



City of Gahanna

Meeting Minutes

Finance Committee

200 South Hamilton Road
Gahanna, Ohio 43230

Michael Schnetzer, Chair
Merisa K. Bowers
Jamille Jones
Nancy R. McGregor
Kaylee Padova
Stephen A. Renner
Trenton I. Weaver

Jeremy A. VanMeter, Clerk of Council

Monday, August 12, 2024

City Hall, Council Chambers

Immediately following Committee of the Whole beginning at 7:00 PM on August 12, 2024

A. CALL TO ORDER:

Councilmember Michael Schnetzer, Chair, called the meeting to order at 7:59 p.m. The agenda was published on August 9, 2024. Councilmembers Renner and Jones were absent. All other members were present for the meeting. There were no additions or corrections to the agenda.

B. DISCUSSIONS:

1. Quarterly Financial Report to Council

[2024-0147](#)

Quarter 2 Financial Report FY 2024

Director of Finance Joann Bury provided the Council with an update on the second quarter (Q2) financial results for all funds that receive income tax dollars. Her report included a summary of the Capital Improvement Program (CIP), income tax trends through the end of Q2, investment performance, and overall conclusions based on the Q2 results.

General Fund

Director Bury began by discussing the General Fund revenue, noting that the fund is at 56% of budget and is experiencing a 9% increase compared to 2023. Income tax collections are tracking as expected, with a 5% increase year-to-date, slightly above the 4% increase projected for 2024. She also highlighted that income tax collections are currently at 52%, which is on target for this point in the year. Additionally, property tax collections are at 65% for the first half of the year, suggesting that total collections for the year may exceed expectations, likely due to the recent sexennial reappraisal process. Director Bury also noted that interest and investment income is performing well, with no anticipated reduction in interest rates until possibly late in the year, though there is some pressure for earlier rate cuts.

Chairman Schnetzer inquired whether the finance projections accounted for a potential reduction in interest rates. Director Bury confirmed that the projections were based on the assumption that interest rates would hold steady, as set in July 2023, with no anticipated reduction until 2025.

Moving on to expenditures, Director Bury reported that the General Fund is at about 33% of the planned budget, reflecting an 11% increase over last year. The most significant increase was in contracted services, which included real estate taxes for the 825 Tech Center Drive property, where tax-exempt status is still pending a refund. Additionally, risk insurance costs, which were centralized under the Department of Administrative Services, contributed to the increase. This category also includes an assessment for changing insurance companies earlier in the year. On the salaries and benefits side, there was only a 1% increase compared to last year, partly due to a premium reduction from the city's health insurance provider, COHCC, and several ongoing vacancies. The current expenditure level is at 44% of the budget, which is slightly lower than expected due to these vacancies.

Councilmember Schnetzer asked if there were any questions from the Council regarding general fund expenditures, but no additional questions were raised.

Director Bury then addressed the impact on the fund balance, noting that transfers out for debt service and severance payments were accounted for, with \$4.6 million added back to the fund balance through the second quarter of 2024. This brings the total fund balance to \$40.2 million, of which \$13.9 million is in encumbrances. She reminded the Council that this encumbrance figure includes \$7 million in contingencies for the 825 Tech Center Drive project, contributing to the higher fund balance compared to 2023. The emergency reserve remains intact at \$8.45 million, leaving an unreserved fund balance of approximately \$17.8 million, which equates to about eight months of operational expenses. Director Bury concluded by asking if there were any further questions regarding the fund balance. There were none.

Special Revenue Funds

Director Bury continued her report by reviewing the performance of three special revenue funds compared to the budget for the year. She noted that revenue for these funds was tracking well, ranging from 53% to 68% of the budget, which is in line with expectations. Parks and Recreation was at 80% of budgeted revenue by the end of the second quarter, which was anticipated due to the peak season for their activities.

