

City of Gahanna

*200 South Hamilton Road
Gahanna, Ohio 43230*



Meeting Minutes

Monday, November 26, 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 Absent: Ryan P. Jolley

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

Additional Attendees:

Dottie Franey, Mike Andrako, Karl Wetherholt, General Williams, Brian Hoyt, Tony Collins, Dep. Chief Bell, Sue Wadley, Isobel Sherwood, Brandi Braun, Jennifer Teal, Anthony Jones, Shane Ewald, Price Finley from Bricker and Eckler, Press.

PENDING LEGISLATION:

ORD-0228-2012

TO APPROVE A DEBT POLICY FOR THE CITY OF GAHANNA

Renner called the meeting for Monday, November 26, 2012, to order; first on the agenda is the debt policy.

Teal said I will bring Price Finley from Bricker and Eckler with me; at committee 2 weeks ago we brought forward our proposed debt policy for the City; this is in response to legislation requiring a debt policy be created, Council adopt it, and then on a regular basis Council revisit and update it; Brad Sprague, our Municipal Finance Advisor, and I drafted the policy to hit some of the big picture items; situations in which we would use debt; ways we would do it; ways we would not do it like going after short term cash; provided the framework; if we go forward with a debt opportunity, these are the guidelines; if there is ever an issue outside the bounds of this policy, this says we would provide full disclosure; what we are asking for is approval at second reading; can answer any questions you may have.

Samuel said the timing is perfect; do it now when we don't have a situation requiring it. Wright said when the policy was created, what were the parameters used that say we will go back and revisit it to keep it current. Teal said the legislation passed earlier this year gives a minimum time frame and says we will revisit it every 7 years; considering the long scope of debt deals, that is reasonable; could be more frequent if something were to pop up; we would bring it forward but it would be up to Council to approve and adopt any changes. Wright said if you transition out, how would someone coming into your position know about the debt policy review; can we put it into the transition manual. Teal said certainly; there is a section in the budget document waiting for this to be laid in with information that it was adopted on a given date and is due for review on a given date.

Recommended for Adoption, Consent

ORD-0235-2012

AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$11,300,000 OF BONDS FOR THE PURPOSE OF REFUNDING BONDS ISSUED IN 2005 FOR VARIOUS MUNICIPAL PURPOSES, AUTHORIZING A BOND PURCHASE AGREEMENT APPROPRIATE FOR THE SALE OF THE BONDS, AND AUTHORIZING AN OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE BONDS.

Teal said at last Finance Committee meeting, we brought forward one piece of legislation, now split it into 2, which is a request to consider, and if conditions are favorable, move forward with refinancing a portion of our 2005 and potentially our 2007 bonds that are currently on the books; talked about it at length in committee and made some tweaks to the legislation that enhanced the fail safes; if conditions are not met we wouldn't go forward and there is an end date so this wouldn't be a blank check for the Finance Director; would end at the end of next year; what we are asking for, if you think

about your home mortgage; got that at 6.5% and now you can go out and get 3%; you can see we are not asking for debt to buy more things, but to buy back the debt we have at a much lower rate and create a savings opportunity for the City; our independent financial advisor looked at this and identified 2005 as a ripe candidate for this; we could have significant savings over the term of the debt and a real cash flow impact by reducing our cash outflow for debt service by \$65,000 a year; that looks like a great opportunity; the idea is if '05 is great opportunity now and the market moves fairly quickly and we can't predict what will happen next, in addition to proceeding on the '05 refunding, we could open the door in case there is an advantageous '07 deal; we could get the ball rolling on that as well; if nothing happens in the time period by the end of next year, we will ask again when the market is more favorable to do it.

Angelou said on the 2007 bonds, if it does not work out to refinance in 2013, would we come back right away in 2014 just in case. Teal said don't know the answer to that; would depend on what we see happening in the market at that time and what people would project for the outcome; if things are awful and don't look like they will get better any time soon, we would not waste your time; great to have the opportunity always open, but wouldn't want to push through legislation if there is no chance it would be used. Angelou said I am more comfortable with these separated. Teal agreed.

Samuel said could Teal or Finley show us in a diagram the steps when doing this; for example arbitrage, escrow account, different things involved with this and different figures you look at; can you make a simple explanation of how this works. Teal said could have given me a heads up there; I am sure you would like to see a well thought out answer rather than a spur of the moment one; could I get that to you. Samuel said sure.

Wright said as soon as this hits the papers, people are going to start asking questions, so could you present it during a formal Council meeting; hopefully people interested in it would come to the meeting and hear the explanations. Angelou said I wouldn't want anyone to think it is a new bond. Wright said we can explain that; it will give you more time.

Larick said this is up for 2nd reading next week. Teal said I want you to be aware of the time frame; we could pull something together for next week, but my hope would be that you would still give it 2nd reading.

