



City of Gahanna

Meeting Minutes

Finance Committee

200 South Hamilton Road
Gahanna, Ohio 43230

Michael Schnetzer, Chair
Karen Angelou
Merisa Bowers
Brian Larick
Jamie Leeseberg
Nancy McGregor
Stephen Renner

April Beggerow, MPA, CMC, Clerk of Council

Monday, November 23, 2020

Virtual Meeting

Meeting Call-in Details:

513-306-4583

Conference ID: 493 895 921#

A. CALL TO ORDER

Chair Michael Schnetzer called the Finance Committee Meeting to order at 9:11 p.m. All members were in attendance.

B. DISCUSSIONS

1. 2021 Budget Appropriations

[ORD-098-2020](#)

AN ORDINANCE TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF GAHANNA, OHIO DURING THE FISCAL YEAR 2021.

Mr. Schnetzer: Just one item on the agenda, that is the discussion for the 2021 budget appropriations. This ordinance is 098-2020. A couple of housekeeping notes before diving in, first, as mentioned at the onset of previous meetings, we've opted to submit questions to the administration ahead of time to ensure sufficient time to receive, fruitful answers to those. I'll read those questions and then turn it over to the administration for a response and then open it up to the group for discussion. A second item, the administration has responded by email to an outstanding question we had posed in a prior meeting regarding fund balance, I'm not sure if everyone has had a chance to take a look at that, but would we like the administration to comment on that exhibit here tonight.

Unknown Speaker: Yes

Mr. Schetzer replied that said, we'll tack that on at the end.

Mr. Schnetzer: Let's dive into the questions, just take them in the order that they're listed. I believe the first question is for public service and engineering. In regards to page 93, why have charges for services decreased from 2019 to 2020.

Ms. Bury: I'll go ahead and answer this one. It's basically because of the movement of engineering to the Special Revenue Fund and then also the movement of building and zoning to the planning department so we didn't have an overall decrease, just those activities that got moved the revenue and the expenditures go over to the new area it's being reported in.

Mr. Schnetzer: So with regard to that question, on page 93, the decrease in charges for service from 19 to 20, any questions or comments regarding that? All right, seeing none, I'm going to move on to the second question on public service and engineering on that table under director of public service, there are a handful of numbers such as .25, .3 and .05. Can you please explain what those are referring to? I believe the reference page is 103.

Ms. Bury: Just as a reminder, the charts and narratives in this section are for the general fund only. So those percentages are the percent of those positions that are being charged to the general fund. The remainder of those salaries and benefits are being charged to proprietary, street, state highway, public service, just based on how that positions time is allocated amongst all those activities within those funds.

Mr. Schnetzer: Thank you, Joann, any follow up needed on that one from the group? Moving on to the Department of Planning, I believe the reference pages for this are pages 103 and 106 in your budget books. Service shows a reduction of six full time equivalent and planning shows an increase of nine full time equivalent. If the administration could please help reconcile the purpose behind the net staffing increase of 3 FTE across the two divisions.

Mayor Jadwin: I will handle this. This has to do and is really the result of the creation of the Department of Planning. So the positions and I don't know how well you can see this chart. I'm happy to also send this to council as well. But the chart that Joann has up, so on the far left side, we have the current public service and engineering that pertains to the positions we are talking about, which really are the building and zoning divisions. So that's the chief building officer, the building and building and heating inspector, the building and zoning specialist, Ken Fultz, Mike Frey, and Ferdina Williams, code enforcement administrator, Bonnie Gard. Currently we have 2 code enforcement officers Brian Reynolds,

Kyle Whalen and a vacant part time code enforcement person who really has been furloughed since COVID and the Zoning Clerk Kelly Wicker. Those 6 1/2 positions and I call them half, because Kelly is part time would transfer over to the new Department of Planning. Then from development, we have Michael Blackford obviously moving over to the director of planning and Sharon Patterson, who would move over as the administrative assistant. So in the end, we actually have 10 employees in the planning department, eight and a half of which are transferred employees coming in, and then a one and a half, which are the requested additional code enforcement officers that we have requested within the budget, given certainly the lengthy discussion we had of the sidewalk program, the recent passage of the rental code and the recent passage of the nuisance code, our code enforcement people, we would really like to be more proactive rather than than reactive. And with the addition of these three programs, there will be an increase in workload as well. So that would be why we were asking for the one and a half additional new code enforcement officers. But that would account for the difference in the departments.