On the expenditure side, Director Bury reported that Public Safety expenditures were on target at 50% of the budget. Parks and Recreation expenditures were expected to continue increasing through the third quarter as the season progressed. The Public Service fund was slightly under budget, primarily due to delays in contracted services initiatives that were included in the budget. Additionally, the Public Service department still had some vacancies, though staffing levels were better than in 2023.

Director Bury then compared the performance of these funds to their performance in 2023. She noted a reduction in the Public Safety fund, which was expected due to a planned change in the allocation of income tax revenue. Parks and Recreation saw a 14% increase in revenue, largely driven by higher charges for services across all activities. The Public Service Fund showed a 29% increase in revenue compared to 2023, also driven by changes in income tax allocation.

On the expenditure side, Public Safety saw a 29% increase due to the addition of a fourth School Resource Officer (SRO). Parks and Recreation expenditures increased by 12%, reflecting planned increases in seasonal staffing. Public Service expenditures increased by 18%, consistent with the addition of more staff compared to the previous year.

Councilmember McGregor raised a question regarding the Public Safety Fund, noting that the fines and fees seemed to show a nearly 1,000% increase.

Director Bury clarified that the figure Councilmember McGregor referred to was a comparison of the budget versus actual revenue. She explained that this significant increase likely resulted from penalties and interest collected on delinquent income tax payments. The budget had anticipated a certain level of fines and fees, but the actual collections were much higher, leading to the large percentage increase.

Councilmember McGregor acknowledged the clarification, noting that she had been looking at budget versus actual figures. Director Bury confirmed the correction and moved forward with the report.

During the meeting, President Bowers raised a question regarding the financial slides being presented, specifically related to the 2023 percentage changes compared to 2024. She mentioned having difficulty understanding the slide that Director Bury was reviewing. Director Bury explained that the slide was a snapshot meant to align all three special revenue funds for comparison. She clarified that the detailed statements within the full report would provide a more comprehensive view. The slide showed the 2024 actual figures and the percentage change, but did not include the 2023 numbers due to space constraints.

President Bowers then sought clarification on the figures displayed. She referenced the Public Safety Fund, noting the \$667,918 actual revenue for Q2 in 2024 and asked if this represented a 13% decrease from what was budgeted and collected in Q2 of 2023.

Director Bury confirmed that this was correct and explained that the decrease was due to a reallocation of how income tax funds were deposited. She elaborated that the income tax allocation is determined by the net operating costs of the three areas-Public Safety, Parks and Recreation, and Public Service-and is divided up accordingly. In the 2024 budget, it was determined that Public Safety's allocation should be reduced while Public Service's

allocation needed to be increased, reflecting a change in the allocation of income tax dollars based on their respective net operating losses.

President Bowers inquired further, asking what specific operational changes had led to funds being moved from the Public Safety budget to the Public Service budget. Director Bury responded that she would need to review the Q2 report to provide details on the specific changes in allocation percentages. She noted that the information regarding income tax allocation percentages was included in the full report. Per the suggestion of Chairman Schnetzer, Director Bury offered to follow up with an email to provide the detailed explanation.

Capital Improvement Fund

Director Bury reported the Capital Improvement Fund's revenue collections were at 54%, which was on track, and noted an 18% increase in revenue over Q2 of 2023. This increase was primarily driven by the rise in income tax collections. Director Bury also highlighted the addition of investment income, which is related to the bond proceeds received. This investment income, or capitalized interest, is earned on the bond proceeds and can be used for the project if necessary. On the expenditure side, Director Bury reported that the fund was at about 4% of planned spending, but when encumbrances were included, the percentage increased to between 93% and 95%. She pointed out that the large change in net fund balances was due to the posting of debt proceeds, which were then quickly allocated to purchase orders, making up part of the \$72.6 million reserved for encumbrances, including those allocated for facility projects.

Income Taxes

After reviewing the Capital Improvement Fund, Director Bury provided an overview of income tax comparisons between 2023 and 2024 for the second quarter. She noted that the increase in withholding taxes was anticipated, reflecting ongoing economic development in the area. The decline in individual income tax collections was also expected, as 2023 had seen an anomaly in past collections. Finally, net profit taxes were following the trend of economic development, showing increases as expected.

