

City of Gahanna

*200 South Hamilton Road
Gahanna, Ohio 43230*



Meeting Minutes - Final

Monday, July 22, 2013

7:00 PM

Council Committee Rooms

Committee of the Whole

Ryan P. Jolley, Chair

Beryl D. Anderson

Karen J. Angelou

Brian D. Larick

Stephen A. Renner

David L. Samuel

Brandon Wright

Present 6 - Stephen A. Renner, Ryan P. Jolley, Brandon Wright, Beryl D. Anderson, Karen J. Angelou, and Brian D. Larick

Absent 1 - David L. Samuel

Additional Attendees:

Isobel Sherwood, Dottie Franey, Karl Wetherholt, Mike Andrako, Jennifer Teal, Anthony Jones, Chief Murphy, Shane Ewald, Press.

PENDING LEGISLATION:

ORD-0107-2013 TO AUTHORIZE THE MAYOR TO ENTER INTO LETTER OF AGREEMENT WITH ARGUS GROWTH CONSULTANTS, LTD. TO PROVIDE TAX INCENTIVE MANAGEMENT SERVICES; AND TO SUPPLEMENTALLY APPROPRIATE \$20,000.

Attachments: [ORD-0107-2013.pdf](#)

Jolley called the meeting for Monday July 22, 2013 to order; starting with pending legislation for the Letter of Agreement for Argus Growth.

Teal said I brought this to Finance Committee 2 weeks ago; due to timing, we got it a few minutes before that meeting, we wanted to bring it to the larger group to see if there are any additional questions; to recap this would be funded by each of the currently active fund generating TIF's (Tax Increment Financing); this would go a long way to insure that the records for each of these TIF's are accurate and that they are generating the full amount of revenue that we believe they should be; it is an allowable expense for the TIF's to pay these administrative expenses; part of what we are hoping to leverage here is for them to do the grunt work, then we could develop the tools and be able to carry this on; for context, there are many cities who do this work on their own; when you look at our current active TIF's we have over 750 parcels and a significant amount of research on each of those parcels would be included in this review; that is why we are looking for outside help.

Angelou said who has been dealing with this on a daily basis now. Teal said currently my office manages the receipt of the TIF funds; our use of TIF's has been increasing; one of our objectives for this project that we get from the folks who do this everyday and know best practices, is to firm up and formalize our internal polices including who internally should be handling which pieces of TIF development and administration; currently we receive reports from the county when we get our TIF distributions and we run those through some models that calculate the amounts that are due different parties; what we have not done is an historical parcel by parcel review at the county to determine that at every step of valuation they have been calculating our base and our increment correctly; it is a very labor intensive process that requires not only skill but some contacts that we have not had the time to work on; when we were not using TIF's as intensely, it was more manageable; now it is a bigger deal; we are looking more and more at using TIF's so we want to make sure we have a solid foundation and that we are getting every dollar that is due to the City.

Angelou said do you think that there have been some dollars lost because this hasn't been done. Teal said it is very common for there to be base valuation errors in developing areas; the areas that a TIF would impact are soon to be developed and

parcels split, and merge, and one parcel today could be 3 parcels tomorrow; the opportunities for the base value to be incorrectly recorded by the county are many; that is one of the most common findings by these folks in these types of audits; as parcels change hands repeatedly and additional ones are created, are those parcels even included in the TIF listing; if 1 becomes 3 are all 3 of those parcels coded into the TIF; it requires an in depth look to have the confidence that it is all included.

Angelou said if this passes and we hire this firm, how long do they think it will take to oversee the 750 parcels to insure this. Teal said they can work fairly quickly depending on how quickly we get them information and on how complicated it is once they get in there; a piece of the TIF calculation is the annual school compensation payment; we made one a few weeks ago; my goal would be, whatever the outcome is but especially if there are changes, that next year's tax bills go out correctly; and subsequently collection and our school district payments are on track; looking at by the end of the year the bulk of the research work is done and then if there are follow up steps, corrective actions, or process refinements we would continue to work on it from there. Angelou said if they find some large pieces that are not based correctly, could this mean back money coming in. Teal said absolutely. Angelou said and if we have paid too much to the schools, or not enough, that would also be adjusted at that time. Teal said yes and I would imagine that shakeout happening next year; we have received things like this in the past when as we go through historical records, something was calculated incorrectly; the county sends us money twice a year from real estate distributions; if something wasn't included in the TIF but should have been the other entities would be notified of the correction and any decrease explained; it will play out in the distributions next year.

Larick said how far back does that claw back. Teal said can't answer that off the top of my head; when we had one of these previously, it was many years. Jones said it was for the entire term.

