

City of Gahanna

*200 South Hamilton Road
Gahanna, Ohio 43230*



Meeting Minutes

Monday, February 27, 2012

7:00 PM

Council Committee Rooms

Committee of the Whole

Stephen A. Renner, Chair

Beryl D. Anderson

Karen J. Angelou

Ryan P. Jolley

Brian D. Larick

David L. Samuel

Brandon Wright

Members Present: Stephen Renner, Brandon Wright, Beryl D. Anderson, Karen J. Angelou, Ryan P. Jolley, Brian D. Larick and David L. Samuel

Additional Attendees:

Gen. Jim Williams, Brian Hoyt, Dottie Franey, Mike Andrako, Karl Wetherholt, Tony Collins, Chief Murphy, Shane Ewald, Anthony Jones, Jennifer Teal, Mayor Stinchcomb, Brandi Braun, Sue Wadley, Tom Kneeland, Isobel Sherwood, press.

PENDING LEGISLATION:

ORD-0028-2012

TO AMEND ORD-0017-2012, UNCLASSIFIED PERSONNEL; TO RECLASSIFY THE EXECUTIVE ASSISTANT TO MAYOR TO ADMINISTRATIVE ASSISTANT TO MAYOR RANGE; TO TRANSFER FUNDS AND SUPPLEMENTALLY APPROPRIATE FUNDS THEREFOR

Renner called the meeting for Monday, February 27, 2012, to order; said long list on the agenda; first item is the Ordinance to reclassify the Administrative Assistant to the Mayor; is there need for more discussion on this issue; there was none.

Recommendation: 2nd Reading, Regular Agenda.

Recommended for Adoption

ORD-0029-2012

SUPPLEMENTAL APPROPRIATION - Public Information Intern

Renner said the 2nd item is the Ordinance for the PIM Intern; is there more discussion or information needed on this.

Anderson said I have some follow up questions for additional understanding; have you checked to see if you can get people at no cost. Hoyt said I have talked to folks about free internships; we believe the enormous amount of paid internships available diminishes the pool of qualified candidates; I haven't found any non paid programs to compare with a paid one. Anderson said I had talked previously about seniors who may be looking for employment; there are organizations for retired people who have the skill set we need because they have done this type of job; is there anything you found in this area. Hoyt said none. Anderson said these are opportunities and options that we should explore before authorizing a paid intern.

Samuel said there are many reasons we should have a paid intern, but I would like to state 3 important ones; Moening is leaving the Parks Department and she handled the Gateway; we need someone to assist with the website and by doing other tech duties it would give the PIM more time to work with other departments and coordinate plans to attract and retain businesses; in October we had a full scale disaster exercise; in the assessment of those results they said there was opportunity for improvement and recommended more public information staff; said it was needed to handle this kind of activity as the PIM plays a vital role in support of this effort; and lastly, activities are increasing in various departments and locations around Gahanna like Creekside and on Hamilton Road; a PIM intern could help with this.

Anderson said, to clarify, I am in favor of the position; I am just looking for people who are underemployed who would be willing to do it non paid just to get their feet into the fire.

Larick said as part of our review process in Committees, we should be open to receive ideas on other ways to do this. Braun said absolutely. Anderson said then we shouldn't allocate the money. Larick said it really is questionable that we could do this without money. Anderson said AARP will pay them; we need to find a way to get creative so the