Anderson said so can you be prepared to do that. Teal said I would be happy to do that; need to get a feel for what you want provided beyond what is in the report or if you just want it to look different. Anderson said the visual of a diagram is helpful; helps people who are visual connect the dots; make it easier and the simpler the better; important to have for the record. Teal said is '05 sufficient. Samuel said yes; '07 is iffy. Anderson said I think it should be mentioned.

Finley said in order to clarify my role, we are legal counsel, bond counsel we are called for issuance of the debt; we serve 2 primary purposes; to make sure all of your interests are protected; and second, at the end of the transaction when the bonds are issued, we can give an opinion that investors rely on when they purchase the bonds; the opinion has 2 features; one is the bonds are valid and binding obligations of the City under state law; and second interest on the bonds is excluded from gross income for federal tax purposes; that is a tax opinion; when we are dealing with a refunding, a key piece of that is that there are actual savings associated with the issuance of these bonds; we have to conclude that for each maturity of bonds that are refunded that there are savings when you compare the new bond debt service to the old bond debt service; it is a federal tax requirement; also the way the escrow needs to be structured in order to make sure that

when the escrow securities are purchased to pay off the old bonds that the yield on those investments doesn't exceed the yield on the bonds; we don't get into the financial piece; we rely on Teal and Prizm to do that; we do get pulled into it a little because of the legal issues related to these structures.

Anderson said if you could explain that relationship in your presentation; people could see the benefit to the City and be more comfortable with it. Teal said absolutely; we brought Finley tonight because he is the author of these ordinances; so if there are any questions about the structure or language in the ordinances, this would be a great opportunity to get those resolved.

Samuel asked is this the first time Gahanna has tried this. Teal said no; I looked back as far as I could in Legistar, and found in the early '90s the City was involved with a debt issuance related to a health care facility; we were helping to get it done as a partner; very quickly as part of the process it was turned around and refunded. Finley said we worked on that; it was Villages of Gahanna. Teal said this is not new; but we have very little debt in general so this is not something we would do very often.

Larick asked if Teal could publish the information in Friday's packet. Teal said ok. Sherwood said we will put these on Regular Agenda for 2nd Reading so the presentation can be done at that time.

Recommended for Adoption

ORD-0236-2012

AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$8,850,000 OF BONDS FOR THE PURPOSE OF REFUNDING BONDS ISSUED IN 2007 FOR VARIOUS MUNICIPAL PURPOSES, AUTHORIZING A BOND PURCHASE AGREEMENT APPROPRIATE FOR THE SALE OF THE BONDS, AND AUTHORIZING AN OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE BONDS.

See discussion under ORD-0235-2012 Advanced Refunding/2005 Bonds.

Recommended for Adoption

ISSUES - From Director of Finance:

Health Care Consortium Agreement

Teal said to provide background, we have been talking to you about the Health Care Consortium over the last year; one of the key factors about the Consortium is its existence is the result of the agreement of the governing bodies of each of the member entities that make it up; each of the members vote every 3 years to renew their term and make the Joint Self Insurance Agreement; that was included in your information; during the last 3 year term, there were some changes, some were housekeeping and clean up some were more substantive; this trust cycle, we have taken the feedback from the last year to heart and I helped author a section creating a mandatory reserve for the Consortium much like the City's mandatory reserve; the idea is over time the Consortium should accumulate the amount of money equal to approximately 3 months worth of claims; when we have times where we have a big spike in claims in excess of what we have planned, we have the resources on hand to deal with it as opposed to having to go back to member entities for an assessment like we did this year; the language that is new in the Self Insurance Agreement provided creates that; each member voted to approve that language; currently each of the members are working on this with their Councils to get this approved by the end of the year so we are good to go by January 1.

Angelou said are there any members dropping out. Teal said no, none are dropping out; we have one addition; Powell is on its way to join.

Wright said I addressed this at last committee; I am concerned so I am hoping this is on the forefront of issues to address with the Consortium; that would be adding domestic partner benefits; is there any update. Wadley said at our last Consortium meeting I did bring it up for discussion; we have started to explore it; I do not have a final answer to give you today; we are looking into it and having discussions so hopefully after the next Consortium meeting I will have an answer for you.

Larick said is there a description of what the out is should a municipality leave the Consortium. Teal said there is some very detailed language about what happens; that has not changed; there is an update; previously it stated that if they were going to pull out they had to do so by September 1; information coming in does not get here until the last week in August; and then a decision has to be made by September 1; created a stressful situation; we could not identify a reason why October 1 couldn't be just as good a date; moving forward if a member wants out, they have until October 1 to make the notification.