Wright said maybe you could get back to us on what that look back period is so we can be aware. Teal said we will verify that; what Jones is saying is correct, but I believe it is true that it is from the inception of the particular TIF; if the TIF was created 5 years ago they would look back 5 years. Wright said most of our TIF's are not in their infancy; they are ready to mature off. Teal said no; all have a 30 year term; we have had one mature 2 years ago; the others are in years 5 to 10; we still have a substantial opportunity for growth. Wright said I see a lot of changes to this coming down the pike in my time spent at the Statehouse; does this company offer any lobbying services; right now changes to TIF's are being looked at by the House with legislation that will impact us greatly. Teal said Argus Growth Consultants is an arm of Bricker and Eckler which is an influential public finance law firm in Central Ohio; you may remember Price Finley who did bond refunding with me; he is a partner, and a very well respected, influential partner in this field; we would not go out and hire him to lobby on our behalf but they definitely have their finger on the pulse of what is happening in economic development and financing and have as much influence in this area as anyone is going to have. Wright said has the administration looked at something with regard to lobbying because I have looked at the legislation and the language does look like it will be impactful not only to Gahanna but any municipality who deals with TIF's; I think it would be of value. Teal said I have not been informed of any; will say we rely heavily on the groups that aggregate the interests of many municipalities like MORPC, or when it is a tax issue RITA, for other things, OML; those organizations have the staff and expertise and know how; our dues go a long way towards those efforts as they come all together. Jolley said OML is taking the lead on HB 5.

ISSUES - From Director of Public Service:

Taylor Road Booster Station & Water Main Extension

Franey said in preparing for the development of the Central Park area, we had targeted the install of a 2nd booster station for year 2017 in our 5 year plan; we have determined that we need to move that up in order to secure appropriate fire flows for the area; we would like to move the project up so right now we are asking for legislation to put through the consultant contract for the design of this booster station and the extension of the 16 inch water main; that will close a loop in the area; the amount is \$165,195; we are asking it to be supplemental appropriated from the water capital improvement fund to cover this.

Angelou asked did the fire department do the water flows or was that engineering. Franey said that was done by a consultant for us.

Larick said was there a change in the expectation for the demand versus what was originally expected when Niagara was having discussions. Franey said when we first did the 5 Year Plan we put in a place holder; we knew that somewhere in the next 5 years we would need this; that is where it ended up; as we nailed down what they will be using, we decided we wanted to move it up. Larick said so it was in the 5 year plan, just not in 2013; in 2014 or 2015. Franey said it was in 2017; we want to do the design now; the actual project might be in 2014, possibly 2015. Larick said how long will the design take. Andrako said could do it in 6 to 8 months. Franey asked Larick what is your concern. Larick said planning versus supplemental; having it planned as to when we are doing it as opposed to not having planned for it at this time; what drives this to be this fast; I don't have a concern for the project itself.

Angelou said it is water though. Franey said yes it is the water fund; we calculate our projects and try to bring in revenue so by the year of the project we have brought in the revenue ahead of time; in addition we do reserves of 5% of the revenue for situations like this where we may decide it is necessary to move something up; that is why we have those reserves in there. Larick said what will the actual implementation cost be roughly. Franey said could be \$1.5 million.

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

Triangle East Sanitary Sewer Improvement Assessment

Franey said in our quest to sewer all of Gahanna, we have extended the sewer along East Johnstown Road north of Riva Ridge across 6 properties; 2 of those properties are still in Jefferson Township; the remaining 4 will be required to tie into our sewer; in order to help residents, we set up assessments to give them 20 years to pay those charges; we have done various pieces of legislation to get us to this point; tonight we are asking for an ordinance authorizing the City to levy the assessments; if that legislation passes, Council office will then send notification letters to these residents; they are given the option to pay the full amount in 30 days or go on the assessment.

Wright said it is good we are on this path; make sure I am correct; once they tap in they are required, if they are in the Township, to annex into the City. Franey said if a Jefferson Township resident wants to tie in they have to annex into Gahanna.

Anderson said how long do Township residents have to make this decision. Franey said indefinitely. Anderson said was there any sewer work done on the west side of the street. Wetherholt said that is where the sewer crosses. Anderson said would the residents in the Township be assessed when they tie in. Franey said they would not be a part of the assessment; if they choose to annex and

tie in, they would simply have to pay the fees; we would not do a separate assessment for one person; it is done one time for the group; they would be like any individual that wants to tie into a sanitary sewer. Angelou said unless they do it right now. Franey said yes; they would have to annex first then they could be part of the assessment.

Anderson said is all the dirt up and leveled. Franey said finish work is still being worked on. Anderson said do we know when that will be finished. Franey said depending on the weather, it probably will be completed this year.

Renner said on these assessments, if they go forward and can't pay up front so they go for the 20 year deal, can they work out a deal later if all of sudden they have the money; can't they work with the Auditor's office to fix that. Franey said they can pay off the assessment; however they have to pay all the interest; when we send this to the Auditor, they are not like a bank; they know this is what is owed; they divide by 20 and then put it on the duplicate; that ends up being the amount plus 3.25% interest; if they want to pay it off early, all the Auditor knows is the total amount they owe. Anderson said and that is not negotiable. Franey said correct.