Director Bury concluded her report and asked if there were any questions regarding the Capital Improvement Fund or the income tax comparison. Vice President Weaver noted the decline in individual withholding taxes compared to the previous year. He expressed curiosity about the normalization process following the high levels of the prior year, especially considering that wages were generally increasing.

Director Bury provided clarification, explaining that the reduction in individual withholding taxes was primarily due to the city's change to a 100% tax credit. This change had been expected to gradually reduce individual tax collections as more residents took advantage of the credit. Additionally, she noted that the larger-than-normal decrease was also influenced by two significant windfalls received from individual taxpayers in the previous year. These windfalls, which included penalties and interest, had inflated the individual tax

collections in 2023, making the current year's figures appear lower by comparison.

Vice President Weaver thanked Director Bury for the explanation and asked a follow-up question regarding the income tax report. He referenced the overview portion on page three, noting that the increase in the Parks and Recreation section was attributed to a change in the percentage of income tax distributed to the fund. He inquired about the nature of this change and what factors drove it. Director Bury responded that the details of this change would be included in the follow-up email she planned to send, providing further clarification. Vice President Weaver acknowledged this and thanked her for the forthcoming information.

Investments

Director Bury provided an update on the city's investment performance during the meeting. She reported that the city's investment income had increased by 32%, with STAR Ohio still yielding over 5%. The City's main investment portfolio, which had just under a 4% yield in the first quarter, had now exceeded 4%. Additionally, she provided an update on the 2-year Treasury, noting only a slight decrease, indicating that interest rates remained relatively steady.

Director Bury concluded her report with an analysis of current economic conditions. She observed a slight reduction in inflation from the first quarter, with the rate dropping from 3.5% to 3%. She noted that there had been no increase in interest rates since July 2023, and the Federal Reserve was not expected to change rates until inflation decreased by an additional 1%. However, she cautioned that recent economic turmoil might put pressure on the Federal Reserve to lower interest rates sooner than anticipated. Looking ahead, Director Bury projected continued economic growth through 2024, which would likely result in both increased revenue and expenditures for the city.

2. Requested Amended Capital Improvement Plan (CIP)

[ORD-0049-2024](#) AN ORDINANCE TO AMEND THE CITY OF GAHANNA 2023-2027 CAPITAL IMPROVEMENT PLAN AS ADOPTED BY ORD-0060-2023 AND SUBSEQUENTLY AMENDED BY ORD-0024-2024

Kevin Schultz, Senior Director of Operations, provided the Council with the annual update on the Capital Improvement Plan (CIP). He began by reminding the Council that the CIP was adopted around this time last year and that a draft version of the current update had been provided to the Council during the July 15th meeting. Director Schultz emphasized that the core narrative of the CIP, comprising pages 1 through 37, had changed very little since the last adoption. However, the summary tables within each section, which detail various projects, had been updated to reflect the current status of projects, financial information, and the addition of new projects. He highlighted that the CIP is a dynamic, working document that is continuously updated as new information and changes arise throughout the year. He explained that the CIP

serves as a planning and management tool for the city, inventorying a wide range of projects from physical infrastructure and parks to equipment purchases. The plan prioritizes and ranks these projects, providing justifications and timelines for their completion. He noted that the CIP links strategic plans with financial resources, ensuring that the City can effectively and efficiently allocate its limited financial resources.

Director Schultz discussed various plans currently under update that will further inform the CIP moving forward. These include the City's Strategic Plan, the Thoroughfare Plan, and an Aquatics Master Plan, which will build on the Parks Master Plan from 2023. He mentioned that community input, such as feedback from the recent Jubilee event, would also inform these plans and, consequently, the CIP. He also reviewed the funding mechanisms for the CIP, noting that it is not solely reliant on Issue 12 dollars but also incorporates water capital funds, sewer capital funds, court building funds, TIFs, grants, and other funding sources.

