements of such Act;~~ and

(5) STAR OHIO

(6) Commercial paper issued by an entity as outlined in the Uniform Depository Act rated at time of purchase in the single highest classification by at least two nationally recognized rating agencies with a term to maturity of 270 days or less such that the investment in commercial paper of a single issuer, that has assets exceeding five hundred million dollars, shall not exceed in the aggregate five percent of the City's investments.

A. Commercial paper investments shall not exceed forty percent of interim monies available.

(7) Bonds or other obligations of this state, or the political subdivisions of this state, provided that, with respect to bonds or other obligations of political subdivisions, all of the following apply:

A. 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; and
B. 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 Qualified Securities Dealer; and
C. The aggregate value of the bonds or other obligations does not exceed twenty percent of the City's investments; and
D. The City is not the sole purchaser of the bonds or other obligations at original issuance.

(b) The Director of Finance and the Director's designee, the City Manager and the members of Council shall not be held accountable or personally liable for any loss occasioned by the sale of any Eligible Investment authorized pursuant to subsection (a) hereof at prices lower than its cost or balance. Any loss or expense in making such sale shall be payable as other expenses of the City.

(c) The members of Council, the City Manager and the Director of Finance and such Director of Finance's designees, shall not be personally liable for or with respect to the purchase of any Eligible Investment authorized as investments pursuant to subsection (a) hereof; and the members of Council and the City Manager shall not be personally liable for any unauthorized deposit or investment by the Director of Finance or such Director of Finance's designee.

(d) In the event of a vacancy in the office of the Director of Finance by reason of death, resignation, removal from office or otherwise, the Director of Finance or any acting or interim Director shall transfer

and deliver to the Director's successor all Eligible Investments held by the Director, or in the case where the Eligible Investments are held in safekeeping by a Qualified Trustee, all records held by the Director evidencing ownership of such Eligible Investments and information describing the location of such Eligible Investments. For the Eligible Investments so transferred and delivered, such Director of Finance shall be credited with, and the Director's successor shall be charged with, the amount of money invested in such Eligible Investments.

(e) Whenever Eligible Investments acquired under this Section 234.031 mature and become due and payable, the Director of Finance shall present them for payment according to their tenor, and shall collect the moneys payable thereon. The moneys so collected shall be treated as Public Moneys subject to the provisions of- this section with respect to their reinvestment and the Uniform Depository Act with respect to their deposit.

(f) The Director of Finance or the Director's designee shall maintain accounts in which the Director or the Director's designee shall make appropriate entries of all transactions relating to the investment of Public Moneys.

(g) If the Director of Finance wishes to purchase investment(s) listed in sections 234.031 (a) (1), (2), (6) & (7), without first receiving the advice of the City's investment advisor or consultant ~~or qualified securities dealer~~; the Director of Finance would be required to obtain written approval from the City Manager prior to purchasing that investment."

(~~g~~h) Interest earned on any Eligible Investments authorized by this section shall be collected by the Director of Finance and credited by the Director to the proper fund of the City as required by law.

(Ord. 137-96. Passed 10-28-96.)

234.032 DEFINITIONS.

(a) Capitalized words and terms used as defined words and terms in Sections 234.03 and 234.031 of the City's Codified Ordinances and not otherwise defined in such Sections shall have the following meanings:

(1) "Eligible Depository" shall mean any institution described in Ohio R.C. 135.03.

(2) "Eligible Investment" shall mean any investment described in Section 234.031(a) hereof.

(3) “Derivative Security” shall mean a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index or both separate from the financial instrument, contract or obligation itself, but shall not include a written repurchase agreement that satisfies the provisions of subsection (a)(6) of Section 234.031 hereof.

(4) "Investment Pool" shall mean a fund established by another Subdivision (including a County), Director of Finance, Governing Board or Investing Authority (as each of those terms is defined in Ohio R.C. 135.01, if that fund was established for the purpose of investing the public moneys of other subdivisions, but shall not include STAR OHIO.

(5) "Public Moneys" shall mean all moneys in the treasury of the City or moneys coming lawfully into the possession of the Director of Finance.

(6) "Qualified Securities Dealer" shall mean a securities dealer who is a member of the ~~National Association of Securities Dealers~~Financial Industry Regulatory Authority, Inc.

(7) "Qualified Trustee" shall mean a qualified trustee as described in Section 135.18 of the Uniform Depository Act.

