



City of Gahanna

Meeting Minutes

Finance Committee

200 South Hamilton Road
Gahanna, Ohio 43230

Michael Schnetzer, Chair

Brian D. Larick

Jamie Leeseberg

Karen J. Angelou

Brian Metzbower

Stephen A. Renner

Nancy McGregor

Kimberly Banning, CMC, Clerk of Council

Monday, December 12, 2016

Council Committee Rooms

Immediately following Committee of the Whole

CALL TO ORDER

Chair Schnetzer called the meeting to order 7:56 p.m.

2017 BUDGET DISCUSSION - CITY ADMINISTRATOR:

ORD-0118-2016 TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF GAHANNA, OHIO DURING THE FISCAL YEAR 2017.

Schnetzer asked for any prepared remarks; Teal said Bury will pass out a set of adjustments; depending on the will of Council, may be more; will have a revised Ordinance; will need amended on the next reading; also one final line item detail; there were a number of really great questions and thoughtful discussions through email over the past couple weeks; hopes all questions have been answered; knows there was discussion requested by Mr. Leeseberg from Mr. Priestas; in broad terms, the big changes you see is the change in going from 1 year to 2 years in water advance that we discussed last week; also heard a desire to implement an interest component; there were some changes in salaries and benefits; some from the finalization of the FOP contract; also with the end of open-enrollment.

Larick asked for a discussion on the bigger items for now; Schnetzer asked about water fund interest and investment earnings; will the fixed rate be set at the beginning; Bury said is set for the 5 year period; is 2% for the portion getting advanced in 2017 and 2.5% for the portion getting advanced in 2018; for entire repayment portion; Renner asked about the impact for residents and the rates; Schnetzer said it would be next to nothing; Franey said it would be an additional expense calculated; cannot actually say it would be a set amount; Bury said

interest would be around \$12K for 2018; Franey said cannot throw a rate out but can say it is an expense; will not be itemized out; will be included in expenses; Schnetzer said revenue in water is roughly \$9 million; Franey said revenue in water is \$7 - 7.5 million.

Priestas said there is no planning or design for the project; is a short section of roadway; looks like a small project but is very complicated with access points; and trying to incorporate pedestrian facilities; have not gotten detail in design; dollar amount is conservative; want to adequately address access management; Leeseberg asked if there is ability to do that in-house; Priestas said have ability but not bandwidth; Teal said why accelerated timeline; this is based on the first of the strategic results; the walkability; that was part of the rationale.

Schnetzer asked about if there is a benefit to having a single fixed rate to the entire portion; passed out a sheet for the treasury curve; explained the way these numbers are calculated; Bury said we know what the fixed rate is; makes it easier for us; and to ensure we are collecting; not opposed to using 2.5 for the years; Schnetzer said the current market supports what we are doing.

Larick said we have a pool line item that had a similar discussion last year; here we are asking for more on top of that on an item that has become contentious; pools are being put in the negative; we have many things that cost the City more than the revenue; not much value in this topic; have a level of funds that is out of line; Teal said in the aggregate of the big picture, nothing is as bad as we think it will be; we never know where exactly; when we look at a small program relative to the big general fund; it puts us in a challenge to reduce some line items in the pools in relation to staff and chemicals; has been our approach across budget areas to plan to pay for a position for the full amount of the year; we have not felt comfortable to reduce either line item to the worst case scenario; the way the operating supplement appears is different; in this case, for the pools; hard for us to make those reductions to line items; will reduce line items at the prerogative of Council; Larick said last year was \$90K and we are double that this year; we will not be close to that this year; we are multiples over what we are expected to be at; how do we access this; this comes back to the fact that pools seem to be unique; Franey said salt may not be comparable to pools; but natural gases are numbers based on crazy high years; try and hit somewhere in the middle; do not want to come back for supplementals; these can fluctuate from year to year; so many variables; Larick said we have had this discussion for several years and the numbers never seem to be the same; Teal said our strategy going into the budget this year, was the inclusion of the plan for aquatics; and with the performance team, will be a lot more discussion on aquatics; chose to treat this similar to how we have in

the past; fully expect that the 2018 budget will take a different approach; Larick asked what is the expected subsidy that occurred in 2015; Teal said \$109K; Bury can get information on the last 3 years; Teal said we budget for 200 line items; is \$300K more than last year; not changing the way we planned; what changes is the revenue; that changes on a dime and what is going on in the community; variable becomes revenue; expenses can go down but we cannot bank on that; Angelou said pools are a special situation because they depend on weather; very difficult; surprised it was not more; Teal said we had really good weather last year; we are conservative about revenue estimates; realistic about expenditure estimates; looks like we are really off base but this is a safe position; Angelou asked about a possibility for rates to go up to join the pool; Teal said there is not a plan for that right now; will discuss over the next year a revenue recovery; any not spent washes back into the General Fund; Angelou asked about Franey building up funds to purchase trucks; said it seems to have worked; Franey said it works very well; Angelou said always keeping money in where they need to go; Mayor Kneeland said this is different; Angelou said it is really good though to look at it; Larick said the actual spend is less than appropriated; and this is a safety number; while it is not ideal, it still appears that the pools are costing the City more than they are bringing in.

Larick asked about the Rocky Fork sidewalks; asked how we clarify that TIF funds will be used; Teal said we have a system for validating and recording TIF reimbursements; when there are allowable reimbursements; as funds appear, we will begin repayment schedules; those commitments are part of the bills that that TIF then makes; if this is a reimbursable expense we have to do research to get to that point.

Larick asked if there are ongoing funds to do a few projects; these are considered catch up; Teal said annual paving programs; some beginning in 2018; desirable to have ongoing revenue; at this point, we have a decision to pursue those projects or use operating dollars; we did not recommend making large offset reductions; Larick asked about the projects on the document sent out; if funds are gone; how do the next projects get done; Teal said great question; have begun to address this in the strategic plan; said Priestas has applied for grant dollars; look to TIF funds; understand we do not have a dedicated funding source for roads and infrastructure; Angelou asked if Priestas saw the increase for Hamilton to Trellis; Priestas said yes the increase was to 12.1 million.

Schnetzer said earlier in Committee of the Whole, the Parker fees; Teal said would reduce by \$175K if it is desired; Schnetzer said it is the desire.

Schnetzer said the Carpenter Road re-build; Teal said the design work is proposed with TIF dollars in 2017; Mayor Kneeland said it will be looked at by Development; Leeseberg said want to make sure we are being proactive; asked if we leave the \$60K in for design; Mayor Kneeland said if we take it out and there is rational cause to begin that process, hates to come back for a supplemental.

Teal said will email out an updated packet; will have the summary and the Ordinance with updated final line item details.

Renner asked about the status of prior year expenses; Bury said will start that after the budget is discussed; said within a week; can get the report run and match up expenses.

RECOMMENDATION: Regular Agenda, amend by substitution.

ADJOURNMENT

8:40 p.m.