Director Schultz outlined the process by which projects are assessed, proposed, and incorporated into the CIP. Departments assess the need for a project and create a project worksheet, which is submitted through the appropriate channels and reviewed by the CIP Advisory Committee. If action is required by the City Council, such as approving supplemental funding, that action is taken and the project is incorporated into the CIP during the annual update process. He also reminded the Council of the promise made last year that quarterly updates on the CIP would be provided as part of Director Bury's quarterly financial reports. Additionally, the Council would receive the annual capital budget as part of the regular budget cycle in October. Director Schultz noted that the July presentation included a list of anticipated projects for the 2025 budget, which would be further discussed at the CIP Advisory Committee meeting scheduled for the following day. He assured the Council that the list was still being refined and that the finalized list would be presented along with the regular operating budget. Director Schultz reiterated the importance of the CIP as a tool for managing the city's resources and projects effectively, and he looked forward to continuing the process with the CIP Advisory Committee and the City Council.

Director Schultz provided the Council with an update on completed, ongoing, and canceled projects in the CIP. He began by highlighting a range of projects completed since the summer of 2023. These projects varied in scope, from large-scale undertakings such as the Havens Corners waterline replacement and the Claycraft waterline replacement, to smaller projects like golf course irrigation repairs. He estimated that approximately 22 to 25 different projects had been completed over the past 12 to 15 months. These projects spanned various areas, including infrastructure, parks, and equipment purchases. Continuing with completed projects, Director Schultz mentioned smaller-scale projects, such as the installation of new roofs on concession stands at the Gahanna Swimming Pool and new starter blocks, all of which met the definition of capital improvements. He also noted that the list included technology-related projects and equipment purchases, particularly heavy equipment, fleet vehicles, and police cruisers. Significant progress had been made in updating the City's equipment, thanks to the efforts of Mr.

Wybensinger, along with the superintendent and Director Anverse at the fleet facility. This progress ensured that outdated equipment was replaced, reducing maintenance costs. Director Schultz also highlighted two technical projects related to asset management and code and permitting management software, both of which had been completed within the last 12 to 15 months. He then moved on to projects currently underway, noting several significant ones. Among these was the I-270 and Hamilton Road exit improvement project, which had recently begun. Director Schultz acknowledged the inconvenience this construction would cause over the next 15 months, particularly due to the early closure of the easternmost lane of the bridge, but emphasized the long-term benefits once the project was completed.

Other ongoing projects included the Taylor Station and Claycraft roundabout, which Director Schultz described as another major improvement despite the temporary disruptions it would cause. He also mentioned the upcoming construction of the Academy Park mountain bike trail, scheduled to begin on Sunday, as well as the replacement of the deck on the upper portion of the golf course clubhouse. Additionally, the transformation of the 825 Tech Center Drive facility and the upgrade of the police dispatch and record system were highlighted as key ongoing projects. Director Schultz then addressed a canceled project, the Havens Corners Road Hawk Signal. After extensive discussions and in coordination with the school district, it was decided to remove this project from the CIP. The decision was made because off-site parking would no longer be necessary following school construction, making the \$700,000 Hawk signal redundant. The crosswalk associated with this project would also be removed, directing pedestrians to use signalized intersections designed for safe crossing. Director Schultz concluded by pausing to allow for any questions or comments from the Council.

Councilmember McGregor raised a concern regarding the removal of the crosswalk at Havens Corners Road. She questioned whether students would actually walk to the signalized intersection at the corner to cross the street, or if they would be more likely to take the shortest route and cross without a designated crosswalk, given typical teenage behavior.

Director Schultz acknowledged Councilmember McGregor's concern, stating that students would always be encouraged to use the signalized intersection at Hamilton Road and Havens Corners. However, he recognized that if students chose to jaywalk, it would be at their own risk. He explained that part of the challenge in that location is the road configuration, where it transitions from one lane in each direction to two lanes. This transition creates additional pedestrian conflicts and motorist confusion, as drivers may attempt to go around others due to the road's widening, thereby increasing the risk of accidents. Director Schultz emphasized that the decision to remove the crosswalk was not made solely by the City but in coordination with the school and public safety officials. He reiterated that while pedestrians have the option to cross the road at any point, the safest course of action would be to use the signalized intersection.