Mr. Schnetzer: We'll move on to capital maintenance and improvements, some of this, I believe, was answered in the prior formal presentation on the sidewalk program. But there is a question here regarding Creekside on page 142. Please, provide details on any plans or timing for repairs to the structure or garage.

Mr. Crawford: Certainly, as you all may remember, DLZ presented the draft findings of the report to council a handful of weeks ago. We did receive their final report a few weeks ago. The final version did not have any substance changes, just a few clarifications. Based on the results and suggestions provided by DLZ within the report, the next step in the process is to publish an RFP for the design of the needed flood proofing improvements. Our goal is to have the RFP language drafted and published in early February of next year. We don't exactly know what the timing is on the improvement until the design is underway. We don't believe that we'll have any large scale improvements in 2021. There may be some smaller scale improvements depending on how that design progresses forward. We expect that the majority of 2021 will be spent working through this large scale design project. We reached out to FEMA earlier this month on the findings and have been working with them to schedule a meeting in the coming weeks to review their expectations as well.

Mr. Schnetzer: just for clarity, there are two different values that are shown for the cost of the program on pages 110 and 141. I believe it's 500K and 750K. So just ask the administration to clarify which which one

is the is currently being requested for 2021's fiscal year.

Ms. Bury: It is the one in the summary chart. The five hundred thousand.

Mr. Schnetzer: Ok, perfect. The last one is sort of the bonus. This is the the administration's response regarding fund balance. Any questions on that particular topic? Any explanation needed? Or would the administration simply like a couple of minutes here to kind of add some comment to what was provided?

Ms. Bury: Yeah, so basically what we had put together was some different scenarios just to kind of show with all those variables that are kind of out there, how much we thought things could swing either way from where we currently have it projected to where it could end up if things play out worse, to where it could end up, if we do get more CARES Act funding and and maybe things don't pan out as bad as we originally projected. So just want to make a couple of clarifying points. That council does not approve the five year plan. You're only approving one year. That would be 2021, and that as the administration sees items play out during the year, adjustments will be made, kind of similar to what happened this year when COVID hit, we went back, we looked at our best projection of where we thought revenue was going to go and we reduced appropriations accordingly. So the five year projection is just kind of our way to see kind of in a big picture what's coming, so that way we're not surprised. Unfortunately, this next five years, we're going to be surprised. We're planning the best we can. But there are so many things kind of going on we're just going to have to adjust as things kind of play out. But what I did was kind of picked where I felt was best at the time that I put the five year projection together. So that's the kind of the first chart showing the expenditure and revenue and the lines and then that impact on fund balances the bars towards the bottom.

Mr. Schnetzer: I have a question regarding scenario 1 that's on the first page. What should that supplant? That current scenario is basically the the forecast that was put forward in the budget book. But it takes into account CARES Act money that was received after the the budget book was sent out. Is that correct?

Ms. Bury: Correct. So what you see there is an adjusted fund balance number compared to what was used to create the the five year in the transmittal letter. So I did go back and adjust because we did receive significantly more. So basically, you're looking at a revised fund balance number that we anticipate we're going to start 2021 with.

Mr. Schnetzer: Should that first scenario supplant page 24 of the budget

document, or page 38?

Ms. Bury: That's a good question, let me open up the budget doc.

