

# **City of Gahanna**

*200 South Hamilton Road  
Gahanna, Ohio 43230*



## **Meeting Minutes**

**Tuesday, October 12, 2010**

**7:00 PM**

**Council Committee Rooms**

## **Committee of the Whole**

*Shane Ewald, Chair  
Beryl D. Anderson  
Thomas R. Kneeland  
Brian Larick  
John R. McAlister  
Nancy McGregor  
David L. Samuel*

**Members Absent:** Shane W. Ewald

**Members Present:** John McAlister, Nancy R. McGregor, Beryl D. Anderson, Thomas R. Kneeland, David L. Samuel and Brian Larick

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**Additional Attendees:**

Terry Emery, Dottie Franey, Karl Wetherholt, General Williams, Jennifer Teal, Mayor Stinchcomb, Tom Weber, Isobel Sherwood, Chief Murphy, Kristen Treadway, Tony Collins, Troy Euton, Brian Hoyt, Sadicka White, Anthony Jones, Bill Bradbury, Press.

**PENDING LEGISLATION:**

**ORD-0140-2010**

TO AUTHORIZE THE MAYOR TO ENTER INTO CONTRACT WITH ECONOMIC AND COMMUNITY DEVELOPMENT INSTITUTE TO ESTABLISH A DEVELOPMENT FUND; TO SUPPLEMENTALLY APPROPRIATE \$375,000

Kneeland called the meeting for Monday, October 12, to order; said our first item is pending legislation ORD-0140-2010 which is the Economic and Community Development Fund.

Mayor said the administration would like to recommend we postpone this legislation indefinitely; the reason is, we brought this ordinance to Council in the first quarter of this year and it has been debated for 6 months; recently an exciting opportunity has come our way, but we are still dealing with a very tight budget; we have chosen to come back to Council with an alternate plan for this money; we still feel confident in this idea and have left the door open for future creation of this fund; we know it is legally appropriate and being done by other cities; our change in direction is due to the need for these funds for another opportunity which will help us land a company that will bring hundreds of jobs to the community; to do this infrastructure is needed.

Weber said my initial opinion I gave hasn't changed; the establishment of the fund could pass muster in the courts; the courts have supported public/private partnerships with a presumption of legality so I believe we could sustain this if challenged; The 1851 Center for Constitutional Law had erroneous opinions as pointed out by our Development Department; our Ordinance established what could be done with the funds and we could pass legal muster if necessary; the Mayor is talking about a policy shift not a legislative issue.

Recommendation: 2nd Reading, Postpone Indefinitely, Consent Agenda.

**Recommended for Indefinite Postponement.**

**ORD-0165-2010**

TO AUTHORIZE THE MAYOR TO ENTER INTO NEGOTIATED LABOR AGREEMENT TITLED "CONTRACT BETWEEN CITY OF GAHANNA AND FRATERNAL ORDER OF POLICE, CAPITAL CITY LODGE NO. 9, JANUARY 1, 2010 - DECEMBER 31, 2012"; TO REPEAL PORTIONS OF ORD-0088-2007; AND TO DECLARE AN EMERGENCY.

Kneeland said is there any additional discussion or comments on the FOP Contract. Treadway said it has been a long year to get to this point; the outcome is raises are lower this time than any I have seen in my tenure here; emergency legislation is requested because participants are included in the wellness program and will need the Biometrics testing in November; it would be difficult and expensive to try to do that separately. Kneeland said I would like to see this on regular agenda.

Recommendation: 2nd Reading, Regular Agenda, Emergency Language.

**Recommended for Adoption**

## **ISSUES - From Director of Parks & Recreation:**

### **Purchase - 94 Price Road**

Collins said we have been working to purchase the property at 94 Price Road; it is 3.5 acres and includes a house and storage building where we have future maintenance plans; it is in the flood plain; they came back to us with a contract for approval. Samuel said this is such a rough time in the economy, why purchase this now. Collins said this is when it became available; now is when the opportunity is there; it is offered today at a reasonable price; down to \$225,000 from \$300,000; it sits dead center to the flood plain; it is a specific piece of property we want and the building facility that sits on it we can utilize for maintenance storage; keeping equipment out of the winter elements saves on wear and tear; it is also another access to the Big Walnut Trail. Emery said a maintenance facility on Price Road could potentially house the Junior League equipment that takes up space at Oklahoma; we need all our space at Oklahoma so moving the Junior League out would give us some room for growth. Samuel said is there any way for this to produce income. Collins said the house could possibly, down the road, be used for meeting rental; that is not our number 1 priority right now. Mayor said how much would it cost to build a Morton Building now. Collins said probably \$160,000 before utilities. Euton said it would cost \$70 a square foot. Collins said the majority of property we own is in the southwest flood plain and is in the flood way; this is out of the flood way and a significant portion is out of the flood plain; that gives us options for future use. Kneeland said what does Council need to do. Collins said we need approval of the purchase contract to move forward with the closing; Weber is assisting and no emergency or waiver is needed; the seller is ok with our timeline. Mayor said and you need a supplemental. Collins said yes; we are requesting a supplemental appropriation of \$230,000 from the capital improvement fund to the land acquisition account and it will be paid in 2 installments. Kneeland asked Sherwood if she had everything she needed. Sherwood said yes; it is one ordinance.