Anderson said as cities are added, are they required to go by the established rules and regulations. Teal said yes. Anderson said so if Powell is coming on board, they do so with what has been decided already. Teal said no; they come on with a January 1 date; that gets them in the new trust cycle. Anderson said you also mentioned that each member City Council is being approached; is that for the mandatory reserve. Teal said no, it is for the whole agreement; every City Council has to vote to approve the entire agreement every 3 years. Anderson said and if they do not. Teal said then they are not members. Anderson said going back to what Wright was asking, what would it take to make it happen. Wadley said the Consortium is looking into it. Anderson said was there discussion about the pros and cons; are they at a research stage; was there a certain sentiment; I am trying to get a feel for where they are with it. Wadley said this was one topic of many at the meeting; part of this is working with UMR to determine if we are able to do this, what impact will it have on our rates; it would open up our pool; so we are working with them on this information, and I had a follow up discussion with the consultant to determine if this is a possibility and if we choose to do this, what documentation is necessary; so it is really about finding out if we can do it; then if so, how do we do it; what steps do we need to take; and what is the impact on the cost of the plan. Anderson said I just wanted to gauge where we were in the process.

Wright asked if the City of Gahanna says they would like this piece, is it the Consortium that has to vote on opening up benefits to domestic partners; or is it up to each individual member that can offer it and then have their rates recalibrated. Wadley said it is possible each entity that can make the decision; that appears to be the answer but I do not want to commit to that 100% until I have all my ducks in a row.

Renner said to Teal, you need an emergency on this. Teal said yes because this does need to be in effect by December 31, 2012 so we can have insurance on January 1. Renner said so is everyone ok with 2nd reading on consent agenda with emergency language.

Wright said how soon do you think we can get some answers on the domestic partner question. Teal said the next Consortium meeting is the 2nd or 3rd week in December. Wadley said that is a separate issue; this legislation is saying we agree to participate in the Consortium; I would ask are you saying, if this is not an option, you would not want to renew with the Consortium. Wright said no; but I would imply that if this issue is on the back burner and not a forefront item, I would not want to see the legislation go through as an emergency, I would want it to take the regular course; if through your conversations and correspondence with me this becomes a big priority, which I have a

feeling it is, I would not have a problem with the emergency; that is why I was trying to get a feel for if this is a top priority that we can push to include, or is it something we will just get back to in a few months; maybe even 2013. Wadley said I do not see it taking that long to get the information; my concern is sometimes adding something like this is more complex than what we originally thought at the start; my concern is, if we don't do this as emergency, effective January 1, 2013, if I go to the doctor under the plan they are not going to pay my claim. Wright said right. Teal said no one in City Hall would have insurance on January 1. Wadley said we would be delaying everyone's insurance; I am just educating to make sure you are aware of that. Wright said I am fully aware of it; my push back would be, I would like to see this as a priority; and we are saying we have an outline; here is where we need to be to get it done; so it will be conversations that I will have with you guys outside of committee; I don't foresee a problem, but I wanted to get a feeling that this is a higher priority for us and that we are really looking into it and not putting it to the wayside. Wadley said it is a priority.

Larick said if this does not pass with emergency in the month of December, since it is understood that it takes 30 days, there would be no coverage for that span of time for any of the employees in the City of Gahanna. Teal said that is correct until whatever date it is effective. Wadley said that could impact some bargaining unit contracts. Angelou said what bargaining units are under this one. Wadley said there are 2; OPBA and the FOP. Angelou said it is just the Steelworkers that are not.

Angelou said did I hear you say that this could be each individual City making their own decision on this. Teal said each City makes decisions about some aspects of their plan design; we can determine our eligibility pool; other cities might define it differently; so with the current set up, some decisions are city by city and some have to be determined by the Consortium; with those decisions, the Consortium agrees on a menu; then the cities make their choices from the menu; what is on the menu is decided by the larger organization. Angelou said domestic partner benefits would have to be on the menu. Teal said right then we could choose it and I think that is where we are going with it; so there is discussion at the Consortium level and the Gahanna level to be had; we are one voice of 10; there is the Gahanna question we are working on as well; it does get hit from 2 fronts.

Wright said so is it on the menu. Teal said no, not currently.

Renner said so is everyone ok with 1st reading, no need to come back, 2nd reading, consent agenda with emergency. Larick asked Wright if he wanted consent or regular. Wright said he would have some additional conversations with some Directors and if I need to pull it from consent I will advise.

Wadley said if I get any additional information I will advise but there is no Consortium meeting prior to next committee.

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

ISSUES - From Director of Human Resources:

Part Time Salary Ordinance

Wadley said I have brought forward the 2013 Salary Ordinances for part time, command, supervisory which is classified, and unclassified; you can see from my memo that mostly what is captured is that minimum wage has increased effective January 1 and that affects only part time; the health insurance information is in there; I included in the

part time ordinance the addition of the part time paralegal which Ewald is going to bring forward this evening; there are no increases planned for at this time for any of the ordinances and no change to the salary range at this time; we are deferring that until completion of the salary study.