Director Schultz provided the Council with an update on various projects that had been added to the CIP throughout the year. He began by noting that some

of these projects had already been presented to the Council, such as the Wynne Ridge Bridge reconstruction, which had progressed through the process and received permission to bid. Director Schultz highlighted several new projects added to the CIP. One of these was the Gary Lee intersection alignment, which involves aligning the intersection with the new high school entrance and egress point, as well as improvements to ingress at Middle School East. These roadway improvements, including the addition of a left-turn lane into the school on Clotts Road, were required by the City and added to the project list. He also mentioned the Hamilton and Granville Road maintenance project, known as the ODOT Urban Paving project, which involves repaving the section of road from the southern border of Gahanna to Granville Street, continuing left on Granville Street to Lincoln Circle. Another addition was the Taylor Road water line replacement, which was included based on a water study completed in late 2023 and early 2024.

Director Schultz further discussed the much-anticipated trail multi-use tunnel and drainage improvements for the trail that goes under Morse Road and extends into New Albany. He also touched on several public safety-related projects, including the emergency alert siren upgrades. The siren located on the property near the current City offices needs to be relocated and upgraded due to the City's move to 825 Tech Center Drive. Chief Spence has been coordinating with Emergency Management to determine the latest technology for tornado and emergency alert sirens, ensuring citywide coverage. Several sirens nearing the end of their life cycle are expected to be upgraded in 2025. Another significant project added to the CIP is the virtual reality (VR) police simulator, which is scheduled for 2026. This simulator will be installed next to the firing range at 825 Tech Center Drive and will provide situational training opportunities for officers in the public safety community. Additionally, the Live Scan fingerprint system, which processes fingerprints and checks for criminal histories and warrants, was added to the CIP. This system will also be presented to the CIP advisory committee for further consideration. Director Schultz explained that completed projects are highlighted in red in the CIP document, primarily in the status column. He mentioned that these projects would remain in the updated document for one cycle, allowing the public to see the project's progression from initiation to completion. After this cycle, the completed projects would no longer be featured in the document but would remain in the historical records of the CIP. He concluded his presentation by opening the floor for any questions from the Council.

Councilmember McGregor expressed concern about the decision to remove the crosswalk at Havens Corners Road. She stated that she believed it was unwise to take out the crosswalk, noting that students, particularly those parking behind the church, would likely take the shortest route, even without a designated crosswalk. She acknowledged that the speed limit in the area is 20 miles per hour but emphasized that removing the crosswalk could lead to unsafe behavior by students attempting to cross the road.

President Bowers asked for more background on the discussions and decision-making process that led to the removal of the crosswalk.

Director Schultz provided an overview of the discussions that took place

during regular operations meetings with school officials, including the superintendent, the new Chief Operating Officer (COO), Director Komlanc (the City's Director of Engineering), and Chief Spence. He explained that the decision to remove the crosswalk was made jointly with input from the school district and public safety officials. The decision was influenced by several factors, including planned improvements at the signalized intersection of Havens Corners and Hamilton Road, which the City is currently executing.

President Bowers inquired about potential mitigation strategies, such as having officers present during school dismissal or arrival times.

Director Schultz responded that signage would be placed on both sides of the former crosswalk, indicating that it is closed and directing pedestrians to use the signalized intersection. He noted that a physical barrier would be in place, and the sidewalk on the south side of Havens Corners would be closed due to construction. As a result, students would not have to walk much farther to reach the signalized intersection. He also mentioned that recent improvements, such as removing a monument sign that previously obstructed the intersection, had been made to ensure safer pedestrian movement.