Mr. Schnetzer: 24 is the fund balance and appropriation summary, it shows an estimated fund balance ending in 2021 of 13.2. And obviously this inclusive of CARES Act funding, it's a much more advantageous 14.4 obviously a plus one million and change delta to the favorable. Then page 38, I think maybe does not include incumbencies so that actually would be a smaller number. I just want to make sure we're comparing apples to apples.

Mr. Schnetzer: Yeah, and I think you maybe even sent some revised figures, but I don't believe those revisions touched the general fund that was more like a capital outlay and the TIF something to that effect. But regardless, page 38 shows a general fund that ending balance of like 15.6.

Ms. Bury: Correct. So page 38 does not include encumbrances and I would say fund balance that we're starting the year with, you could go ahead and bump that up by like a million dollars so fund balance January 1, that would have an adjusted number also for that beginning fund balance.

Mr. Schnetzer: So pages 24 and 38 we could pencil and an additional 1.1 million on both of those and that would be accurate.

Ms. Bury: Correct.

Mrs. McGregor: I guess, the scenario in number 1, with so many things in flux, I am not comfortable with spending into the reserves. I know that it's just a small amount this year, but it's incrementally, even this one- the middle scenario, it incrementally effects downstream. I know we're just looking at this year, but I would prefer just like not using the, I know it's not the emergency fund, but whatever the fund is this year, and then see how it goes for the next year. I just, I'm a little uneasy doing this scenario.

Mr. Schnetzer: Can I ask a clarifying question to that? Because revenue is anticipated to go down, doing nothing, not even adding an additional position, will require the city to tap fund balance to some degree. So if your position is that we should not use any fund balance that will necessitate headcount reductions is my understanding. If that's inaccurate, please, Mayor Jadwin or Joann please correct me.

Ms. Bury: That is correct.

Mr. Larick: I have a question within the budget, just from a clarification standpoint, maybe it'll be helpful as we get down, because I think we're going to start getting to is, we've gone through lots of time of asking questions for clarification, and now we get to the challenging part of getting to a place of an established budget. But before we quite get there, I have a question with regard to the CARES funds, and I'll try to ask the succinctly. We received roughly a million dollars with CARES funding with regard to COVID relief efforts, and so my question is, clearly all of those funds were used with regard to things that were impacted by COVID. What I'm trying to understand is how much was used for things that were, without question, effectively one time event spends, such as masks, as a simple example, that are not a part of our ordinary environment, and how much of those funds were spent on things that, while qualifying, and certainly appropriate as being able to be funded by CARES funds, are things that are fundamentally, some form of an ongoing expenditure that would be incurred the following year. Something along lines, again, I don't have a specific, but maybe something within public safety might be an example of an expenditure that we have that was impacted by COVID, but we kind of still have those expenditures the next year. Not looking for specific dollars, but a reasonable approximation either by percentage or dollars of those two different types of payouts essentially that occurred or were recovered by by CARES funds.

Ms. Bury: I just want to let you know that we did receive almost three million in CARES Act dollars. There are certain items that we will continue to have to budget for and pay for, regardless of whether COVID is here or not. So sanitizer is one, cleaning products, sanitation products. All those things we had budgeted for 2020, just not at the level that we needed to address COVID. So along with the payroll expenses, specifically public safety, that we used a large part of that reimbursement for, you'll still have items such as sanitizers, cleaning products, items along those lines. I can't off the top of my head give you a number or a percentage right now, because all of those items are included as part of a materials and supplies line. So it would take a deep dive into previous years to see what did we actually spend on hand sanitizer in previous years and what did we actually spend on cleaning supplies and what was the delta from last year to this year. But those are some of the things that will continue to be to be purchased even if COVID were no longer a part of the equation.

Mr. Larick: Sure. However, to facilitate discussion, I need some reasonable approximation a band of range, something to that effect, that helps me understand how much of this funds were things that are

expenditures, that CARES funds have covered that essentially are not a part of our future world. And how much are things that should, that we still have to pay for that CARES funds have given us some release, some relief with. I need some range.