Angelou asked about a large number on page 4 of the part time ordinance. Wadley said they were errors; the 7.80 should be marked out; it changed to 7.90; the 7.70 should be 7.85.

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

Command Officers Salary Ordinance

See discussion under Part Time Salary Ordinance.

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

Supervisory Salary Ordinance

See discussion under Part Time Salary Ordinance.

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

Unclassified Salary Ordinance

See discussion under Part Time Salary Ordinance.

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

MOU/FOP Contract/Testing

Wadley said this is a Memorandum of Understanding; we are negotiating the current FOP contract; part of the change is to incorporate the charter changes regarding Civil Service; the current contract language still gives the duties for promotional exams to Civil Service; what we are doing is lining that up with the rest of Civil Service so that testing now becomes an HR function; the union is fine with it; we have tentatively agreed to do this with the new contract; the current concern is we have several sergeants who may retire before that contract; we would like to have the ability to administer the new process even if it is before the new contract is in place.

Renner said you were asking for emergency on this. Wadley said yes we need a waiver as well because we may have to test in January.

Recommendation: 1st Reading, waiver of 2nd reading, Consent Agenda; Emergency Language.

ISSUES - From City Attorney:

Create Position/Part time Paralegal

Ewald said we talked about the creation of a part time paralegal position earlier in the year; Jolley had asked for numbers and I said I would provide those at appropriations time; we are now at that time; what I found when reviewing the workload and type of work; and also considering the primary clerk is retiring next year, is that now would be a

good time to make the transition for next year; what I am asking for is the creation of a part time paralegal position; it does not include benefits; primary focus will be on certain skill sets I have identified for the job.

Samuel said will this lighten the load on contracted outside counsel use. Ewald said this position is going to be created within the budget; it is about \$4,500 less than we budgeted for in the scope that was provided to Council.

Wright asked how many hours can part time employees work. Wadley said anything under 40 hours is part time. Wright said to Ewald do you think this is enough. Ewald said I do; the work requirement is not for a full time position; our clerk who has the historical knowledge and expertise in the position is working 1/3 of her time for the City Attorney; so reducing that and adding the part time person will work out nicely.

Anderson said would this person be working less than 20 hours in order to not receive benefits. Ewald said the hours would be over 20. Wadley said part timers do not qualify for medical, dental and vision; they do qualify for a \$10,000 life insurance policy if they work more than 20 hours; this position would qualify for that if it will have an average of 30 hours. Anderson said but they do not qualify for medical and dental because they work fewer than 40 hours; can you delineate the issues the paralegal will be working on. Ewald said it would be to provide organizational skills; expertise in real estate; work on contractual obligations the City has outstanding and standardize forms across the City; bring some of our outsourced work back in house. Anderson said this would save some money. Ewald said at least off set.

Wright said this looks good on paper but it may be difficult to find someone; if your potential candidate says he needs benefits, would you be willing to come back to Council to advise us of that; some organizations offer some supplemental to cover some of the cost of benefits; if we get to that point, would you let us know. Ewald said if the job gets to that point, I would be more than happy to bring it back. Wadley said I would advise Council to be cautious with that; once you offer one thing it needs to go to everybody or you will get into discrimination charges. Angelou said one of the reasons we hire part time employees is to save the cost of benefits to the City; I could not support attempting to get benefits for part time people.

Wright said to be considered a paralegal you have to go to school and have training. Ewald said they have to go to school or have industry experience or both. Wadley said they may have a certificate. Angelou said there are a number of people in this economy that have college degrees, masters degrees, and doctorates that are working part time and they do not have benefits. Ewald said this is the creation of a part time position; full time is not needed.

Larick said having the expertise in house and doing these steps is a good approach.

Angelou said this person will be doing all your own secretarial work. Ewald said correct.

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

ISSUES - From Director of Parks & Recreation:

Supp. App./Creekside

Collins said Wetherholt is also here; Creekside has been a long project and Parks found the need for assistance from Service, Wetherholt specifically, to work through this particular component; we have a request for supplemental funding for \$45,000 to enable

us to proceed with testing in the Creekside Park and Plaza area to find out information that will help us to create a design set of plans for repair work that we know needs to be done; for example the steps in the front, pavers, most all related to drainage issues; we were very aware and conscious of the supplemental and waiver; we did not want to do that; however as mentioned we have been working on it a long time; now we know that December is a great time to get in and do this work; we can get in there and spot test with minimal impact on visitors; and we get the information back in time so we can spend the winter creating plans and plan the repair work when it is not our busy season of summer months.