money is not coming out of City coffers; do it by college course credit or have them paid by another source; there are other options to get highly qualified and competent people. Samuel said then we would need to look at the legal consequences for workers compensation and union concerns if we bring someone in that way. Wright said can I clarify why would workers compensation be involved for an unpaid intern. Ewald said there are labor concerns even with an unpaid volunteer position; we are self insured, so I would have to see if that agreement would need to be modified; I doubt an unpaid intern would be covered. Wadley said, if paid, they are absolutely covered; that is not necessarily true if they are a volunteer. Wright said in looking at this, I was shocked we were not asking for more; when I graduated, I was happy with any opportunity just to get in; if we look at it as a grad student or someone just graduated from college who needs the experience it could be such a good opportunity that it would spread to other departments. Anderson said one way to get a foot in the door is to volunteer; and for us, it is to have someone else pay for it; if older, they are likely to have a lot of understanding and knowledge of this kind of job; before I vote for this, I would like the administration to itemize how this is done in other places; we are still in tough times so I want us to look closely at this; we need to look at all that is out there. Angelou said if we could locate a small local consulting firm that could do this for the same money would you consider that option. Braun said with not a lot of time to analyze, I see the biggest problem with that as a lack of integration in the City; there is no way for them to be knowledgeable about what is going on; we want someone on site who can jump into a meeting if need be. Hoyt said this works out to about \$12,000; not going to be able to get a consulting firm with that little amount; with an intern we are the only client and it is more appropriate to that cost. Braun said we can reach out for partnerships; interns in school are the most up to date; gives them a chance to practice what they are studying; I would rather get someone in school; however most of those looking for opportunity even for class credit still want to get paid. Anderson said ok those in school may have the newest knowledge; but those who have been in the field 20 years know how things evolved; a close look and a cost benefit analysis is key; and I would not just look at one average job; we need to go globally, broadly, and not just in the Public Information area; we can learn from other areas; I voted for the PIM position; but I believe we need to be creative about how we budget here and be creative as we go forward.

Larick said how viable an option is it getting a qualified individual without any compensation. Braun said we found it very difficult; when we had 2 part time administrative aides, it was a hybrid position, so finding someone who had the qualifications for that was not easy; we got very few resumes; we ended up hiring grad students; I think it would be difficult to get a volunteer to do this; with pay comes accountability; if a volunteer doesn't show up, we have no recourse; with the level of importance we feel this job has, that is a road we do not want to go down.

Anderson said I am not saying fill it with a volunteer; find someone paid by another organization; or someone that has a scholarship and needs course credit in this field; just not paid from the City of Gahanna; not a volunteer but someone being compensated from somewhere else; we need to be looking globally; if we are going to have someone else pay, we need to look broadly as to how we do this; we will be setting a precedent for other departments with this; whenever we bring on people, we should do cost benefit analysis.

Renner said I can see the passion and energy associated with this issue; what is the risk of exploring this; is there something pressuring us to make a quick decision; we are just asking questions. Mayor said I would love to have the name of any organization that would pay for an internship in Gahanna. Anderson said I gave you 2; AARP is one. Mayor said we have not been able to tap into that. Anderson said have we looked.

Mayor said I can't answer that. Braun said we can look. Mayor said if we use volunteers we have accountability issues; we would like the employee to be engaged; we agree it is a tough economy and a senior citizen looking for work or young people just out of

college need to pay bills also; the tough economy just makes it tougher for them; I am not sure where in the global market we can check, but we can look at AARP and some other places to see what we can find out; we are short staffed here and what we need is real strong consideration for the agenda.

Jolley said I have a comment on the cost to hire a firm; I founded and managed this type of firm; not sure they would be able to do a part timer's work for \$1,000 a month; agree they need to be accountable where they would have to show up for the type work they would be doing; I would be more comfortable with maintaining accountability; since this individual is responsible for information put out on behalf of the City, the messages should come from someone within the City.

Angelou said (to Anderson) do you want to postpone this for 2 weeks. Anderson said yes I do; what do other Council members want to do.

Wright said I would like to go ahead and put it on regular agenda; you will have the opportunity to vote against it if you so choose then.

Larick said what does the majority of Council want to do; delay it. Angelou said does it take a majority or can just one member request this. Ewald said it is a committee discussion so it is the majority to move forward. Angelou said it does have to go on regular agenda; they may have the information by next week. Wadley said can't you attempt to go forward with regular agenda, then move for postponement at that time.

Samuel said we need to get this resolved. Anderson said they need to get us the additional information. Hoyt said we will find out what we can and get that to you.

Ewald said I will provide you the workers compensation information tomorrow.

Recommendation: 2nd Reading, Regular Agenda.

Recommended for Adoption

ORD-0031-2012

SUPPLEMENTAL APPROPRIATION - Self Insured Workers Compensation Fund

Renner said this is a supplemental appropriation for workers compensation; any discussion.