(8) "Reverse Repurchase Agreement" shall mean a repurchase agreement under the terms of which the Director of Finance or such Director of Finance's designee agrees to sell securities owned by the City to a purchaser and agrees with that purchaser to unconditionally repurchase such securities.

(9) "STAR OHIO" shall mean the Ohio Subdivision's Fund created pursuant to Ohio R.C. 135.45 and currently designated as "Star Treasury Asset Reserve of Ohio".

(10) "Uniform Depository Act" shall mean Ohio R.C. Chapter 135, and all amendments thereto.

(b) Nothing in this Section 234.032 shall be construed as permitting the investment of the Public Moneys of the City in any of the obligations defined in the preceding paragraph (a) if investment in such obligations is otherwise prohibited by this section.

(Ord. 137-96. Passed 10-28-96.)

THE CITY OF BRUNSWICK

PROPOSED LEGISLATION

DATE: 09/17/2018

TO: Vice Mayor Michael Abella Jr. and Members of City Council

FROM: Carl S. DeForest, City Manager
Todd Fischer

COPY: Mayor Ron Falconi

LEGISLATION: **ORD. NO. 69-18** - An emergency ordinance amending Ordinances #117-17, #12-18 and #30-18 to include amendments to the appropriations budget for the year ending December 31, 2018 as incorporated in Exhibit "A" attached hereto - **1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

BACKGROUND: In order to comply with the Ohio Revised Code Section 5705 any and all activity of the City must be included in the budget. As actual information is obtained and compared to estimates or new items are requested to be added or deleted by the respective departments, it is necessary and required to present the proposed budget amendments to Council for approval. This process is required by law and audited under the direction of the Auditor of State for compliance every year.

PURPOSE AND EXPLANATION: See fiscal section and related attachments for additional information.

IMPLEMENTATION SCHEDULE: Discuss at the September 17, 2018 Finance Committee meeting and move to the September 24, 2018 Council agenda as an emergency with suspension of the rules.

FINANCIAL INFORMATION:

FINANCIAL SUMMARY: The total financial impact of this legislation is a net increase to the overall City appropriation budget by $673,767.69. The largest components of the increase relate to: 1) $452,140 which represents the City share of Laurel Rd Phase II project. The City submitted an OPWC Grant application to apply for a grant award of $613,800. To strengthen the City's case for the grant award process, we have also committed to a City share of $452,140 towards the project if approved by Council. The project is expected to be engineered in late 2018 and early 2019. Project initiation is expected to occur in July 2019 provided an OPWC grant has been awarded. 2) $165,455 FEMA Grant award for the City to purchase 28 SCBA units with 3) a City cost share of $60,720.20; 4) $300,000 capital set asides for equal $100,000 amounts for the City's largest 3 Departments, Police, Fire and Service. These set asides will help aid the Departments in funding a portion of their five year capital plans. The Police and Fire set asides will come from charges for service revenues and the Service Department's set aside is expected to come from income tax receipts. All capital set asides are not expenditures of money as actual capital purchases over $25,000 will be required to be approved by Council in

separate pieces of legislation at a later date; 5) also includes $330,910 in advances to help temporarily fund the FEMA grant or return the advance once the grant is completed. Advances are also not expenditures of money but rather a temporary loan from one fund to another that is required to be repaid once the grant is completed and reimbursements are received.

The budget amendments also contain a large decrease of $584,020 in appropriations for stormwater set asides for capital projects. These appropriations are planned to be re-added in the 2019 budget proposal. All other items not specifically listed in this summary are smaller in dollar amount but are listed with a description in the attached Exhibit B.

Exhibit A is the legal document required to be reviewed and adopted by Council pursuant to Ohio Revised Code Section 5705 for these budget amendments to be adopted.

Exhibit B is provided for informational and review purposes only. This document lists out the explanations and amounts for each proposed budget amendment.

It's important to note that this legislation only has budgetary impact and actual expenditures or advances of City funds and related approvals are still subject to state and local laws.

RECOMMENDED ACTION:

One Reading	Yes
Two Readings	No
Three Readings	No
Emergency	Yes
Suspension of Rules	Yes

If emergency or suspension of the rules, why the request?

