

# **City of Gahanna**

*200 South Hamilton Road  
Gahanna, Ohio 43230*



## **Meeting Minutes**

**Monday, August 9, 1999**

**8:00 PM**

**City Hall**

## **Finance Committee**

*Karen J. Angelou, Chairman*

*L. Nicholas Hogan*

*Sherie James-Arnold*

*Rebecca W. Stinchcomb*

*Michael O'Brien*

*Thomas R. Kneeland*

*Debra A. Payne, ex officio*

**ADDITIONAL ATTENDEES:**

Isler, McGregor, Mitchell, Weber, White, Greg Stype, Zeenat Snedden, Press

**INCOME TAX:**

Angelou introduced Snedden who had written to the Mayor and was concerned about ARC workshop employees paying income tax to the City; such a nominal amount could they be exempt from paying City income tax; have a memo from Isler and put on agenda for discussion this evening.

Snedden noted that when she started to fill in forms for employees of ARC workshops they are getting earned income tax credit on federal taxes and refund from state; looking at city; 2% is a lot of money to some of these individuals who earn way below poverty line; ask that you consider mitigating this tax burden; don't want to evade taxes; these individuals can't take pride in paying taxes; revenues are not significantly impacted by their contribution; felt you might waive their payment.

Angelou stated she had called MRDD to see if they had taken a position as the County Board; they have no position on it at all for or against; talked with Isler and found that Columbus, Whitehall, and Worthington exempt this type of income; noted that Worthington income tax is managed by Columbus; also included at bottom of memo language on how legislation would have to read; are plusses and minuses; taught for 30 years in this population; my point of view is that we taught students that when you make money you pay taxes and that was something that was every citizen's responsibility; no it is not a significant amount of money to our city; potentially it could be a nightmare to administrate; brought before us to get our ideas; could do it from a site based initiation.

Snedden stated that Columbus does not tax wages under minimum; if you make \$6 a hour then you pay; the productive hours for these people are so limited; if they are productive 1 hour a day sometimes that is a good day; is still a lot of money for someone who is only making a small amount; even though they make more than the minimum wage they don't make enough to be above the poverty level; employees at ARC may make 70 cents on piece work; may only make 10 pieces in a day; would be happy with the wording that was submitted to you; they would need to apply to have this exemption; these individuals deserve a break.

Angelou stated waitresses make less than minimum wage even though they make more in tips; are many more issues involved.

Kneeland questioned how it would work in Gahanna; how hard would it be to administer. Isler stated it would definitely take more work; don't know how many individuals could be affected by this.

In response to question from Weber, Angelou stated that MRDD does have a definition for these individuals. Weber noted that language is specific in talking about employees at government sponsored sheltered workshops; requested that the words "upon application" be added to the end of the sentence so it is understood that they must apply; it will not be automatic.

Discussion held on ARC employees who may work off site like Burger King; are paid from Burger King. Weber noted that language specifies while employed at government-sponsored sheltered workshops. In response to question, Isler stated there would be no benefit to employers like Burger King to request the same type of exemption; would be harder for an employer not to take the tax out than it is to take the

tax.

Kneeland referenced memo from Isler; am for it; it's a very good gesture; isn't going to do anything to our bottom line; other side is what floodgates could that open in terms of other requests.

Snedden noted that Columbus has similar ordinance; people earn way below poverty level for total income but based on per hour they have to pay; big step ahead for Gahanna to do this.

Isler noted niece in Pittsburgh with Downs Syndrome and Cerebral Palsy; now working at a job that gives her a \$32 paycheck and she pays taxes just like her brothers and sisters; she's very proud of that; Angelou noted there are two sides to the coin; taught for whole career with this population; don't pay state tax and get back federal tax. Payne stated she had no problem with adopting this type of legislation as long as we were talking sheltered workshop employees only.