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

## **ISSUES - From Clerk of Council:**

### **Acceptance of Deed - 0.386 Acre Remainder Parcel**

Sherwood said this is a deed acceptance for 0.386 acres that is the remaining parcel that we have been working to obtain ownership; it was not cleaned up from the transfer of property from Columbus to Gahanna when I-270 was built. Kneeland said so it is a standard acceptance ordinance; do you know the value of the property. Sherwood said \$11,350. Mayor said this piece is wooded and will stay as it is. Kneeland asked if it is off the tax rolls. Euton said it was previously parkland so we will not have any tax bills; should be tax exempt. Sherwood said it had already been converted to parkland by Columbus so remains like that.

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

## **Liquor Permit Renewals**

Sherwood said it is time to evaluate liquor permits for renewal if anyone wants to object to any; need to be done by December; the Police have no objections; it is a standard renewal. Kneeland asked for any comments or questions. Larick said so this is renewal

of all existing permits. Sherwood said yes.

Recommendation: Motion Resolution, Consent Agenda.

## **ISSUES - From Director of Human Resources:**

### **Payroll Cost Comparison - 2003 to 2010**

Treadway said she had a short power point presentation ( a copy is available in the Council office); this information had been requested by McAlister; then it was decided all of Council might like to hear it so we are bringing it forward.

Kneeland said the course of the blue line indicating tax revenue corresponds with significant events on the ends; for 2002 and again in 2010 it shows the downturn when the industrial bubble burst in 02 and in 09 when the banking industry had problems.

Teal said when employment goes down in Gahanna we see a decrease in income tax which explains some of our decreases; I don't have numbers to explain it in more detail. Mayor said that is when we lost major employers of EMH&T and Alliance Data.

Treadway said as a city, note in cases where we are down revenue, we make adjustments; we layoff and don't backfill. McAlister said he wanted to thank Treadway and Teal for the presentation; very encouraged that the salary line is on course with incomes; thanks for explaining it. Treadway said overall, with the new contract and cost containments, our average salary increase is much lower.

Larick asked what is our annual turnover rate; do we have a number of employees.

Treadway said I don't have an exact number because it is so very low; we just don't have a lot of employees leave; those that do retire or move on to higher careers; even our part time summer help is the same kids coming back; keep them with us. Larick said so the 3.4% salary increase rate is an average; when we look at random salary increases from one year to the next, some are high. Treadway said this year it is 0; and the FOP numbers are 1.5 then 2 %.

McAlister asked if he could have a hard copy of the graph to give to the school board.

Treadway said she would email it to Council members.

### **Workers Compensation - Self Insured**

Treadway said for Workers Compensation-Self Insurance, a detailed FAQ sheet was sent out to everyone (a copy is available in the Council office); we have been evaluating this for the last 6 months to a year and we have actively looked at options; we are facing a 67% increase in our BWC (Ohio Bureau of Workers Compensation) premium; as an administration, we are recommending self insurance to begin January 1, 2011; Bill Bradbury from our third party administrator (TPA), CompManagement Inc. is here to answer any questions you may have; point out to you on the FAQ, under What this means to the City, we will have the ability to save about 1 million dollars over the course of the next 5 years; when BWC looks at us, they look at what we have experienced over 4 years to come up with our rate; the rates go up but don't ever go back; we are doing the consortium on medical; so with that plan, if we have a good year, we see no increase; if we have a great year we go back; it is not the same for BWC; we don't go back; with self insurance, if we have an extreme case, we can get stop loss insurance to protect us from excessive pay out; in evaluating this, no other option but self insurance gives us this saving; our goal tonight is to get the information out there; make you aware we have applied for this, and to get the discussion started.

Kneeland said what legislation is required. Treadway said none now; if our application is approved by BWC, we will come back and ask for immediate approval from Council; we will also be sending a RFP (Request for Proposals) out for the TPA and a carrier for excess insurance; we would need legislation for these and it could happen fast; would like to keep this issue on as a monitor item for this reason.

