

# **City of Gahanna**

*200 South Hamilton Road  
Gahanna, Ohio 43230*



## **Meeting Minutes**

**Monday, September 13, 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 Present:** Shane W. Ewald, 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, Angel Mumma, Jennifer Teal, Mayor Stinchcomb, Brandi Braun, Tom Weber, Isobel Sherwood, Chief Murphy, Kristen Treadway, Troy Euton, Brian Hoyt, Sadicka White, Anthony Jones, Inna Kinney and Steve Fireman from ECDI, 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

Ewald called the meeting for Monday, September 13, to order; said our first agenda item is pending legislation; a letter has been presented to Council; it was received by the City Attorney and Mayor and is in opposition to the Economic and Community Development Fund; is the gentleman who wrote the letter her? no response; determined he was not here.

Weber said I am in the process of analyzing the letter; I am compelled to bring up some issues Thompson uses regarding the State of Ohio Constitution; what disturbs me about the letter is the 2 factors of what kind of loans and what kind of risks are involved; he made certain comments that he considers to be facts; the Development Department rebutted these effectively; when you do a legal analysis on his facts, his statements are not true or misidentified; this skews the results of his legal reasoning; he is very concerned about policy and political questions; he questions our fiscal policy and sees us being so saddled with debt that the City will wind up taking vehicles and jewelry; the collective tone and tender of the letter is very disturbing; he has the right and can certainly comment on Gahanna's political policies; but Council has to determine the policy that is in the best interest of the community; he looks at the Ohio Constitution and talks about Section 6 Article 8; this is an 1851 Document with so many Amendments and changes since then; he talks about Article 8 Section 2P about how we keep expanding the powers of government to make loans and issue bonds; these are issues our forefathers had no concept of; he quotes a civil suit of C.I.V.I.C. Group v. City of Warren that was about development and has nothing to do with the facts at hand; he believes the loans are constructed pledging taxpayer funds; they are not strictly taxpayer funds but payment in lieu of tax; I am not yet finished with my review; he has the right to make certain points; my problem is, the presumption is that anything the City does is legal so he has to show that this in fact violates the Ohio Constitution; it is based on the Constitution and is predicated on the fact that we are not dealing directly with tax payer funds; I am surprised he is not here; we have had no new input; the more I got into this letter the more disturbed about his assumptions I became; he is hostile to the policy; it is like the tail wagging the dog; I am researching now but I don't know if it will be ready for a vote next week or not; I am still reviewing cases and looking at the comments by Development for rebuttal; that is critical input; I will keep Council informed but I am not convinced his assumptions are correct.

Ewald said I was disturbed by the tactic of dropping this on us at the last minute and then not showing up for the meeting. Weber said it would be better to have him come in and ask questions and go over his reasoning; not make divisive statements and misquote amendments; his rate of interest quoted is not correct; he makes some high risk assumptions and shows where he is coming from politically; he gets attention by mixing

legal reasoning and facts.

Samuel said why hasn't he confronted other cities. Weber said is ECDI (Economic and Community Development Institute) here; no one here yet from ECDI; we are exploring issues with them like what other cities are doing; Federal funds are used often so that is different.

Anderson said I was going to make the same comment; it is important to be aware of what the other municipalities have done; I would be more comfortable if we get that information and a response from the City Attorney before going forward; that is why I ask for it to be postponed; we need to be clear on the fact it is not tax payer funds.

Kneeland said the first question for the administration is what are the significant differences in our programs from other grant cities; ours is proposed at a much lower amount but are there other differences. White said our plan is much more conservative; it is a smaller loan fund; in many cases other cities are granting the money to get the businesses to come in and stay a couple of years; they are flexible with the parameters and allow them to use the money for utility installation or to help retrofit office space or for leased space; others are offering forgivable loans; they are written down if you stay; other loans, like in Columbus, are backed by Community Block Grant Funds to give out larger amounts; others can give out larger amounts like \$150,000 with an interest rate of 3%; we were not looking for a high return; in our case we were looking at a Revolving Loan Fund so the proceeds would be loaned out again; this gives us a greater depth by having it as a revolving fund; we are not talking about a business that can't get capital; for our loans they need to be located in Gahanna and need additional capital; those are the major differences; by comparison my counterparts somewhat smirked at ours; what we are asking for does not compare to their cities' risk or with what benefits they offer. Kneeland said I am surprised that Gahanna was the one chosen as the test bed for a political stunt; other cities with huge amounts of money at stake and with results based on taking from their general funds were not targeted when we are not supportive of that; I would point back to legislation in 1970s that called out the purpose for this; I am stymied by it.