Recommended approval as an emergency with suspension of the rules. The emergency clause is necessary in order to remain in compliance with the Ohio Revised Code, allow for the daily operations of the City of Brunswick to continue without interruptions and to keep the budget as up-to-date as possible in order to provide accurate accountability to the City's financial readers and interested parties.

ADDITIONAL INFORMATION:

CITY OF BRUNSWICK, OHIO

ORDINANCE NUMBER 69-18

By: Mrs. Hanek, Mr. Ousley and Mr. Delsanter

AN EMERGENCY ORDINANCE AMENDING ORDINANCES #117-17, #12-18 AND #30-18 TO INCLUDE AMENDMENTS TO THE APPROPRIATION BUDGET FOR THE YEAR ENDING DECEMBER 31, 2018 AS INCORPORATED IN EXHIBIT "A" ATTACHED HERETO.

WHEREAS: Ordinance #117-17 adopted appropriations for 2018; and Ordinances #12-18 and #30-18, regarding amendments to the 2018 appropriation budget, were previously adopted by Council; and

WHEREAS: "Exhibit A" reflects the appropriations as required by the Ohio Revised Code Section 5705.38(C); and

WHEREAS: The amendments are described in detail and attached hereto as "Exhibit B" for informational purposes only; and

WHEREAS: In order to properly budget in accordance with State law for expenditures presently anticipated it is necessary to amend Ordinances #117-17, #12-18 and #30-18.

THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY ORDAINS:

SECTION 1: Ordinances #117-17, #12-18 and #30-18 is hereby amended to reflect the appropriations as attached hereto and incorporated herein as Exhibit "A."

SECTION 2: That this Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public health, safety and welfare, and for the usual daily operation of a municipal government and for the additional reason that Council wishes to maintain accurate appropriations. Therefore, the same shall be in full force and effect from and after its passage by the required number of votes.

PASSED: 1st Reading _____

2nd Reading _____

3rd Reading _____

ADOPTED: _____ AYES_____NAYS_____

ATTEST: _____
Clerk of Council
Fijabi Julien-Gallam, CMC

EXHIBIT A

September 24, 2018

Fund Number	Fund Name / Department	Personal Service	Other	Total
General Fund				
001	General Fund			
	City Council	163,210.00	82,294.00	$ 245,504.00
	Mayor	92,317.00	84,914.00	$ 177,231.00
	City Manager	175,109.00	134,533.00	$ 309,642.00
	Information Technologies	160,017.00	309,619.00	$ 469,636.00
	Engineering	22,004.00	311,881.00	$ 333,885.00
	Building Department	316,399.00	249,671.00	$ 566,070.00
	Cemetery Maintenance	-	16,700.00	$ 16,700.00
	Janitorial Contract	-	20,940.00	$ 20,940.00
	City Hall Building & Grounds	16,456.00	54,262.00	$ 70,718.00
	Administrative Services	97,732.00	62,303.00	$ 160,035.00
	Economic Development	102,658.00	176,133.56	$ 278,791.56
	Animal Control	69,550.00	61,473.00	$ 131,023.00
	Law Department	173,578.00	239,828.00	$ 413,406.00
	Finance Department	231,329.00	195,159.00	$ 426,488.00
	Income Tax Department	189,674.00	196,566.00	$ 386,240.00
	Parks & Recreation Director	84,447.00	58,543.00	$ 142,990.00
	General Fund Administration	-	1,000,485.00	$ 1,000,485.00
	Planning Division/Community Development	42,394.00	28,527.00	$ 70,921.00
	Board of Building Appeals	357.00	1,220.00	$ 1,577.00
	Board of Zoning Appeals	2,507.00	4,686.00	$ 7,193.00
	Board of Civil Service	13,323.00	28,486.00	$ 41,809.00
	Board of Ethics	2,950.00	2,305.00	$ 5,255.00
	Board of Commemorative Affairs	-	21,000.00	$ 21,000.00
	General Fund Transfers / Advances	-	18,893,173.64	$ 18,893,173.64
001	Total General Fund	$ 1,956,011.00	$ 22,234,702.20	$ 24,190,713.20
Special Revenue Funds:				
110	Court Computerization Fund	9,814.00	16,989.00	$ 26,803.00
111	FEMA Grant Fund	-	330,910.00	$ 330,910.00
114	Police Wages Fund	4,122,877.00	4,049,171.50	$ 8,172,048.50
115	Fire Fund	2,318,043.00	2,888,301.08	$ 5,206,344.08
117	Street Repair & Maintenance Fund	1,089,668.00	1,870,159.20	$ 2,959,827.20
118	State Highway Fund	-	133,188.00	$ 133,188.00
119	Law Enforcement Fund	-	-	$ -
120	Brunswick Transit Alternative (BTA) Fund	-	107,000.00	$ 107,000.00
121	RLF / CDBG Fund	-	5.51	$ 5.51
123	Brunswick Area Television (BAT) Fund	150,991.33	234,901.11	$ 385,892.44
127	Parks Fund	205,613.00	459,431.21	$ 665,044.21
129	Department of Justice Federal Grant Fund	-	13,552.38	$ 13,552.38
130	DUI Enforcement & Education Fund	-	-	$ -
131	Recreation Center Fund	520,815.00	680,516.00	$ 1,201,331.00
133	Home Improvement Grant Fund (CDBG)	-	14,020.40	$ 14,020.40
Enterprise Funds:				
223	Refuse Fund	60,547.00	2,360,847.50	$ 2,421,394.50
224	Storm Water Management Fund	28,837.00	1,252,111.00	$ 1,280,948.00
Capital Improvement Funds:				
300	General Permanent Improvement Fund	-	490,800.00	$ 490,800.00
332	Road Levy Fund		2,440,400.00	$ 2,440,400.00
333	Road Improvement Fund	-	4,008,942.80	$ 4,008,942.80
334	Traffic Control Fund	-	-	$ -
335	Public Square Fund	-	-	$ -
336	City Building Improvement Fund	-	247,516.00	$ 247,516.00