Samuel said the TPA would represent the City if we would have a hearing. Treadway said CompManagement does help when we have a claim; or we bring in Porter Wright, Attorneys like we do now; under the law, we have to have our own attorneys. Samuel said we have to pursue this in a more aggressive way; make sure we are protected. Treadway said it is an aggressive policy; first the contract with the TPA and then hiring attorneys like Porter Wright. Samuel said isn't there a cut off number for size for self insurance. Treadway said it is 500 employees; we are pushing to have it allowed for us with less than that; Hilliard got approved and they don't have that many; we are not going out of business so we are hoping they will give us the benefit. Mayor said other cities have done this; Dublin and Upper Arlington have done this and Hilliard will be implementing soon; the 500 limit cuts many off and others are looking at it. Larick said what are our numbers compared to Hilliard. Treadway said Hilliard has 30 more; they are 399; we are about 375. McAlister said what do we pay. Treadway said it was about \$486,000; it was 2.75% of payroll; it has gone up to 3.75% because we had a bad experience; it does include the police. McGregor said with health care the consortium seems to provide better options; seem to help each other out; is there a consortium for this. Bradbury said no, not in Ohio; insurance groups are not allowed; Ohio is one of the few monopolistic states in the country; in Ohio it either goes through the State or do self insurance.

Kneeland said we can show this as a monitor item and continue to discuss.

Treadway said I would like to add a comment; once you go self insurance, you can go back, but no one goes back because of the savings and control. McGregor said this appears to be the best way to go since we have an ongoing expense for years. Treadway said we would be paying for it now. Bradbury said when you have a bad claim, you pay for it one way or another; the self insured is more dollar for dollar; with BWC you take the hit, then it stays for 4 years so you over pay for the life of the claim; stop gap insurance would kick in for a major incident on self insurance.

Sherwood clarified the issue would be monitored in both Committee of the Whole and Finance Committee.

Recommendation: Add as monitor item to Committee of the Whole and Finance Committee.

## **ISSUES - Review of 2011 Financials:**

### **Parks & Recreation Department**

Collins said I did not prepare a formal presentation; thought you could ask any questions you may have about the Parks Department Budget; the other departments have provided organizational charts so I brought a copy of that for everyone to review how we are structured (a copy is available in the Council Office); this is based on the whole department, but I did it by divisions which are the Parks Division, Facilities, and Recreation Divisions; this summarizes each and shows how well we operate; you can see reductions in staff and positions eliminated; we have a separate organizational chart that shows where we should be but I did not bring that one; I have included a revenue sheet; need to point out that our Recreation Division brings in revenues; we generate over a million dollars and we are close to the break even point; I also show our fee pricing; show that because we went from 1 to 2 recreation specialists; it is the same with the Swim Club; we do have revenue to look at when you are considering the expense from the general fund; we keep track of this information in our department and wanted you to see this.

Samuel asked how do you evaluate services; do you set up goals and if so have we met them. Collins said it is relatively easy to set goals for the golf course and swimming pools because we can use number goals like users, members, sales, etc; we look at current numbers and what to do to improve on that; these are then talked about in staff

reviews; since we don't get a chance to talk to visitors, we use surveys to maintain quality and safety; we get residents input on everything, then we are held to expense goals as well.

Samuel isn't there some things that you share with schools; how does that work. Collins said we provide daily support to community organizations as well as schools; we have formal agreements for youth sports; those are managed by Euton; he makes sure we meet their needs and that they maintain and provide proper paperwork and permits; our focus in 2011 will be more on select programs like soccer; we are looking at fee for use programs and field rental procedures; we support junior events and our partnership with the schools is intertwined; we use each others facilities usually for free; it is more challenging for them.

Kneeland said on your last sheet provided, there is a column providing the level of subsidy; considering the revenue generated you mentioned, can you explain the logic behind this. Collins said I will use the swimming pools as an example; they receive a 25% subsidy; for several years they were breaking even; we are about \$4,000 in the red currently for both pools; most of that is direct operating costs; we have guys go over to fix plumbing or mow grass and we don't charge the pool a fee; but it is in the budget as an expense; that is the 25% subsidy that comes out of the facilities budget. Kneeland said so on a balance sheet we would show revenue generated; then take soft costs; are we showing these as profit or cost centers. Collins the golf course is a profit center; the pools are losing \$4,000 this year; we don't set a budget up to come up with the 25% number. Mayor said many pools don't cover costs. Collins said we are the most expensive of the public pools; most communities subsidize them at some level; in Dublin they subsidize 50% of rates; our pool is old; when it goes it will be gone.

Kneeland said thank you; it was good information.

Meeting Adjourned.

### **Della Brandenberger, Reporting**