



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

Monday, July 28, 2014

Council Committee Rooms

Immediately Following Committee of the Whole

Present 6 - Brian D. Larick, Jamie Leeseberg, Karen J. Angelou, Michael Schnetzer,
Ryan P. Jolley, and Thomas R. Kneeland

Absent 1 - Stephen A. Renner

Additional Attendees:

City Attorney Ewald, Jennifer Teal, Dottie Franey, Sue Wadley, Rory Gaydos, Tony Collins, Karl Wetherholt, Niel Jurist, Gen. Williams, Clerk McWilliams, Michael Blackford, Press.

ITEMS - FROM DIRECTOR OF FINANCE

1. 2nd Quarter Financial Report

Schnetzer called the Finance Committee meeting for Monday, July 28, 2014 to order; first item is the report from Teal.

Teal provided Council members a copy of the 2nd Quarter Financial Report and gave a detailed review of the document; a copy is available in the Council office and on the City website.

Questions and comments;

Kneeland said on the investment maturity table you provided, where you show the risk of call, do you have a process that you use to predetermine where to roll money to or do you wait until it happens. Teal said none currently; that is one of the flaws in the old way we do business; we don't know if it will be called; it depends on the issuer and if things are favorable; with the old model working with broker dealers, when we have cash then we ask what is out there; the more proactive advisory model will be that we have a plan and a set of

objectives and be able to predict when cash will appear and a plan for taking care of it; we will be able to make the most of our money when it comes available. Kneeland said we will use more predictive analysis tools then. Teal said yes.

Schnetzer said if these are priced to the call we are modeling it as if they will be called. Teal said yes.

Larick said for the excess general fund reserves and the calculation of the emergency reserve can you quantify the change in calculation that impacted that. Teal said it went down a little bit; it was 6.2 million based on the planned revenue model; one of the flaws in that planned revenue was we didn't flush out what was planned revenue; if there was grant money, or one time anticipated money, or inter fund transfers booked as revenue but really are just accounting, those were artificially increasing that number; that was a benefit of stabilizing it to being planned operating expenses; as we move forward with the model that says our planned expenses won't exceed our regular operating revenue, those will be a very comparable number whether on the revenue or expense side.

Larick said for the calculation based on operating expenses; does that currently include street repairs and fleet replacement; the operating capital we have; items that are not salaries but always have to be done. Teal said my calculation excluded transfers and only looked to the general fund; a lot of those are ongoing in the capital improvement fund so they would necessarily be excluded; for equipment replacements it would include maintenance equipment that is a non capitalized item; don't remember bounds of calculation but don't believe it includes vehicle replacement because of coding. Larick said we need to look at the reserve policy and make sure, as was done in 2010 and 2011, since items were taken out of the budget that need to be in there, that doesn't artificially reduce the reserve; an item on our list should be to revisit that to figure out a way to accommodate those things. Teal said we have an approved policy for operating expenses; I have a departmental procedure that says calculate it like X; I will make sure that procedure is written to incorporate what we agree to be those ongoing operating expenses; would not include those items funded in the capital improvement fund; it is just the general fund reserve; if there is a decision to have a reserve in the capital improvement fund to cover those things, it would be a separate conversation. Larick said we need to vet all of that to come up with a good proposal.

Schnetzer said to understand how it is being calculated now, during the planning process, if we appropriated 2 million dollars into the capital improvement fund; that money even though booked as an

expense is not factored into the calculation. Teal said the transfer is not.

Kneeland said on the 2nd page overview underneath expenditures and other indicators, it would help me if we could provide data for those points; like total expenses for the year were 0.8 million dollars and 6% lower than year to date; what does that really mean. Teal said I tried to give you the bottom line of all the tables; all that data is in here in the actual tables themselves. Larick showed the report that contained the data.

Schnetzer said we are on pace with revenue to match 2013; the story here is year to date expenses are down; you made the comment that a lot of our expenses are midyear or back end loaded; based on your best forecast are we still projecting a positive carryover. Teal said yes.

Larick said for clarification, on other funds, 8th one down, 229 Court; is that the Court computer fund; I don't see computer; I see building. Teal said yes; if the other one is building then this one is computer.

2. Performance Dashboard

Teal handed out document titled Q2 2014 Performance Dashboard; a copy is available in the Council office; said not that different than Q1 despite some very in depth comments from Council members and members of staff; talk about why; historically we collected our performance data with a comparative performance program; this had a data set of about 5,000 measures; we collected as much as we could in year 1; in year 2 we determined it took more work to collect the data than we used; we scaled back to a different data set using the top 100 measures that communities really value and need; moving forward through 2013, we knew the ICMA got a lot of feedback on the 5,000 measure data set process and had a plan for a total update and re-release of their program; I wanted to wait until I saw what their new program would look like before we created new measurement standards; one of the big values of comparative performance is they provide all of the operational definitions, background work, descriptions of what to include or not, how to calculate it; all of the things that you may not recognize as important but when looking at hundreds become very onerous; last week I participated in a webinar about the rollout of ICMA's new program; very impressive; they and their partner will provide high end analytical engine software at a fraction of the cost of obtaining it by yourself; today my knowledge is

at the tip of the iceberg; we are in the beginning exploratory phase; their revised model is 900 measures; they now have different tiers of participation; it will be up to us to decide if we want bare bones or a high level of participation; we will be kicking off work on this in staff to determine if this still works for us; is this where we want to go; we will bring this feedback to Council to negotiate some common space on what will work; be able to provide examples and demonstrations; will be attending training this fall for kickoff 2014 year end data run; all of 2015 forward would be on the new platform if that is where we go; this is a way to maximize resources and do the best work once; this is the plan; it is a really good one.

Teal continued for the current document, made some tweaks; added some additional measures requested by departments; cleared some things up; Q1 and Q2 data are not year to date, only for that period; unless otherwise mentioned, this goes from April 1 to June 30; for a couple of items data was meaningless because of the timing component; used pool membership as an example; makes the numbers look funny; anything year to date is marked as such; added water and sewer measures; corrected City staffing counts; added new IT information; hopeful this starts to answer questions and that you will stick with us as it evolves; individual departments can answer questions about their measures.

Schnetzer said are general fund reserves in 2012 and 2013 calculated the old way. Teal said those are; Q2 is the first to be calculated the new way; I did go back and calculate Q1 the new way. Schnetzer said any plans to fix 2012 and 2013. Teal said not really because operating expense was not historically defined well.

Angelou said were there really 3,102 pot holes in Q1 and only 186 in Q2. Franey said yes; this answers the question as to how the bad winter was going to affect us.

Larick said for clarification, we have talked in the past about 130 center line miles of road versus this 325 number; how did we interpret that. Franey said a lane mile is, for example, like each lane of the 5 on Hamilton Road; center lane is right down the center. Larick said is this the standard going forward. Franey said yes for the lane miles. Larick said the 21 Police vehicles; does that include the ones on Science Boulevard. Franey said not sure; probably would but don't know at what point he takes them out of the count of active vehicles; probably included until sold.

Meeting adjourned.

Della Brandenberger, Reporting