Samuel asked which steps are you looking at; is it just one set or all steps to be looked at; have a feeling all of them need repair. Wetherholt said this particular exploratory project is to take a sample at the various places where there are problems to see what is underneath; then we can come up with a set of plans to correct all the steps and all the places that need to be repaired; it is being led by a forensic architect; he has contractors working with him so he can remove a piece and see what is there and then put it back.

Angelou said will this disturb the people coming to the light display and village. Collins said we will work closely with our contractor to minimize any impact; I believe we can do this in small enough areas with proper timing so it will have very little impact; we will also work with Strathmore to make sure their tenants are all aware of what we are doing and why; we think the window for testing is going to be pretty small; we will only have a week or two.

Renner said what is the full scope of work on this; are we only talking about destructive testing in certain places or the final result being the set of plans for all the issues. Collins said this would just be the testing; this gives us the analysis of what is there; then we will use the information and come back later with an architectural firm to design a set of plans. Renner said is this a contractor we already work with or do we need a new contract. Collins said it is a Professional Services Agreement; he is doing the work on an hourly basis.

Anderson said with the plan developed would the issues that are found be prioritized. Wetherholt said exactly.

Wright said what makes December a prime month to do this work; I would think the freezing and snow would make it harder. Wetherholt said it is a small enough project that the workers can fit this work in; the best reason is, if we find out what is going on in December, that means we can get the architects on board to do the design work of coming up with the larger solution in the winter; that means we will be ready to go in the spring and summer with full scale repairs.

Anderson said in winter with ice and snow and cracks that expand, why wouldn't spring be better. Wetherholt said then we are into an entirely different construction season; plans wouldn't be done until September or October and we would have missed the good construction season for repair. Collins said there has been enough information to evaluate now; every season there are problems; we can see the topical issues; we need to find out the sub surface issues; they are the same regardless of what happens on top. Wetherholt said when the stones are removed and you can look under there and see what is there we will know what needs to happen next regardless of season.

Angelou asked do we know what is supposed to be under there. Collins said yes. Angelou said so if it is not there then we have another issue. Collins said possibly; our challenge right now is making repairs; we would know from design and best

construction practices what is going on. Angelou said but we know what it should be; we had plans for those. Wetherholt said the plans weren't that specific; then it goes on to construction practices.

Larick said help me understand the testing; is this to get an understanding of everything so we can establish a plan of resolution for all of the issues; or is this simply steps in that direction. Collins said this is for resolution of 4 issues; what we believe is causing the majority of issues comes back to one primary problem with drainage and getting water off the site; targeting these areas will show us where the water is going and that will help us resolve issues down the road; there may be other things we have to investigate; this is our number 1 priority right now.

Anderson said this could impact our budget greatly; you mention best practices; as an analogy, when fixing a road, do you patch or resurface; for this location would the best practice be to pave the whole road or patch. Wetherholt said the intent is to build it back in a sustainable manner; find out whatever it is that is causing the drainage problems under there; and then to make those corrections. Collins said we don't know what is needed; we want to make sure long term it is sustainable; don't know the budget impact.

Angelou said do the drainage issues have anything to do with the drains and water coming in from parking lots. Collins said I don't believe that is related.

Recommendation: 1st Reading, waiver of 2nd reading, Consent Agenda.

ISSUES - From Clerk of Council:

Resolution Request from Dave Samuel

Sherwood said in your packets Friday was a draft resolution to honor Gatsby's for providing Thanksgiving meals for seniors for the last 30 years; Samuel asked for it; he will contact them to make sure they are present. Samuel said they can be present; what I found out, since we have been talking about the noise ordinance and going back and forth on that issue; is they have been offering food for the past 30 years; they even take it to the people's homes if they can't attend; that is free food and drinks at their restaurant; quite a service; one volunteer described what an emotional experience it was; about 20 volunteers cook donated food from all around town; thought it would be great to recognize them.

Renner said to Sherwood, you have already drafted the Resolution. Sherwood said it was attached to Friday Comments.

Wright said it is a great idea and I support it; shows we are trying to recognize them even though we may have had a minor disagreement.

Samuel said they are not the only group; there are many others; especially churches.

Recommendation: Resolution on Consent Agenda.

Organizational Meetings/Boards and Commissions

Sherwood said the organizational meetings for Boards and Commissions by Charter and certain sections of Code are set by Council; that is for Landscape Board, Parks and Rec Board, Civil Service Commission, and Planning Commission; I am requesting those be set the week of January 8 & 9; those 2 dates for those 4 Boards; the Mayor by Charter sets the BZA meeting; also asking to waive rule 5.20 of our Rules of Procedure to

dispense with a meeting on Monday, January 7, since you will be meeting on January 2 to organize; you would meet on January 2, then not again until Committees on January 14.

Wright said can we get clarification on the Landscape Board; how many times did they meet during 2012. Sherwood said they are required to meet 6 times; or did we reduce it to 4. Collins said I will have to go back through records to see how many times they ended up meeting. Sherwood said I believe the required number of meetings is 4; they can meet more. Anderson said based on her BZA experience, that is not a small amount of time.