339	Fire Improvement Fund	-	-	$	-
341	Park Improvement Fund	-	147,000.00	$	**147,000.00**
347	North Carpenter Road Improvement Fund	-	11,132,047.19	$	**11,132,047.19**
348	Boston Road Improvement Fund	-	93,519.24	$	**93,519.24**
360	Brunswick Lake Improvement Fund	-	86,185.36	$	**86,185.36**
367	OPWC Hadcock Rd Reconstruction Fund		-	$	-
368	OPWC Grafton Road Improvement Fund		657,046.38	$	**657,046.38**
369	OPWC Center Road Resurfacing Fund		256,986.48	$	**256,986.48**
370	OPWC Multi Roads Improvement Fund		1,457,600.00	$	**1,457,600.00**
Self Insurance Fund:					
600	Self Insurance Fund	-	2,552,000.00	$	**2,552,000.00**
Debt Service Funds:					
771	General Obligation Bond Retirement Fund	-	-	$	-
780	Special Assessment BRF: Grafton Phase III	-	1,596.00	$	**1,596.00**
781	Special Assessment BRF: South Industrial Parkway	-	103,188.00	$	**103,188.00**
782	Special Assessment BRF: Laurel Road (2006)	-	44,913.00	$	**44,913.00**
783	Special Assessment BRF: Brunswick Lake - Dam	-	18,949.00	$	**18,949.00**
784	Special Assessment BRF: Brunswick Lake - Dredging	-	11,827.00	$	**11,827.00**
Agency Funds:					
881	General Trust Agency Fund	-	525,000.00	$	**525,000.00**
882	Unclaimed Money Agency Fund	-	20,000.00	$	**20,000.00**
885	Flexible Spending Agency Fund	-	135,000.00	$	**135,000.00**
886	Non-Residential 3% Building Permit Agency Fund	-	10,000.00	$	**10,000.00**
887	Residential 1% Building Permit Agency Fund	-	10,000.00	$	**10,000.00**
			Grand Total	$	71,559,538.87

City of Brunswick, Finance Office

"Exhibit B" : Schedule of Amendments to the Permanent Budget #3 - For informational purposes only