Ms. Bury: We'll have to get back to you on that. Like I said, it's going to have to be a deep dive into the detail behind what we spend on materials and supplies and seeing what are those things that were purchased that are being purchased in excess to deal with a pandemic. So we'll have to get back to you on that one.

Mr. Schnetzer: Mr. Larrick, is that response an email to the group would be sufficient or do you think this is something that needs to come back?

Ms. Bowers: I've heard some discussion about whether or not the December 1 close out date is the right interpretation or whether there's an alternate interpretation. I was wondering if you could give us some guidance on that and whether or not you need any assistance from Council with regard to that advocacy around that date.

Ms. Bury: So they actually did. So House Bill 614 gave us a little bit of relief. They are allowing a longer close out period. So we basically have, we could actually spend up to the end of the year and then we have until January 31st to spend all those dollars that were encumbered that we actually made 2020 purchases on. Again, can only be 2020. So we can't pay for anything in 2021. But we will have January to run those funds out. And then the final report out is in February.

Ms. Bowers: And is that sufficient for Gahanna?

Ms. Bury: Yes, yeah. I think a lot of municipalities were struggling over that, that short turnaround, especially knowing how government finance kind of works. You know, you have to get everything appropriated. You have to get it encumbered. And we don't get our invoices the day that we purchase something. Right there is there could be a month to three month lag. So, yeah. So I was very happy with the changes that were made by that House bill.

Ms. Bowers: Ok, thank you.

Mr. Larick: Where I'm trying to get to is if the CARES funds are predominantly or heavily or significantly going to ongoing recurring costs, that I, from my own perspective and evaluation, have to consider that as funds that are not future available, which impacts the amount of dollars that I believe are available going into the future, which means I have to be

more restrictive in what I believe can be approved within this budget. With what I understand of a best case scenario, I'll try not to start with best case, because then typically we go to a less than best case, which is more painful. But in this case, a best case scenario seems to be that the funds that were not reflected in the original budget book, which is approximately a million dollars, I understand that there is more in total, improves the overspend, I don't like that word, but the additional spend beyond revenue this year improves it from being a little over two million to being maybe a little over a million. So that is more palatable, although I'm not comfortable being at that level. So where I'm getting to is now moving from asking questions to understand where everything is, to getting to a place where, from my perspective, what I believe is available to be expended, and where a level of spend beyond revenue that might be viable. And what what seems to be the place that has to be focused to is page I believe it's 51, which is the headcount and the adjustments to headcount. This isn't so much a must be the place, but it seems the most logical at this moment. And I would take any input that seems to make sense from the administration. I'm trying to get back to that page. That page is page 51, and the grand total on that page is approximately seven hundred and eighty five thousand dollars. It appears to me that that really can't be over half a million. And that still represents a spend beyond revenue. And so and we've talked a little bit about the the unappropriated funds being available and there is a purpose. I do recognize that, which is why I don't know that I have to be at a zero spend beyond revenue. But I also recognize that looking at our projections at the rate of the, so there's two pieces that go to this. At the projection of a 8% loss of revenue from today in 2021, a flat 22 and a flat 23 and a two percent increase in 24, if I recall those numbers correctly. Then that represents that we essentially have spent through any of our extra revenues on initial projections, with that being the plan from day one. And just that's that's a spending level that I'm not, I don't believe I'm comfortable with. But I'm trying to be accommodative. I'm trying to see how do we provide the most effective services and tools in the community while still being cognizant that we have an unknown fiscal future that we all hope will be better. Very well may not be. And, I live my own life in a way to be as conservative as possible with regard to making sure that I have the resources available to make sure my home and family are safe and having the dollars available should any type of situation occur. And I try to do the same with the city. All of that being said is, is I think I am looking forward to the numbers from Joann with regard to the CARES funds and how that basically how it recouped some expenditures that are effectively one time only versus the things that we need to be aware of with regard to ongoing. But on an initial first pass, I'm looking at us at a reduction that most likely comes from page 51 under a half million dollars. To a level underneath half a million.