**Recommend for Introduction**

## **PENDING LEGISLATION**

**Members Absent:** L. Nicholas Hogan, Sherie James-Arnold and Rebecca W. Stinchcomb

**Members Present:** Karen J. Angelou, Thomas R. Kneeland, Debra A. Payne and Robert W. Kelley

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## **School Board Compensation Agreement**

Greg Stype stated the agreement is prospective in nature; subject to school district getting information in the next day or so as to what projects are first occupied after January 1 of this year and that are subject to a CRA property tax exemption or TIF property tax exemption; Eastgate is treated differently under this agreement than other CRA's; for Eastgate the term of the agreement is that the City will share 50% of the income tax off Eastgate projects until the total amount of that sharing equals the total amount the school district nominally gave up in property taxes; projections based on developers's input is that we may need to go on twice the term of the CRA exemption to get the school district to the point that they nominally gave up; they are accepting compensation over a long term; with developers consent, CRA exemptions will be shortened from 15 years to 10 years; with respect to the rest of CRA's out there, the School District is assured that it will receive during the period of the exemption 50% sharing on the new projects; only during exemption period; the School District is also assured in these non Eastgate CRA areas that they will receive an amount equal to 50% of the real property taxes on these projects; that amount can come from a number of listed sources -- tangible personal property taxes, dollar value as agreed by City and School as to the value of developer contributions to the School District, dollar value of any City services and contributions to the School District; income tax sharing would count and it is possible might only have 75% exemption; 25% may not count; non Eastgate area is an agreement that follows principles in state law without the headaches that would be required; other side of the coin is that the School District agrees that it will give a blanket prior approval to TIF and CRA exemptions; wouldn't have to go through process; also waive all of the notices required under law which can push things out; waiving all disputes with respect to any circumstances that existed prior to January 1 for built and occupied.

In response to question from Angelou, Stype stated that there are two different thresholds to be met here; first obligation is 50% of income taxes from new projects;

two provisions in the law that are confusing because they run side by side; have put those into an agreement in a way that eliminates the after the fact accounting; first payments not due until year 2000.

Weber stated that there is no conflict with State law; may have our own agreement.

In response to question from Angelou, Stype stated that at the conclusion of the last meeting with School District they wanted to understand where projects stood as of January 1, 1999; agreement affects those projects with an occupancy permit after that date; promised them this information; they will have this agreement before them on Thursday the 12th; will be back before you next Monday evening; need legislation approving the compensation agreement and should have a waiver of second reading on that as well as the emergency; should keep the legislation together which is the reason for the waiver; the TIF legislation has had first reading and can move forward with a substitution due to the change in the area previously discussed. Discussion held on coordination of this legislation. Weber stated both items could be placed on the consent agenda and passed at same time; as long as legislation is passed the same night and both signed by the Mayor there is no problem as to timing.

Angelou noted that discussion on this started last November; thanked everyone for the hours they have spent on this; knew we needed to do and were willing to do it. Stype stated that this was statutory; had no choice and the important thing accomplished is that we have eliminated some real and substantial reporting requirements that are time consuming and expensive to the City. White noted that we have been stymied in that development; have projects ready to go and have to get sewer in; means we can proceed. Stype is to prepare legislation and submit to Council office for agenda.

RECOMMENDATION: 1st reading, with waiver, as emergency, consent agenda.

#### 990164

AN ORDINANCE DECLARING THE ESTABLISHMENT OF THE EASTGATE INDUSTRIAL CENTER TIF DISTRICT AND THAT IMPROVEMENTS TO REAL PROPERTY WITHIN THE DISTRICT ARE A PUBLIC PURPOSE; DESCRIBING PUBLIC INFRASTRUCTURE IMPROVEMENTS TO BE MADE TO BENEFIT THE DISTRICT; REQUIRING THE OWNERS OF THE PROPERTY WITHIN THE DISTRICT TO MAKE SERVICE PAYMENTS IN LIEU OF TAXES; ESTABLISHING A MUNICIPAL PUBLIC IMPROVEMENT TAX INCREMENT EQUIVALENT FUND FOR THE DEPOSIT OF SUCH SERVICE PAYMENTS; APPROVING AND AUTHORIZING THE EXECUTION OF TAX INCREMENT FINANCING AGREEMENTS AND AN INFRASTRUCTURE AGREEMENT; AND DECLARING AN EMERGENCY.

See previous discussion

**Recommended for Substitution and Adoption to Consent Agenda (Duplicate)**

#### 990359

TO AUTHORIZE THE MAYOR TO PURCHASE 28+/- ACRES FOR PARK LAND ON CLARK STATE ROAD FROM GEORGE AND BETTY HANNAH; AND TO SUPPLEMENTALLY APPROPRIATE \$896,000

Angelou asked if we had the right of way. White stated we are to have it.