Angelou said I would like to ask a question; when you decided to go with self insurance; what year was that in effect. Wadley said March 1, 2011. Angelou said and during that time, or during the budget discussions, was the inclusion of an assessment fee discussed. Teal said yes. Angelou said and yet we only put \$10,000 in appropriations rather than \$55,000; I will vote for this as the money is needed, but I disapprove of the fact it was not discussed in appropriations. Teal said this was the first year for self insurance for workers compensation; we had turnover in HR and with our Finance Director; roles that were integral to this; when we put in the numbers from last year, we said we are still going to be 6 months behind; we need to pay the last 6 months of 2011 and first 6 months of 2012; it was an administrative oversight.

Jolley said it seems the switch has been successful as we have realized more than a 30% increase in savings.

Larick said the actual savings is about \$500,000; the original projection was \$300,000 from what was put in appropriations for this. Teal said the savings are two fold for appropriations; workers compensation is deducted from all paychecks; the amount would vary year by year; we would cut a check to BWC; now we expense from payroll and deposit it directly into insurance so we experience immediate savings; from there we see a significant reduction in what we would be paying; it is much less; and secondly, claims are lower than expectations; because of that the amount we are charging for special things will go down. Larick said so we missed the cost target, missed the benefit estimate; but the savings is larger; is that correct. Teal said it is hard to understand under those terms; I look at it as a check in our funds and as paying bills; the error was accounted for and well with in costs.

Recommendation: 2nd Reading, Consent Agenda.

Recommended for Adoption, Consent**ORD-0032-2012****SUPPLEMENTAL APPROPRIATION -Central Ohio Health Care Consortium**

Renner said this is the supplemental for the health care consortium; is there any additional discussion.

Angelou said I am surprised no one has any questions; we requested it come out of Finance Committee to Committee of the Whole because it is such a large amount of money we owed; I think we are looking at staying with the consortium as our health care provider and we need to look at the benefits management to see if they are the right one; I want to know if this was known to be a problem in 2010 and 2011; nothing was brought up during appropriations except we knew we had 1 million in there; we talked about the 22% increase in monthly costs but it was never mentioned to us that the consortium was not doing well; when it got to be less than a million there should have been red flags go up; that information should have been shared with Council immediately; how are we going to stop that from happening again. Braun said we had 2 years at 0%; at the beginning of 2010, our reserve balance was at the proper level; two years of decline have led to a reserve balance of less than \$1 million. Angelou said I have a concern that this could happen again; I would like to know when did it get to the City, why was it not brought up last year; when did the administration know; do any of last year's Council members know about this.

Samuel said no. Larick said he did not recall; we knew it was going to the consortium but we are not their price police. Angelou said but we have members on the consortium who sit on the board; and we have never had a 0% increase.

Mayor said talk about history, what got Gahanna into the consortium was former Finance Director Isler; he set the rates in a negative fashion; as Finance Director he felt it was healthy enough; you should contact him about the history of this. Teal said there is a memo with specifics. Angelou said we have the memo; when he left in 2009 the rates were set.

Mayor said we found out in January when they voted on this. Angelou said you should have noticed in 2010 and 2011. Teal said this was first brought up when the board thought we had too much in reserve; in 2010 claims were high; so we would look at rates set in 2010 but there is a lag; a timing issue; what is true is by the time Wadley and I became actively involved for 2012, rate alarms were going off; it was an audit year; we knew it was not a just a blip on radar so then it was what can we do; the consortium committee made extreme changes in the 2012 rate structure; we said we would deal with what we could control; we will look hard at drug and network activity to increase savings; we have to cover 100% of claims so we will put some back; we did not base this on what is best for the consortium but Gahanna; best to take the 20% increase to Council and if they decide to, we will pull out. Angelou said are all the consortium cities paying into this. Teal said yes they are. Wadley said when the budget was done last year we had no way of knowing the outcome of the consortium for that year.