Mr. Larick: Where I'm trying to get to is if the CARES funds are predominantly or heavily or significantly going to ongoing recurring costs, that I, from my own perspective and evaluation, have to consider that as funds that are not future available, which impacts the amount of dollars that I believe are available going into the future, which means I have to be more restrictive in what I believe can be approved within this budget. With what I understand of a best case scenario, I'll try not to start with best case, because then typically we go to a less than best case, which is more painful. But in this case, a best case scenario seems to be that the funds that were not reflected in the original budget book, which is approximately a million dollars, I understand that there is more in total, improves the overspend, I don't like that word, but the additional spend beyond revenue this year improves it from being a little over two million to being maybe a little over a million. So that is more palatable, although I'm not comfortable being at that level. So where I'm getting to is now moving from asking questions to understand where everything is, to getting to a place where, from my perspective, what I believe is available to be expended, and where a level of spend beyond revenue that might be viable. And what what seems to be the place that has to be focused to is page I believe it's 51, which is the headcount and the adjustments to headcount. This isn't so much a must be the place, but it seems the most logical at this moment. And I would take any input that seems to make sense from the administration. I'm trying to get back to that page. That page is page 51, and the grand total on that page is approximately seven hundred and eighty five thousand dollars. It appears to me that that really can't be over half a million. And that still represents a spend beyond revenue. And so and we've talked a little bit about the the unappropriated funds being available and there is a purpose. I do recognize that, which is why I don't know that I have to be at a zero spend beyond revenue. But I also recognize that looking at our projections at the rate of the, so there's two pieces that go to this. At the projection of a 8% loss of revenue from today in 2021, a flat 22 and a flat 23 and a two percent increase in 24, if I recall those numbers correctly. Then that represents that we essentially have spent through any of our extra revenues on initial projections, with that being the plan from day one. And just that's that's a spending level that I'm not, I don't believe I'm comfortable with. But I'm trying to be accommodative. I'm trying to see how do we provide the most effective services and tools in the community while still being cognizant that we have an unknown fiscal future that we all hope will be better. Very well may not be. And, I live my own life in a way to be as conservative as possible with regard to making sure that I have the resources available to make sure my home and family are safe and having the dollars available should any type of situation occur. And I try to do the same with the city. All of that being said is, is I think I am looking forward to the numbers

from Joann with regard to the CARES funds and how that basically how it recouped some expenditures that are effectively one time only versus the things that we need to be aware of with regard to ongoing. But on an initial first pass, I'm looking at us at a reduction that most likely comes from page 51 under a half million dollars. To a level underneath half a million.

Mr. Schnetzer: So what's the net trim there approximately?

Mr. Larick: Just under three hundred.

Mayor Jadwin: If I could, if we're going to look at a reduction of a of a certain number, I would actually respectfully request that council just give us a number that you would like to see reduced in the overall general fund budget and we will go back and look at what we've presented here to see what is the best way we can get to a number that you are comfortable with, keeping in mind what we know that we need to have here from a staffing standpoint. We've identified a number of projects already just this evening that need support. And we have been putting band aids on 2020. I'm going to take everybody back to March when we were just filling positions that have been vacated in much of 2019 And we put a lot of those positions on hold and we've been operating with a Band-Aid that is wearing thin. And, you know, a lot of people have a lot of things on their plate. We are working like dogs here right now, people working substantial hours just to try to get things done. And it is not long term sustainable for us. We need some help from a staffing standpoint. So I would I think the better play would be give us a number that you're comfortable with and we'll go back through the general fund period and figure out where we can make cuts otherwise, whether that's on page fifty one or elsewhere to get to a number that you are comfortable with.