**Recommended for Adoption, Consent to Consent Agenda (Duplicate)**

#### 990363

SUPPLEMENTAL APPROPRIATION TO COVER INCREASED AUTO ALLOWANCE AS APPROVED BY ORDINANCE NO. 990209

**Recommended for Adoption, Consent to Consent Agenda (Duplicate)**

## NEW LEGISLATION

**Administrative Assistant - Director of Public Service**

Kneeland asked the salary of Jordan's current employee. Jordan stated her salary range was \$28,000 to \$45,000 and is currently in the \$37,000 area; new employee is proposed at \$27,000. Kneeland questioned a research assistant. Jordan stated this would really be an administrative assistant; research assistant was a title used in audit. Kneeland noted that there were pretty vague work responsibilities. Jordan noted that they will be using the one for an administrative assistant which in the audit was called a senior program analyst; as indicated in memo some of the duties of the research assistant will be used; this person will be cross trained to every division with the department including building, water, as well as handling various projects I am working on. Kneeland asked if this person would have any reportees; is this a tiered approach; talked in your report regarding this employee holding meetings with other departments. Jordan noted that this employee could attend meetings on my behalf; some reportee type of environment.

McGregor stated that this range is consistent with other departments; employee audit had proposed a higher range but didn't feel comfortable with that; felt it was comparable with other department's administrative assistants.

Kneeland again asked for clarification on job duties; stated that although the research assistant job description was submitted it won't be utilized. Jordan confirmed that he will be writing the job specifications. Kneeland stated he would like to see that before taking action. McGregor noted the job description for the administrative assistant is pretty generic for all departments; could add something to that.

Kneeland stated he was not saying help was not needed; organizational table you submitted it looks like secretary and this position are on the same level; secretary's salary range is slightly higher; want to make sure that your secretary doesn't become a secretary for this position. McGregor stated there are many things that haven't been attended to that should be because of the shortage of personnel and the need for someone with the ability to do them; an example is the gas fueling center; don't know what is happening with that or how many clients we have; need to know if we are doing an adequate job in contacting industries to let them know this service is available; do need to audit that operation; don't have staff to do it; have staff that has the skills but not the staff to do that kind of thing; need someone to carry the authority and work with fleet superintendent.

Angelou asked the Clerk to prepare legislation if all information is received by the office in a timely fashion.

**Recommend for Introduction**

**Supplemental - Engineering Assistance**

This item was discussed and recommended out of Service Committee.

**Supplemental - Mayor's Court Magistrate**

McGregor stated there will be a magistrate every afternoon at a cost of \$200 a session; Woodward felt this was enough to get us through the year. Weber noted there is no way around that at this point.

**Recommend for Introduction**

**ISSUES**

Isler noted that audit is almost complete; received information today that for our 1999-2003 audits we will have to contract with outside auditor; this will allow the State Auditors to meet time frame Petro has committed to; will get bids each time; can object but won't carry much weight; Dublin has been going out and Upper Arlington is going out; will probably be more expensive; Peat Marwick did ours a couple of years ago and we do have a chance to negotiate with them; try to keep in ball park; every year we could have a different group auditing; would seem to cut down on accomplishing things in a timely fashion.

McGregor noted that a memo was forwarded to you today regarding Rob Wendling; has been our Parks Superintendent since Santo left and was a Crew Leader before that; is a very fine individual but has not done well as Superintendent; attached documentation to Kelley's copy of the report only; after talking to Mitchell, Wendling has agreed to voluntarily resign as Superintendent; is offered subject to a frozen salary as Superintendent; was our mistake; not accomplished the job we hoped; with this change from Superintendent back to Crew Leader he will come under the Steelworker's salary agreement again; can only freeze at the higher rate with Council's permission; if we had to go through the disciplinary steps if he fought us we would be eaten up in legal fees; feel this is fair and reasonable. Weber noted that a special ordinance will be needed that he will be paid "x" amount of dollars; otherwise you will be contravening your other ordinance; there will be two crew leaders so this has to be specific. Kelley noted that we will be keeping a good employee. Mitchell stated they had been looking at a second crew leader effective next year anyway. In response to question from Kneeland, Mitchell stated the civil service list is over a year old and will be moving forward with obtaining permission to test again; don't feel there is anyone left on the list that would be competitive; will see if we can recruit people to take it; end of year is probably a good time to be going through this process; last time we advertised didn't get quite the response we expected; however, Wendling is well liked and well respected in the Parks community and feel people didn't apply since they felt Wendling was in line for the promotion and had the inside track.

Angelou requested that the Clerk prepare legislation if all information is received by the office in a timely fashion.

RECOMMENDATION: 1st Reading, Introductions.

**ISOBEL L. SHERWOOD, CMC/AAE, Deputy Clerk of Council. reporting**