McAlister said I am delighted by the suit; we should be reading the Constitution so we don't violate it; as to why Gahanna was chosen, I did mention this issue at a lunch I had with Maurice Thompson and I agree it should be challenged; I talked to businessmen in the community and asked them how would you feel about the City loaning money to businesses in direct competition with you after you scraped by to get started; these people will be getting money from the City because they can't get it from a bank; I think it is an outrage; the "fees in lieu of tax" doesn't mean anything; we don't manufacture money; we get it someplace and it is still tax money to run the City, not loan money; it does cost a lot of money to go to court, even if we lose the suit; everything is political; this is a political discussion right now; I am against this ordinance and I am looking for at least one other Council member to see the light and vote against it; I am hopping mad about loaning money; we don't have a good reputation for running a mall or a garage and now we are going into the loan and bank business. Kneeland said we are in the Parks business; you have supported tax abatements and other Development items; this seems to be one item out of many you have picked out to oppose.

Mayor said if I may offer a rebuttal; I do think it is important to uphold the Constitution and we should read it as well as the amendments; but I have also talked to business persons in the community, and all of the existing businesses are eligible to come in for this; they don't want to go to the City for money, but if they need gap financing they would do it. McAlister said if you are running for re-election next year, on this issue alone and if it passes, don't.

Mayor said Kneeland made a good point that you have assisted us in incenting businesses here for decades.

Weber said McAlister is speaking to policy; Council has to make that decision; I will not comment on that but I am bothered by the threat of a lawsuit; I don't like it if it is not a

responsible action; it has a chilling effect on a legal government function; Council has to decide what it wants to do with the issue; you make the hard decisions and are elected to do so; the lawsuit could be thrown out; the government still has to solve the problem.

White said Council knows that 60% of the income tax revenue comes from Gahanna businesses; if that revenue is reduced, the burden goes to the residents; over the years the City has put 20 to 25 % of their funds in a reserve account in the bank; how much of that money as been loaned out to businesses; that is what banks do in the pure sense.

McAlister said that is fine with me; that is what banks do. White said right now 60% of the General Fund comes from our businesses; we have an awesome task to grow businesses in this economy; all we can do in Development is present what we believe to be the best opportunity; if Council votes up, we implement and if down, we come back with the next idea that will help overall to make a sustainable community.

Ewald asked Weber if being a Charter City has any impact on this. Weber said not really; we still have to follow the State Constitution.

McAlister said in response to White, I am not anti-incentive; I have voted tax incentives for those to choose to locate here; the level of risk on this matter is different; they have no collateral, or clawback, or real estate at stake; if you have someone invested in the community you can levy against that; but in this case just handing it over, hoping for growth or a return in this climate will not cause much improvement. White said I disagree, in our program they have to have collateral. McAlister said we could ask credit questions but we are not in that business. Mayor said that is what ECDI is for. McAlister said right or wrong we will be in over our head just like Creekside; here we are and look where it is.

Mayor said I have a hard time with the Creekside analogy. McAlister said the land went for losing money; it was supposed to create jobs and we leased to a church with 5 employees. Mayor said this is not the time to have a debate on Creekside. White said we did not lease it nor do we own it. McAlister said do we get the income tax off of those jobs; you know my comments and my position; I am trying to get someone else on Council to see the error in this.

Kneeland said could we look at what impact a 5 to 10% a year sustained reduction in business would have on the taxpayers of Gahanna.

Mumma said I can look at that and do some analysis; we were down 8% last year and 5% the year before for about \$1.5 million; it will be significant if it continues; our bread and butter is small business. Kneeland said the way our State is run small business is carrying the burden; we should at least understand what the impact will be. Mumma said ultimately our level of service will have to be cut; the question is to what extent.