For the Budget Year Ending December 31, 2018

9/24/2018

Fund Name / Account Name	Account Number	Appropriation Adjustment Amount	Description
General (#001)			
INSURANCE	001-0880-54272	(13,000.00)	Reduce insurance line. Remaining amount will still allow for 1 15 K deductible and 1 10 K deductible to be paid if occurred in final 4 months of the year.
ADVANCE OUT TO FEMA FUND #111	001-0999-99900	165,455.00	Advance Out to the FEMA Fund will temporarily cover the federal grant costs of 26 SCBA units. The advance will be repaid once the City is reimbursed.
TRANSFER OUT TAX ALLOCATION	001-0999-99950	15,390.00	Updated allocation estimate to go towards Capital Improvement Fund #300 per Council Ord #118-17 and updated income tax revenue estimates.
General Fund Total		**167,845.00**	
FEMA Fund (#111)			
FEMA ASSISTANCE TO FIREFIGHTERS GRANT	111-0528-56001	165,455.00	FEMA federal grant award for the purchase of 28 SCBA units for the Division of Fire. City share not covered by the grant will be budgeted in Fire Fund.
ADVANCE OUT	111-0999-99940	165,455.00	Advance will be required to be returned to the General Fund once the grant is completed and the City receives reimbursement through FEMA.
FEMA Fund Total		**330,910.00**	
Police Fund (#114)			
UTILITIES & PHONES	114-0520-54270	(10,000.00)	Reduce utilities budget based on first 8 months of activity.
FUEL	114-0520-55300	(10,000.00)	Reduce fuel budget based on first 8 months of activity.
TRANSFER TO CAPITAL	114-0520-99999	100,000.00	Set aside a larger portion of fines & forfeiture revenues for future capital needs. To help fund Division's 5 year capital plan. Transfer Out = Transfer In.
Police Fund Total		**80,000.00**	
Fire Fund (#115/952)			
INSURANCE	115-0510-54272	(10,000.00)	Reduce insurance line. Remaining amount will still allow for 1 15 K deductible to be paid if occurred in final 4 months of the year.
FUEL	115-0510-55300	(4,000.00)	Reduce fuel budget based on first 8 months of activity.
TRANSFER OUT TO CAPITAL #952	115-0510-99999	100,000.00	Set aside a larger portion of EMS billing revenues for future capital needs and help fund part of the Division's 5 year capital plan. Transfer Out = Transfer In.
CAPITAL OUTLAY - FEMA GRANT	952-0510-56256	60,270.20	City portion of costs estimated by Fire Chief for the purchase of 28 SCBA units for the Division of Fire. Total cost expected to be $225,725.20 with FEMA Grant covering $165,455 of the costs which is the grant maximum awarded. See the FEMA Fund #111 for federal grant portion.
Fire Fund Total		**146,270.20**	
Street R & M Fund (#117)			
INSURANCE	117-0420-54272	(4,000.00)	Reduce insurance line. Remaining amount will still allow for 1 10K deductible to be paid if occurred in final 4 months of the year.
UTILITIES & PHONE	117-0420-54270	(8,000.00)	Reduce utilities budget based on first 8 months of activity.
TRANSFER OUT TO CAP #953	117-0420-99999	100,000.00	Set aside a larger portion of income taxes for future capital needs and help fund part of the Department's 5 year capital plan. Transfer Out = Transfer In.
Street R & M Fund Total		**88,000.00**	
Cable TV Fund (#123/#956)			
I-NET	123-0460-56883	2,622.49	I-NET fiber services for Dec 15, 2018 through Jan 14, 2019. Crossed over 2 budgeted fiscal years. PO to be submitted in 2018 if approved.
Cable TV Fund Total		**2,622.49**	
Parks Fund (#127/960)			
INSURANCE	127-0810-54272	10,000.00	To allow for a 10K deductible or legal claim, if necessary
Parks Fund Total		**10,000.00**	
Rec. Center Fund (#131)			
UTILITIES & PHONE	131-0830-54270	(20,000.00)	Reduce utilities estimate to be closer to anticipated costs.
Rec. Center Total		**(20,000.00)**	
Stormwater Management Fund (#224)			
PROJ SET ASIDE (Grant matches) - No debt	224-0420-56000	(584,020.00)	Reduce carryover project budget since projects not expected to occur in 2018. Money is planned to be rebudgeted in 2019 for potential projects.
Stormwater Management Enterprise Fund Total		**(584,020.00)**	

City of Brunswick, Finance Office

"Exhibit B" : Schedule of Amendments to the Permanent Budget #3 - For informational purposes only

