

**CITY OF NEWARK
DELAWARE
CITY COUNCIL WORKSHOP MINUTES**

May 5, 2014

Those present at 7:00 PM:

Mayor Sierer presiding
Council Members Chapman, Gifford, Hadden, Markham, and Morehead
City Secretary Renee Bensley
City Manager Carol Houck
Deputy City Manager Andrew Haines
Finance Director Lou Vitola

1. Financial Policies

Ms. Houck gave an introduction for the evening's agenda and turned the workshop over to Mr. Vitola. Mr. Vitola reviewed Newark's current financial profile, including the City's banking relationships, investment brokerage, pension fund and OPEB trust, outstanding debt and lease financing, the City's credit rating and fund accounting. Mr. Vitola then reviewed the existing financial policies of the City, which have been in place since 2009 (PowerPoint attached).

2. Financial Policy Recommendations

Mr. Vitola outlined the financial policy recommendations being made by staff in updating the 2009 financial policies. These recommendations include a charter change to allow a percentage of debt by resolution to be permitted instead of all debt having to be approved by referendum, creating a formal Investment Policy Statement, and amending the reserve policy for the City. Additional redline changes that were considered more minor were also reviewed as part of the documents submitted to Council (attached). Ms. Houck stated that the financial policy should be continually refined and improved and staff wants to ensure that Council is in agreement with the financial policy of the City as that is what is used to formulate the budget.

Council proceeded to ask various questions regarding the redlined changes to the financial policy presented, the changes proposed to the reserves policy and the recommended reserves. Mr. Vitola assured Council that any changes that were made to the financial policies would be brought to Council for approval prior to any changes being implemented.

Meeting adjourned. Time 7:55 p.m.

Renee K. Bensley
Director of Legislative Services
City Secretary