Recommendation: Motion Resolution, Consent Agenda.

ISSUES - From Mayor & Director of Finance:

2013 Appropriations

Renner asked Teal to provide a short summary on the appropriations document to begin the discussion. Teal said what we are requesting is passage of not only the General Fund appropriation of 26.4 million dollars, but also all of the other funds detailed extensively in the Ordinance, Appendix B in your binder; the message that we keep revisiting here is, philosophically this is a very different budget; this says very strongly that this is what we believe is needed to sustain and run our programs currently offered; it does require the use of 3 million dollars of carryover; as we move forward, we can answer any questions you may have on any of the program areas such as what makes up those programs and services and what they are and what they do; because we have been so analytic in the data we have provided, I would hope that we can really talk about priorities; if there is a will to have a different number, let's talk about big picture priorities as opposed to little bits and pieces; any of my colleagues would tell you that we have cut the easy pieces a long time ago and this time should be spent on programs and priorities; we are all prepared to answer any questions; but the decisions here are on the big picture.

Renner said to Council how do you want to approach this; the issue is we have an expense budget and we are asking to use 3 million from the carryover reserve.

Wright said I see this as a clear picture of where we are going; we are a City not a bank so for the reserves we have, that should be the reason they were built up; the bigger picture is on the state level; the City needs to start lobbying those in power; which leads to a question I have; are these documents able to be sent to our State Representatives to make them fully aware of what we are facing. Teal said this is on the website as a PDF so it is a public document. Wright said I believe the representatives don't look at all that is online; we need to send a letter and we do need to make a big effort as a City; we have done wonderful work but we have to get the people who make state level decisions engaged; we need to show them we have a 3 million dollar budget hole that we are filling with reserves, maybe it would motivate them; I know when someone sends me a letter I am more apt to look deeper into it.

Anderson said I agree that a personal touch is always important no matter what your position; to add to that, I understand the 3 million dollars is needed, but I am concerned; we can't continue; we have to get the revenue from somewhere; so if we pass this using the 3 million this year, what happens next year if the money doesn't come from the state or other sources; are we talking about, as the Mayor said, raising taxes; or are we going to cut back more; I am still uncomfortable with what kind of Gahanna we want to live in; I am not convinced the citizens really realize the impact of what this is financially; it is

real, but appears abstract to others; having hesitantly voted in the past to take money from the reserves, and be the last to vote as names were called, knowing that if I didn't say yes the government would be shut down; here we are again and asking for more than when Samuel and I were on Council previously; it was a real threat that the government would have been shut down if we had not passed legislation; I would like to hear more discussion on what people have to say about taking money from the reserves; is it ok this year; then are we going to do it again next year.

Renner said before we go on, do we want to set a time constraint for the discussion tonight.

Angelou said we should set one; and I would like to point out one thing (held up a chart) on our survey 68% of the people said no tax increase; live within your budget.

Samuel said I believe I was recognized prior to Angelou speaking. Angelou said I am sorry, I was responding about the time constraint. Renner said do we want a time constraint.

Samuel said we need to discuss this issue; I think it would be ludicrous to not educate the public seeing what Angelou just pointed at, and ludicrous to not use the reserve, and ludicrous if we do not see the facts and realize we need to ask for a tax increase; the citizens make the final decision but we need to make the effort to educate them; if we think it is correct to ask for a tax increase, then we should do that; I believe Angelou wants a larger reserve and no income tax increase; is that correct.

Angelou said I ran and won my election because I said I would never ask for a tax increase; it is up to us to come up with the revenue; we have a wonderful Economic Development Department that is working day in and day out to bring businesses in here to help bring up revenue; every year we have brought in more money than we thought we were going to bring in; happened this year as well; my hope is as the economy gets better, that will cause our taxes to bring in more revenue; what is going to happen in terms of the national picture may well affect the City of Gahanna; we need to be very much aware of that and take it under consideration as we move ahead and spend some of the extra money. Samuel said did you ever ask for a tax increase. Angelou said this has been brought up by the Mayor several times; in 1986 we put a tax levy on the ballot; I don't know what the vote was on that but it did not pass; the people of Gahanna have never wanted that; we have a piggyback tax and a 1.5% income tax; that tax rate should be bringing businesses in here because they don't have to pay as much tax. Samuel said in the long run the citizens will have to decide; do they want Gahanna to be a great city or be in a bind like Reynoldsburg and other cities and go down hill. Angelou said are we in that difficulty now. Samuel said we could be in the near future. Angelou said anything can happen in the future.