Angelou said we did know we were in a deficit from the year before; how often do they meet. Teal said monthly. Angelou said and all along the way no one drew any attention to that; Meritain should have brought it up; I know we are going to pay the \$170,000 and not withdraw; but we need to fine tune this process; look at better coverage; I am just not getting that we were a million short in 2009, but we had a lot of money so they gave a decrease; now we are 2 million short, but they still don't do something to address it; at appropriations when we were shocked by a 22% monthly increase it was still not brought up. Teal said it was not brought up because it had not been discussed by the Consortium Board. Angelou said they had to know; they had these huge claims they paid; I really don't want to see this happen again.

Wadley said Teal and I agreed that something needs to happen now; we were not part of this in 2009 or 2010, but we agree moving forward now with better analysis on this is the way we want to go. Mayor said this was not mentioned to me; I did not find out

about the subsequent million until January after the claims had come in.

Angelou said Meritain had an ethical and moral responsibility to keep the consortium informed. Teal said I am not suggesting our leadership was totally in the dark; Meritain provided reports; the bigger issue was how much money and we believed we had an appropriate level of reserve as claims were paid; we were up and down over months; there should have been reporting by the treasurer on the consortium board; there was very poor decisions made previously; I would like more information going to Council perhaps a quarterly report. Angelou said more information would be helpful; I was shocked when I read this; I am still shocked; didn't an audit tell us that we had problems that needed addressed in 2010 and 2011.

Jolley said part of the problem is due to no set in stone standards; we are legally obligated to pay this; and for 2 years we did not have to pay. Angelou said that is not true. Jolley said when was the last premium increase assessment. Teal said in 2001. Jolley said we would have likely paid the same or more than the 3 million amount over the past 2 years; that is the consortium structure.

Teal said what accounting information would Council like to see; we could receive a claim on January 1 or on December 31 wiping out the balance; we want to appropriately address questions to the Consortium Board and to Meritain in conjunction with looking at other insurance companies. Anderson said I think it would be appropriate if we are apprised with quarterly reports so it is on our radar screen as we are looking at the organization to see if this is what we want to remain a part of.

Samuel said I agree with Jolley; we should look at other consortiums and look at other cities so we can decide whether to continue it; we need all the information we can get including some claims information; that might be online. Anderson said I am in favor of that too.

Larick said what is lacking in the consortium is forecasting and planning, taking into consideration the history of claims; I go along with the fact we need information in order to determine whether to maintain a relationship with the consortium; we need it for the evaluation process of that provider.

Wright said my question would be didn't they have a policy in place that when the reserve hit a specific number it would trigger review. Teal said there is no policy for a specific dollar amount; they suggest the 3 million level is appropriate but there is no voted on policy. Wright said since we have people on the Board can we raise this concern. Teal said absolutely.

Wright said wasn't Meritain recently taken over by Aetna. Teal said yes and that should be a good thing as they are very precise on rate settings. Wright said I am disappointed and share concerns on this; if we need to, we should bring forward legislation as we look at the total picture with the requested reports; I work in insurance, and if a claim comes in on December 31, it goes on that year; that is something we have to take into account with the reports; it does happen.

Mayor said we had a similar discussion 3 years ago; we had one or 2 insurance agents on Council who said to stay with them for 3 years; the contract ends this year so we will start looking late summer at do we stay; changes do occur; other cities join and some leave; we have our staff on the board and they will take the comments back; we will make a decision next time.

Anderson said when you take things back, how long does it take them to act and put into action the processes; is it by majority vote. Teal said it is a small board; we meet monthly; if a motion is made it is usually voted on that meeting; or if an item requires some thought, it comes back the next month; we are fairly nimble and most issues are considered quickly; we have a meeting in 2 weeks so I will take our issues and apprise you of our success.

Wadley said they have hired a consultant and a new TPA (Third Party Administrator); they have put action steps in place. Teal said the best way to look at it they do administrative matters usually in a month; more difficult issues like changes in

agreements or contracts they do not move as quickly; the end of our cycle is the end of the year; that would be an optimal time to put in a clause; then vote on it before next year.

Recommendation: 2nd Reading, Consent Agenda.