Mayor Jadwin added that one of the concerns was that the sidewalk on the school side is not accessible due to the construction zone, making it unsafe for students to walk there even if they crossed the road. She emphasized that the decision to remove the crosswalk was made collaboratively, with input from engineering, public safety, and school officials, all aiming to ensure the safest possible passage for students.

Chief Spence further supported the decision, explaining that the ongoing construction at the high school, particularly near the north end where overhead work is being done, creates significant safety risks. He highlighted the proximity of the construction zone to the roadway and noted that the safest intersection for crossing is at Hamilton and Granville, which is equipped with pedestrian islands, safety zones, lights, and enunciators. Chief Spence mentioned that the construction will continue to impact the area, and ensuring that students cross at the safest possible intersection is crucial, especially given the environmental concerns related to the construction. In conclusion, Chief Spence reiterated that the removal of the crosswalk was deemed necessary from a safety perspective, given the current and ongoing construction challenges in the area.

Chairman Schnetzer inquired if there was an ask from the Council regarding Ordinance 0049-2024. Director Schultz confirmed the request, stating that the administration respectfully sought the adoption of an ordinance for the annual update to the 2023-2027 Capital Improvement Plan. He welcomed any additional questions from the Council.

Vice President Weaver expressed his appreciation for the progress on the trail drainage under Morse Road, noting the positive feedback from residents and the presence of an advocate for bicycle safety. He also inquired about the Virtual Reality (VR) police simulator mentioned earlier, referencing a tour of a

similar facility in Westerville. He asked for clarification on whether the funding for this simulator was included in the construction budget for 825 Tech Center Drive or if it was a separate item. Director Schultz clarified that the VR police simulator was not part of the construction project for 825 Tech Center Drive but was instead a post-construction item.

Director Schultz also added information regarding the Clark State Road feasibility study being undertaken by the county engineer's office. He noted that while two trail projects (PK 2406 Hannah to Headley Connector Trail and PK 2903 Theori Avenue to North Hamilton Road Trail) were listed as currently in planning within the CIP, the feasibility study itself was funded out of the General Fund and not classified as a capital item.

Chairman Schnetzer then asked the Council for their preference regarding Ordinance 0049-2024, specifically whether it should go on the regular agenda for a first reading or return to the committee for further discussion.

Vice President Weaver suggested that the ordinance could proceed to the regular agenda for the first reading. Councilmember McGregor agreed, stating there was no need for the ordinance to return to the committee.

President Bowers proposed leaving the option open for their colleagues who were not present. She suggested that if either Mr. Renner or Ms. Jones wanted the ordinance to return to the committee, they should inform Clerk VanMeter, and it could be brought back. Otherwise, the ordinance could proceed to the first reading and then to the consent agenda. Chairman Schnetzer agreed with this approach and asked Clerk VanMeter to set a reminder to follow up with the absent members. Clerk VanMeter confirmed that he would do so.

Recommendation: Introduction/First Reading on Regular Agenda on 8/19/2024; Second Reading/Adoption on Consent Agenda on 9/3/2024.

3. Supplemental Appropriations Request

[ORD-0050-2024](#) AN ORDINANCE AUTHORIZING SUPPLEMENTAL APPROPRIATIONS AND WAIVING SECOND READING - Workers' Compensation Fund (9000) Contract Services

Miranda Vollmer, Senior Director of Administrative Services, presented a request to the Council to add \$418,000 from the unappropriated fund balance of the Workers' Compensation Fund to Contract Services. This request was made to cover two settlements that the City successfully negotiated last month. Additionally, Director Vollmer mentioned that the request included extra funds to address the higher-than-anticipated claims that have been trending this year.

Recommendation: Introduction/First Reading with Waiver and Adoption on Regular Agenda on 8/19/2024.

C. ADJOURNMENT:

With no further business before the Finance Committee, the Chair adjourned the meeting at 8:58 p.m.

Jeremy A. VanMeter
Clerk of Council

*APPROVED by the Finance Committee, this
day of 2024.*

Michael Schnetzer