Renner asked Larick if he wanted to add anything. Larick said not really to that particular discussion; my view on all of this, since the time I walked in the door; was part one to get an understanding of how this stuff all works; I was amazed at the complexity of the world of municipal finance; I have a much better grasp today than I did at that time; today's discussion, since there have been a few emails going around, should discuss supplementals; their purpose and role and how they work; I understand how they have been a part of the City of Gahanna operations since it began; it has essentially been a bucket to be freely drawn upon at any time; my way of doing business is to plan, and plan, and replan, and plan again; I fully understand that there are events that occur whether in the municipal environment or in my own personal life or the corporate world that cannot be literally foreseen; any things that do come up, once they

have come up once, you can understand and assess so you can determine whether it is something that needs to be planned for again or not; the Health Care Consortium is a classic example of that; they now have a reserve with a defined amount of money to be part of their plan; I think we have made great strides; my question to the administration would be, based on this budget as written, do you see a need with what you believe could still be out there, that will need a supplemental and is outside the scope of this document; if that is the case, it should be in here because you are aware of it; if that is not the case and we believe this is everything, I will be highly challenged to support a supplemental as the year progresses because we should have planned for those things that may occur; there are events that may occur beyond the level of what we may expect; that is viable to discuss and say how do we deal with that, maybe we draw from reserve; we should not simply be surprised because event X has occurred in almost any case; in my review of this document and all of the items that are in here, I am hard pressed to find fluff; the debate is do we live within our means or do we not; the first question is are we efficient; do we spend the money effectively; I believe it is; the next question is, even if it is spent effectively, are these the things we should be spending money on; that is really the great debate that we have; do we need to spend money on park X; do we need to spend the money to repave street Y; that is where the debate is because at the end of the day, it is taking those things out that gets us back to a level of not needing the reserve; that said in looking at this, I believe the things in this document are reasonable; from what I can see the things in here for 2013 are prudent for the City in a suburban environment that has drawn folks to a place where they want to enjoy their time, be able to move about, be able to recreate and enjoy their neighbors, and everything the community provides; at the same time I am looking ahead; how do we get beyond next year; I am still working on what I think the numbers should be, but I believe at the end of next year, we should be at a number in the reserve based on what is in the document, based on forecasted revenue and as long as we get to that place, that will reinforce for me that we are on a path that is going to get us to a certain place; I'm ok with spending the reserve because, number 1 there is 7.5 million dollars in it; if I look at it over the last years, how large has it been, has it been on a steady decline, no, not at all; has it been increasing dramatically; not that either; it is reasonable for me to say a portion of these funds being spent on things that are mandatory; for example, whether it is a police cruiser or road repavement, those are significant dollars that are in here that haven't been in here for quite awhile; I believe it is reasonable to take this minimal risk; there is always risk in everything we do; but we have to make a judgment, and my judgment is this is within reason; it is not going to send us over the edge or into bankruptcy as a municipality; we will not be forced to do dramatic things overnight because of this; we still have on top of where I believe we will end up a mandatory reserve set in our Code of over 5 million dollars that is still undefined as to what it should be spent for; we all use the word emergency but have not defined what that is; is an emergency a 1 year shortfall where we need to make an adjustment; or is it a wipe out of the City of Gahanna from a tornado; that is just as prudent a question as anything else; to determine an outline of those functions; I have spent a few minutes talking; generally speaking, as I see this, and we all still have more time to review and discuss this at the next committee meeting; I am comfortable with where this is; I have a few questions in my notes to send out; I would like to see the answers to those things; I think 2013 is a critical year; we will need to understand whether the things that have been funded at all, everything in there, are appropriate for our community and whether the people believe that these things are appropriate for our community; that answer has to be provided before there can be any discussion about a tax change; it doesn't matter about the tax change as a discussion topic; you can't have that debate without understanding what gets spent; what do people want and then from there what do we do to make that happen; is it possible to get Developmental increases at 1.5% that will give us sustainable revenue including all the things we need repeatedly year after year that we haven't done over the last 3 or 4

years.

Renner said we have still not decided on a time constraint; do we go until 8:30 or 9. Council agreed on a time check at 8:30. Renner said are there other comments on priorities and the 3 million carryover.

Wright said I understand what Larick is saying and believe he has pushed the administration and they have adapted; but to say that everything has to be planned so concisely is hard to do; that should be our goal to move toward; but supplementals are going to happen; I am not a big fan of them but you never know what may occur and to force the issue of everything has to be planned and replanned won't work as there is only so much you can do and when something occurs you deal with it; I think what is lacking in the whole conversation, and we saw in the forum is we are not engaging with the people; either they trust us a lot or they are not concerned with it; that would be the issue I see we need to move forward on; how can we get to the people to see what they actually want.