McGregor said we have different income taxes from jobs and from individuals. Mumma said I thought I previously provided a pie chart of withholding from businesses and then from the majority of our people; I can resend it on 5 or 6 slides; I will send it out.

Mayor said tomorrow our Communication Committee meets; we are doing a presentation on Central Park and Creekside; it struck me that as a long term investment, in 2004 it was an innovative idea; with the garage, the park and the plaza it was audacious to try to figure out a way to get returns; we don't have any other park that we get returns on; if it had come in with a bid for the park, then we would have let businesses surround it; but we wanted to forget history and to try to get return on the money; the concept was innovative and we have won awards for it. Kneeland said we paid cash with money from the Industrial Zone. Mayor said it was true to the ordinance to take that money.

Ewald said so what is Council's pleasure; postpone to a date certain.

Kneeland said to McAlister if you have any contact with Mr. Thompson please ask him to show up to the next meeting.

White said I would like to make an important point; the leases for Creekside are made with Stonehenge and are private leases; they are not with the City. McAlister said don't we get \$2.00 a square foot. White said in Buildings B and C on the leasable space; that

agreement is with the developer not with the tenants; if it is leased, we get that because of the land we own. McAlister said and this will create jobs how. Mayor said it has. McAlister said how many of those jobs were folks already working in Gahanna and already paying taxes.

Larick said ECDI came in to the meeting. Kneeland asked them how is our plan different from other communities around the 270 corridor; do they have revolving loan funds. Kinney said we do administer the funds for Franklin County and the City of Columbus.

Recommendation; Return to Finance Committee Meeting on Monday, September 27, 2010.

**Recommended for Postponement to a Date Certain**

McAlister left the meeting and did not return.

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

### **Big Walnut Trail, Section 7**

Euton said as an overview of the project, Section 7 will go from Section 6 across the creek, then up Rocky Fork (provided route via display boards); the bid was over costs; we received 2 grants; one for \$400,000 and another for about \$15,000; we have some remaining bond fund money but we are still \$96,371 short; I am here tonight to ask for a supplemental to be used for construction of Section 7 of the Big Walnut Trail; we do need the special meeting planned tonight as it is late in the game; the architect and engineer took longer than planned and we did not get the bid determined until now and the grant expires December 31; extensions are not automatic like they used to be; we need to move quickly or we will lose the primary funding grant; we are requesting immediate action. Samuel said how much over bid was this. Euton said roughly \$140,000. Ewald noted this item is on the special meeting agenda tonight.

RECOMMENDATION: 1st reading with waiver and emergency, special meeting.

## **ISSUES - From Director of Public Service:**

### **McKenna Creek Watershed/Giant Eagle Detention Basin**

Emery said we are requesting legislation to enter into contract for the final engineering and construction documents for the Giant Eagle basin to be used for the McKenna Creek detention basin; this is high priority; needs to be done because high water flows in that area are a major issue and this should take 4 months to complete; the legislation is for final engineering and construction documents for a fee of \$74,000; in 2010 we had appropriated \$50,000 and the balance would come from the storm water fund to bring it up to \$74,000. Kneeland asked what is the balance in the stormwater fund. Mumma said \$1.6 million. Kneeland asked Emery how much do you need for this. Emery said an additional \$24,000.

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

## **ISSUES - From Director of Finance:**

### **Bond Fund Reallocation**

Mumma said this ordinance is requesting the reallocation of money from the bond fund

for parks to broadband; we have gone through every expense in bonds and determined what was left and what projects need completion; we realized that we needed to reallocate bond money to fiber because of the spend-down requirement; we are requesting waiver and emergency to get this underway. McGregor said if we have extra money for parks, why can't we use that money for parks. Mumma said it could be used to offset that, but by the time the last project came together we had already determined the best use of the bond money was to extend the fiber down the road to Hunters Ridge Pool; this will also allow us to add a wireless access point to the roof of Middle School South. McGregor said but I believe the money was originally bonded for the Parks. Mumma said it was originally bonded for broadband; some of it was reallocated to parks; when we do the bonds, in order to get use from every single dime, we try to be generic in our descriptions; we are still able to say a project is included then with some shifting around; it does include a description of what it was issued for but we can move it from one project to another. Kneeland said what is the cost savings we will see by running the fiber to the pool. Braun said we pay a relatively high monthly fee to provide telephone and data service; it averages \$100 a month over 6 months for a savings of \$600; on top of that IT has to trouble shoot problems at the pool all the time; this will keep a steady connection. Kneeland said it provides security as well.