Jolley said how does this attach when the property is transferred. Franey said it goes with the new owner as property tax.

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

Code Change/Chapter 135

Franey said what we would like to do moving forward is to make some modifications regarding procurement; we are trying to make the whole process more effective and user friendly; we would like to have it set up so we are working together better; the first step in that, since Code governs everything we do, was to read it and make any modifications so that Code is set up the best way possible to govern our procurement; so this first step is what you have seen; we did go through and clean up the language; some of the next steps will be putting this Code on the intranet so everyone has access to it; setting up links to joint purchasing contracts so people can look and see where they can purchase things for lower prices; one of the most useful things we will be doing is creating a procurement committee; we hope to have representatives of different departments coming together monthly and talking about different issues; Finance may, because they see all purchase orders, have seen items that others don't see, so they could come to the committee meetings and make recommendations on companies to purchase from; for example where it may be more economical; the first step is modifying Code to make it the basis for running procurement; do you have any questions on the Code changes.

Wright said my question is not on the Code changes but how does this play into the scope of shared services. Franey said it is right along those lines; there are many things from the shared services program that we have been a part of, especially with the City of Columbus; one of the spin offs was a procurement committee with other municipalities; from that we have gotten access to contracts with Columbus; we have modified Code already based on that; we put the wording in that automatically allows us to purchase from any of the contracts with Columbus or other municipalities as long as their contracts have that wording in them; all of us have worked together on this to put this language in our contracts and Codes so we all can purchase off of other's contracts; so when I say links to joint contracts, it includes these; Columbus also posts lists for contracts that they know they are going to be bidding so that other municipalities can give input or to say if you want on those contracts; these will be linked so people can start to see how they can team up with another municipality on a

contract.

Angelou said why do you want to move comparative pricing from \$500 to \$3000. Franey said there are a couple of reasons for that; the simplest reason is it does make sense to keep the amounts the same; if they change then you could change all of them that are at the \$3000 limit; beyond that, Finance evaluated purchases being made; they found the biggest bang for the buck is something \$3000 or above; would hit the meat of purchases that you really need 3 quotes for; when you think of purchases below that amount, we have a feel for who the best contractors are for the lower dollar type of things; if you continually ask contractors for quotes, they know they aren't the lowest, they soon realize that you are just using them for quotes and not purchasing; once you get a little higher the pricing is more competitive.

Larick said what could you actually get done on a \$600 bid. Franey said it might be office supplies or something like that.

Angelou said how about the last part that says the Mayor can designate the authority to sign contracts for purchases; give me the rationale for that. Franey said we found in the purchasing Code that the Mayor has the authority to delegate that responsibility; that is in conflict with Charter; Charter says the Mayor has to sign; so it just made sense to make this consistent with Charter. Angelou said I was reading it incorrectly.

Anderson said on page 2 of your report, it says we removed "during which" to make the section more clear and added "or the Mayor's designee". Franey said that is under emergency; do you know the section number. Anderson said it is 135.03. Franey said that is section a(2) and it is talking about emergency purchases. Anderson said so that is not in conflict with Charter. Franey said no; it is like when we had the ice storm, and we had to buy supplies for the people on 24/7 standing up for this; might not have time to go through the normal purchasing procedure; in a case like that, the Mayor can allow purchases to be made to keep things going. Anderson said who clarifies what an emergency is. Sherwood said it is in the same section of Code; it is pursuant to section 131.01 that the Mayor declares it.

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

ISSUES - From Clerk of Council:

Rules Change/Executive Sessions

Sherwood said it came to my attention that there has been a change passed through the biennial budget that allows executive session to be called for discussion of economic development; there are specific reasons you can use it; I did a draft and sent it in a report that shows the wording; it is exactly from the state change; wanted you to see it in context rather than discussing it blindly; it is open for your discussion on whether you wish to do it or not. Larick said to do this we would have to pass a rules change. Sherwood said yes.

Jolley said we could do that now or wait until the beginning of the year. Ewald said it would not be effective for 90 days. Sherwood said it does not go into effect until October. Larick said I don't know that there is a rush. Jolley said I think it is something we should adopt; it has fairly stringent requirements and would require a unanimous vote; since it will not be effective until the end of the year, think we should put it in our drafts for 2014. Sherwood said I will pass it on to the new clerk.

Miscellaneous:

Sherwood announced we are going live with our new software for Legistar this weekend; may require some patience in dealing with the office; users should see no difference on their end.

Anderson asked Wetherholt about Safe Routes to Schools; specifically about distance requirements for ADA compliance for sidewalks to schools. Wetherholt reviewed the sidewalk project in her neighborhood, and the others on the report that are part of Safe Routes to Schools; said ramps are required everywhere and done as part of street projects when there are upgrades.

Della Brandenberger, Reporting

*APPROVED by the Committee of the Whole, this
day of 2013.*

Isobel L. Sherwood, MMC
Clerk of Council