Samuel said I have a question for the administration; when preparing the appropriations, do you sit down and discuss a target on supplementals and putting money in appropriations for possible supplementals. Braun said we don't plan to take supplementals forward; we don't plan as a team to not put things in the appropriations so we can balance the budget and then come back later with supplementals; right now there are no supplementals planned for next year; can I promise you that there is no error or that we have not forgotten something; is there going to be an opportunity that comes up next year that we feel is worth bringing to Council; it is not a budget balancing strategy.

Angelou said the appropriations are written in a completely different form; now Capital Projects and Operating Capital are in the right place; because of that I think it will reduce the amount of supplementals; in past appropriations we had the budget number and then 3 million dollars of supplementals which are now already included; it is all clear now; so we should set as a priority that we don't want to see too many supplementals because they are included.

Teal said I am hopeful that this new format, particularly as it pertains to Capital projects, provides real substantive information that gives you the tools you need to make the policy decisions about funding or not funding; when we were giving a print out and verbal comments the tools were not as strong; so as we move forward we should be able to really justify asking for that money because we can prove to you what the need is, where it is, why it is needed, what led up to it; I am hopeful that by providing that we will develop that faith that when the ask is there it is backed up.

Angelou said I applauded this; it is a different approach, but a best practices approach; this makes sense; we always have excess money at the end which is good; we need to have a firm rainy day fund; and whether we decide what a rainy day is or not, it could be coming; we have great fears nationally; because we have that 4 million, maybe we could put another million in there, and say we won't touch it unless we have to; we have the Capital Improvement Fund which we have funded as a positive step; this approach is much better than in the past and clearer to all of us; doing things differently in Gahanna and that is alright.

Teal said our program managers have always managed this well; we just have not put it in a pretty book; hate for folks to think that we weren't thinking strategically before; we are just now putting it in a pretty book. Angelou said it is not just a pretty book; the information is much clearer; last year we had supplementals at our first meeting.

Renner said concerning appropriations, at the county, the training I have gotten there leads me to not take such a harsh stance; I don't believe it has to be a full year; we don't bring any supplementals in the first quarter and not so much in the second quarter; but as the year goes on, there is an acknowledgement that the whims of the federal and state governments may impact us and it does change things and forces us to have to go and get supplementals because something changed beyond our control; I agree this should be a planning document with the expenses we should have and I would not expect a supplemental until second quarter; which speaks more to planning and what happens with other governments outside our municipality.

Anderson said from my experience just like in law, there are these unforeseeable issues that come about that are nowhere on your radar; we should have some level of sensitivity to that; I know that happens from my experiences with voting machines; it is great to have a plan, but inevitably there is going to be a curve ball; figure out how to deal with it and pick up pieces and move forward; I agree this should be a planning document; this should be the ultimate of what everybody has thought about; but there should be some wiggle room; I am not clear yet on what that level should be; still thinking through some of these issues; look forward to talking to Directors as I go through this.

Renner said do we have the right programs and priorities and are we ok with using the 3 million from carryover.

Larick said we still have another opportunity to have discussion on this; at this point I do not see anything that needs to be addressed for approval of these appropriations; but we have 2 weeks before I need to make that final decision.

Larick clarified with Sherwood that this has not had 1st Reading; she advised it passes on January 2, 2013 with a waiver.

Samuel asked if all Council members' emails with questions are being shared. Renner said let's make sure we keep doing that.

Wright said he is deeply concerned about the possible replacement plans for Council's laptops to iPads; he has had discussions with IT but there is nothing really to share at this point.

Anderson asked are any of the priority 1 items, if we go down this road, and over the next couple of years, that cannot be funded further, is that an issue; I can check various Directors based on what they proposed; I hate to put money in something and then we can't continue and wind up being dead in our tracks on a particular issue; we need to think that through and not put a lot of money behind something that if we fail to continue funding will fall apart if we can't continue to fund it.

Braun said that is something we are working on. Teal said under Capital Initiatives, on the project pages, it shows the out year funding estimates; some of those recurring programs could be scaled back, but others like Hamilton Central, have components in coming years and it is absolutely the kind of issue we have to be concerned about; that data is there for you all to look at.

Angelou said what about the projects that have matches coming through; do we have those in the Capital? Teal said like the MORPC attributable funds; what we learned on the Tech Center connector, the large portion that is federal, we don't book that as revenue; if we have a portion that is our share, we would show that in there.

Angelou said another point I would like to make where each Director is taking monies and instead of spending them at the end keeping it in their accounts and saving it for larger requests; will go a long way to keeping within this budget; for example if Franey didn't use \$110,000 dollars on a project; that is to be held so when they have a large piece of equipment it doesn't require a supplemental; that is the right approach. Teal said to be clear there are certain areas where we would promote that and the equipment programs you mention are the best example; for general operational dollars, I am adamantly opposed to folks hoarding those funds for future years.

Recommendation; Back to Committee of the Whole in 2 Weeks.

Meeting Adjourned.

Della Brandenberger, Reporting