Mr. Larick: So just for me, and then I'll finish, my number at the moment is roughly three hundred thousand with the information to be provided by Joann with regard to the CARES funding that could change either better or worse I don't know. I should say better or worse, but either a larger cut or a lesser cut, depending on what that looks like.

Mayor Jadwin: You want a cut of three hundred thousand or to get is that what you're looking at?

Mr. Larick: A cut of approximately three hundred, which takes that seven hundred and eightyish thousand page down to underneath five hundred thousand. Now again, I just use that as an example. And if you have other places that makes more sense from an administrative standpoint, I'm fine with that. In fact, that we spent an incessant amount of time in 2018

effectively begging an administration to provide an effective path forward. That didn't happen and council moved forward in other ways. I don't want to go down that path. I think it makes much more sense for full time permanent professionals to do that evaluation.

Mayor Jadwin: I very much appreciate that. And I think we need to evaluate what exactly we need to have here within the building of city hall and to actually effectively perform all of the services that our our residents need and want, as well as the programs that the council has asked us to provide. So I'm OK. And our team is prepared to go ahead and do that. If that's if that's if you give us a number, that's what we'll go back and do we have that dialogue.

Mr. Schnetzer: So I'm going to jump in here and just try and corral this for for just a second. So it seems that we've kind of naturally come to the the the sort of the transition here from asking questions to fact finding to, now, it seems like we've moved on or evolved into debating the merits of the ask. That was a lingering question for me as the Chair. Do we do we stop tonight's meeting at the questions and then come back and and do more of a debate of the merits of the budget? Or do we just continue on here at 9:45 tonight, just lobbing in our thoughts. And so I guess I'll ask the group what you all think is the best path forward as far as, again, as we've gone from the fact finding to now actually debating the merits of the various asks that are in the budget.

Mr. Renner: If you remember, Mr. Schnetzer, I did email you asking when are we going to do this transition from asking clarification questions to getting to this discussion. I think the mayor's memo **** I have not the time to actually read it, but I'm glad that Councilman Larick has started this discussion because it's a healthy discussion that we need to have. I'm not prepared to actually come up with a number at the moment, but I think we're on the right path. And I'll certainly join that next time that we actually regroup and I'll be prepared. But I think, I'm not wanting to advocate that we continue tonight because I think we need the time to digest this memo and we need time to go back and reflect on this. But the very next meeting, the Finance Committee meeting, I think we definitely need to start having these discussions.

Mr. Schnetzer: Mr. Renner, can I ask a question about that? Does the group have thoughts on what that might look like? Again, up to this point, we've been submitting questions in advance that allows the administration ample time to kind of come back and give us, full and robust answers, I'm trying to narrow the conversation down in a way that is for the sole purpose of it being productive. Is the heartburn here strictly the general fund, or are there are there other funds that need to be

addressed? Should we take them fund by fund? I could just see where this could maybe mushroom a little bit. And I don't know if you've given that much thought on how we carry on the conversation from this point on.

Mr. Larick: Just to Mr. Renner's point, getting late in the evening, it would seem to make sense that from ease of the administration to work through the many questions that may be coming, is that if we can provide some perspective, I want to be careful with, some perspective of questions to the administration in advance, like we have that get to a place of wherever any individual thinks they need to be. The administration can respond back to that at our next committee meeting. That way, we can all hear what kind of what those pictures look like. And then we end up having to make a decision of whether it's full funding or some reduced level of funding and whatever that level of funding might be. Wherever we said, we get to ask council to place that whatever is comfortable. And with that, I guess the only other add and then I'm done probably for the night, is it would seem to make sense that we have a meeting on the 30th. This the my peers are good with that.

At this point Committee member discussed scheduling an additional meeting which was scheduled for the evening of December 7, after the regular Council meeting. Questions by Council members will be submitted to the Chair of the Committee and forwarded to Administration to prepare for the December 7 meeting.

Meeting was adjourned at 10:00 p.m.