Recommended for Adoption, Consent

Olde Ridenour Speeding

Ewald said I have received some emails and I am researching some issues; the deed to property was actually given to the City of Gahanna with restrictions; I am determining what the options are with regard to legislation; since I am in the process of doing that, I would like to postpone this and bring it back to Council. Larick said there is a lot of public dialogue going on around this. Ewald said I would ask that we not discuss it yet; I should have the information next week. Ewald said I will put on my calendar for next week.

Recommendation: Postponed; return to Committee of the Whole.

ISSUES - From Clerk of Council:

Legislation Correction - JPMorgan Chase

Ewald said the contract we have with JP Morgan Chase for an Office & Industrial Incentive has some errors including some that are contradictory to the way that it was proposed; meanwhile while reviewing this for changes, we got an email from them with actual changes to the agreement; these changes are more restrictive to Chase and are somewhat substantive; believe it should go back to Council for agreement, then have a first reading, so we will meet with Jones, then have a first reading; need to have an email out Friday; have it ready for the agenda and have the draft ordinance prepared; so is that possible. Sherwood said yes. Ewald said the terms have not really changed; it is in our best interest to pass it; it is more restrictive on their part; the legislation is the same deal, a clarification of the language.

Recommendation: 1st Reading, back to Committee.

ISSUES - From Director of Human Resources:

Transfer of Funds - Lands & Buildings

Wadley said we need to transfer \$25,200 from the full time line item to part time; this is a non supplemental transfer because we had a full time position filled by 2 part time positions; it is a line item transfer.

Recommendation: 1st Reading, no need to come back; 2nd Reading, Consent Agenda.

ISSUES - From Director of Finance:

2011 Year End Financial Report.

Teal provided a power point presentation; a copy is available in the Council office and on the Gahanna website.

Questions and Comments;

Larick said good presentation; for the carryover money, what is an estimate of the

required amount of money to have there; and what are you holding the 25% for; what is its intended use. Teal said I would say 1 million as a gut answer. Larick said so that is the target cash on hand for a project; what projects are on deck. Teal said every dollar is accounted for and I can get that list for you.

Wright said how long does it take to do the budget. Teal said I start in March and April; begin in house with the analytical; culminates in June with a deadline in July. Wright said how long did it take to prepare this. Teal said 1 month. Larick said it is a process; it starts with an outline for when presentations are done.

Anderson said thank you for the presentation; the red ball amount fluctuates between 5 to 6 million over time. Teal said the red ball is determined by a set formula from an ordinance passed in 2003; it is required that we determine it at the beginning of the year with 25% of planned revenue; that number changes for the new year.

Anderson said when is it calculated. Teal said when we prepare the budget; the fall of 2010 for 2011; there is an estimate; then the reserve is finalized; it holds steady unless we revise the revenue estimate.

Anderson when will RITA be here to help residents with taxes. Teal said March 15 from 12:30 to 4:30 P.M.; last year we had a low turnout; my goal is to get as many people in this year to validate the need; people can contact RITA or go to their Worthington office.

Samuel asked how are they responding to complaints. Teal said for the day to day stuff, they have terrific turn around; but if an individual doesn't like it or it is a philosophical problem it is pushed up through their board and takes longer.

Wright said we should make an effort to get more publicity out about RITA; people go to the library for tax forms; we could put a flyer there about RITA. Teal said we should definitely put information at the library. Anderson said and put it in the local papers. Teal said Hoyt has a communication strategy to get the message out; we will work with him to get the information together at City Hall and other places.

Angelou said thank you for the presentation; you mentioned taxes from Creekside; I thought that was tax abated. Teal said there may be TIF revenue coming in; some abated properties are not inhabited so then they are not abated; the school gets 75% also; it made for a dramatic headline and it would be nice to have but we will have to wait and see.

Renner said thank you for the presentation; this makes me, as a Gahanna resident, proud to live here and I know I have the right boss; emphasize again that we coordinate with our PIM where we post any information.

Jolley said kudos to Mayor for her leadership on the balanced budget; thank you to the staff for their hard work.

Meeting Adjourned.

Della Brandenberger, Reporting