For the Budget Year Ending December 31, 2018

9/24/2018

Fund Name / Account Name	Account Number	Appropriation Adjustment Amount	Description
Road Capital Projects Fund (#333)			
CONSTRUCTION - LAUREL RD PHASE 2	333-0553-56881	356,939.24	The total construction costs are estimated at $841,500 by the City Engineer. This amount represents only the City portion 42.417%, pending grant approval.
ENGINEERING/INSP - LAUREL RD PHASE 2	333-0553-56883	59,506.84	Total engineering and inspection costs are estimated at $140,290. City portion for this project is expected to be 42.417% of the budgeted amount.
CONTINGENCY - LAUREL RD PH 2	333-0553-56884	35,693.92	The total contingencies are estimated at $84,150 by the City Engineer. This amount represents only the City portion 42.417%, pending grant approval.
Road Capital Projects Fund Total		**452,140.00**	

THE CITY OF BRUNSWICK

PROPOSED LEGISLATION

DATE: 09/17/2018

TO: Vice Mayor Michael Abella Jr. and Members of City Council

FROM: Carl S. DeForest, City Manager
Todd Fischer

COPY: Mayor Ron Falconi

LEGISLATION: **ORD. NO. 70-18** - An emergency ordinance to advance funds **- 1st Reading** (To be brought from Finance Committee, *Administration/Todd Fischer*)

BACKGROUND: In order to comply with the Ohio Revised Code Section 5705 transfers and advances may become necessary as certain financial situations arise. Transfers and Advances may also occur as a result of the City's Fund Balance Reserve Policy passed and last amended by Council via Ordinance #90-17. A transfer is the permanent movement of money from one fund to another. An advance is the temporary movement of money from one fund to another fund that will be repaid upon the completion of an anticipated event. The process of transferring and advancing funds is required by law in certain financial situations and is audited under the direction of the Auditor of State for compliance every year. Transfers and Advance legislation is generally presented two to three times a year or more, if deemed necessary.

PURPOSE AND EXPLANATION: In order to comply with the Ohio Revised Code Section 5705 transfers and advances may become necessary as certain financial situations arise. Transfers and Advances may also occur as a result of the City's Fund Balance Reserve Policy passed and last amended by Council via Ordinance #90-17. A transfer is the permanent movement of money from one fund to another. An advance is the temporary movement of money from one fund to another fund that will be repaid upon the completion of an anticipated event. The process of transferring and advancing funds is required by law in certain financial situations and is audited under the direction of the Auditor of State for compliance every year. Transfers and Advance legislation is generally presented two to three times a year or more, if deemed necessary.

IMPLEMENTATION SCHEDULE: Discuss at the September 17, 2018 Finance Committee meeting and move to the September 24, 2018 Council agenda as an emergency with suspension of the rules.

FINANCIAL INFORMATION:

FINANCIAL SUMMARY: Transfers and advances do not have a financial impact on the City funds as a collective whole. Transfers and advances are merely the movement of money from one fund to another and are defined in the Ohio Revised Code Section 5705 and in the Auditor of State Compliance Supplement.

Transfers and advances are required to be included in the City's adopted budget and are also required to be approved by City Council.

RECOMMENDED ACTION:

One Reading	Yes
Two Readings	No
Three Readings	No
Emergency	Yes
Suspension of Rules	Yes

If emergency or suspension of the rules, why the request?

Recommended approval as an emergency with suspension of the rules. Emergency clause necessary to allow funding to be in place to administer plans and/or purchase orders for various projects, grants, etc.

ADDITIONAL INFORMATION: None.

CITY OF BRUNSWICK, OHIO
ORDINANCE NUMBER 70-18

By: Mrs. Hanek, Mr. Ousley and Mr. Delsanter

AN EMERGENCY ORDINANCE TO ADVANCE FUNDS

WHEREAS: The City of Brunswick wishes to advance monies from the General Fund #001 to the FEMA Fund #111 to temporarily fund the federal expenditures of the FEMA Assistance to Firefighters grant until grant reimbursements are received.

THE COUNCIL OF THE CITY OF BRUNSWICK HEREBY ORDAINS

SECTION 1: That the following funds are hereby advanced:

FROM: General Fund (#001)
TO: FEMA Grant Fund (#111)
AMOUNT: $165,455.00

SECTION 2: This ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety, welfare, and providing for the usual daily operation of a municipal department, and for the further reason that proper funding sources be advanced. Therefore, the same shall be in full force and effect from and after its passage by the required number of votes.

PASSED: 1st Reading_____

Rules Suspended: AYES _____ NAYS _____

ADOPTED: _____ AYES _____ NAYS _____

ATTEST: _____
Clerk of Council
Fijabi Julien-Gallam, CMC