



# City of Gahanna

## Meeting Minutes

### Finance Committee

Office of the Clerk of Council  
200 South Hamilton Road  
Gahanna, Ohio 43230

*Michael Schnetzer, Chair, Karen J. Angelou, Ryan P. Jolley,  
Thomas R. Kneeland, Brian D. Larick, Jamie Leeseberg, Stephen A. Renner*

*Kimberly McWilliams, CMC, Clerk of Council*

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Monday, November 10, 2014

Council Committee Rooms

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#### Immediately Following Committee of the Whole

#### ITEM - From the Director of Finance

[2014-0174](#)

Transmittal Letter from the Mayor  
2015 Proposed Budget

Attachments:    [Transmittal Letter FINAL](#)  
[2015 Budget Final](#)

#### 1.        2015 Proposed Budget

Collins opened highlighting the twelve to thirteen month process for creating the financial picture; began in December 2013 with Administrative Planning Sessions; City has remained on task; proceeded to February meetings where Council and Administration worked together to discuss current state of the City, what actions we could take, planning future investments, how to involve to residents, and what a sustainable path would mean; effective communication remained a priority throughout the process; web communications outlined objectives and achieved outputs including completion of the reserve policy, as well as immediate operational decisions; Collins highlighted outputs from the process: the 2015 Appropriations Budget and Capital Improvement Plan; compiled a list of "must haves," risk calculation, validation of city services, and timeline of deliverable actions; Collins concluded that the intention is to identify an adoption consensus; Teal began with Sustainable Operating Model; outlined the basis of Sustainable Operating Model using 2014 figures; City must acknowledge that costs will increase over time from 2015-2019 and adjustments will be needed for a Five-Year Operation Plan to be effective and in accord with a Sustainable Operating Model; as such modest, but appropriate adjustments have been made; also included in Sustainable Operation Model is the Sustainable Operating Capital; philosophically the City needs to have a Five-Year plan to afford an appropriate amount of Sustainable Operating Capital and keep all expenses within yearly revenue. Franey noted the Sustainable Operating Capital is designed for what is needed to properly maintain currently owned infrastructure (i.e. properly maintain streets) and normal operations; Collins noted after working together we can develop a budget to cover the City's infrastructure, as well as one-time investments to

promote jobs, health, and safety improving the community as a whole; Teal stated the total 2015 budget request is \$58.2 million; Teal remembered a previous question by Kneeland at the last Committee meeting: income tax has gone up, why do we need this request; Teal noted, although income tax has increased, the other forms of revenue for the City have decreased substantially; grants are down, estate tax is now gone, interest and investment income is down as well; the new "normal" for the City cannot rely on previously reliable income; 2015 Budget proposal is a five year plan so in 2019 we will still be meeting our ongoing five year expenses; City is looking at a 0.5% increase from 2014 to 2015; income tax is 2/3 of total revenue; noted in 2007 income tax was half due to the current decrease of other incomes; 2014 to 2015 increase in salary is just under \$120,000 or just under 1%; filling more full time positions with part-time to reduce costs, but still maintaining consistency; General Fund expenditures Public Safety and Public Service are two largest departmental expenditures, approximately 50%; budget requests includes makeup on vehicle replacements from the general fund; pointed out Sustainable Operating Capital also funds completely the City's asphalt paving programs for 2015; in total the budget was balanced with \$1 million in excess reserves; included \$2.2 million in one-time capital investments, similar in Sustainable Operating Capital, and a \$1.9 million transfer to the Capital Improvement Fund; Teal stressed it's important to note that one-time resources do not include the Emergency Reserve; it does include Excess General Fund Reserves at \$10.2 million, Permanent Improvements Fund, and the Capital Improvement Fund at \$3.2 million (after the \$1.9 million transfer); one-time capital improvements includes finishing Hamilton Rd Central, first year widening the Morse Rd. -Trellis Rd., and completing street walks to schools; capital is also available in 2015 to keep the pools open; also included a strategic planning option for the City validating that the City is keeping with its plan; also necessary to hold money aside for Morse-Trellis completion; Teal outlined a placeholder for 3 million for economic development and jobs growth related investment; Teal noted a \$4.1 million Council request has been placed aside for litigation reserves; Teal highlighted the next steps for the City: plan will require meaningful discussion, if there are lingering questions for sustainable model; we are at the appropriate time to make decisions; quickly showcased the 2015 Budget Binder; page 1 document guide with contextual information for the reader; addresses "who are we"; when the budget was brought forth for approval; requesting a "whereas" for adoption as well; book provides a variety of fund explanations; Finance can provide additional reports if a different arrangement of information would be more helpful; page 37 outlines assumptions for expenditures; department narratives included as well; Teal clarified for reference Finance's sections; section includes departmental work chart, provided departmental descriptions, how does the department perform, priorities for the department, initiatives for the department and performance measures; revenues and expenditures included as well; Capital Improvement Sections include capital information sheets; next section is proprietary funds, followed by other funds section; TIF funds discussed on page 223; the appropriations ordinance included in book will outline what may be passed in budget ordinance; updates will be outlined should there be

changes; investment, emergency, and glossary follows; Teal reminded the Committee there are two upcoming meetings for further discussions, as well as three formal Council meetings; Teal welcomed questions to continue the collaborative process; soon budget.gahanna.gov will be live; Teal asked questions to be funneled through her and she will include everyone in discussion; Schnetzer noted how much of an improvement this is over previous budgets; budget book will be valuable when discussing the best options; allows Council to put their heads together and fund projects from one-time capital; Schnetzer asked Council how they want to tackle the issues; doesn't want to jump around the book; any ideas; Larick reminded budget@gahanna.gov is an email address for input, comments, and community progress towards working on the budget; additional reminder original process has evolved immensely and Council intends to reflect the public's opinion as often as possible and this helps incredibly; Larick not sure how to carve up discussion, will need a chance to go through book to give a recommendation; Schnetzer recommended carving up by department for discussion; Larick recommend questions should be distributed well before the next committee meeting; Leeseberg stated since we only have two more committee meetings it will be a tight timeframe; Schnetzer suggested a possible Saturday meeting; Kneeland noted the one-time capital project will require the most discussion; doesn't see the need for extra meetings if Council focuses on the one-time capital improvements expenditures; Angelou noted the book provides an excellent compendium of information; will assist greatly with decision making process; public will enjoy the inclusivity of the budget book.

**RECOMMENDATION: Back to Committee for further discussion.**