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

### **Transfer of Funds - Communications Overtime**

Chief Murphy said I am requesting the authority to transfer money from the Police Officer Salary Account to the Communications Overtime Account; I have just hired Dispatchers 9 and 10; they can't do the job solo for 3 or 4 months; I have also had a maternity leave to cover; we have the money, we just need to transfer it to cover overtime expenses.

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

### **Transfer of Funds - Police Minor Capital**

Chief Murphy said I am requesting permission to transfer \$475 from the Police Detective Bureau Supplies account to Police Minor Capital for the purchase of a Brother Pocket Jet thermal paper printer for polygraphs.

Mumma said I would like to remind Council that requests such as this have to come to them as we have to comply with what the auditors are requiring us to do.

Recommendation: Motion Resolution, Consent Agenda.

### **ISSUES - From Council:**

#### **Resolution to Honor Summer Lunch Club**

Ewald said we will move the discussion of the resolution up and then have the HR discussion after the special meeting.

Samuel said I would like to propose we honor the Bridge of Gahanna Lunch Club; throughout the summer they served 4,500 meals to 585 people at 3 different locations hosted by the Gahanna Jefferson School District; the people involved in this do so much good in their endeavor to feed the most people; we can't do enough to honor these folks. Ewald ask Samuel if he would make the arrangements to present it. Samuel said yes and he will provide a list of businesses to acknowledge; this will include a general thank you to all the folks involved.

Recommendation: Resolution, Consent Agenda.

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

### **Presentation - Health & Wellness Incentive Program**

Treadway provided a power point presentation on Healthy Merits; a copy is available in the Council Office.

Questions:

Samuel asked is this program improving attendance.

Treadway said yes; we are not a group that has high sick leave usage, but we are seeing it get better.

Kneeland said can you talk more about those not currently taking part in this; what is the breakdown.

Treadway said about 45% are on this and 55% are on self insurance. Mayor said everyone but those represented by the Steelworkers; the non union group is about 45%.

Kneeland said how was the program received. Treadway said it's been a struggle; we fought it out with the dispatch group; the arbitrator found it to be Draconian; we have high hopes that we are moving in the right direction; I have taken on those who argue against it and have become a wellness champion; it does not equate entirely to exiting dollars; we see people it has helped and it has been amazing; it is a hard culture change and we are doing things differently, but I believe that once you are in on it, it is not so scary; the phlebotomists come onsite to do a blood draw; then the individual has health report sent to his home and available to take to his doctor; the employees in the program are impressed at how helpful this is. McGregor said what caused the increases from 2008 to 2009. Treadway said employee spouses came on board; we had marriages, and some empty positions were filled. Samuel said can you do a comparison of the absentee rate of participants to non-participants; I am interested in that number. McGregor said I would be surprised if it was much different than before the wellness plan. Treadway said it is not much different.

Larick said besides the business benefit and cost benefit, this is a life and death benefit.

Treadway said that is correct; the biometric test is through insurance and costs \$150; then those results can go to their doctor; they receive coaching; and this costs about \$6.30 per employee; the wellness tool we used to have was \$400 and that is now set aside for healthy programs for them; it is lower in cost than what we used to pay; many things about the program are impressive; the industry is surprised that the public sector is doing this. Mayor said all the employee reports are private; no one sees it; but we have a small enough crew that people share and we have had some nice stories shared; Treadway is going to a national convention, with her expenses paid by them, to share details and experiences of this program; Treadway said it is really not about the dollars; it is life and death and it is huge; our employees stay 15 years to life so this is a critical investment; we want them to be around for a long time. Weber asked what percentage of employees still smoke. Treadway said this group has only 2 or 3 people; we used to have 6 or 7 but we have had 4 quit. White detailed her personal situation and how this program had helped her.

Treadway said if Council members want more information, please call or contact me; the next testing period is in November; we would like to add a group to that and then work for their good results which we would get to you. McGregor asked how much is this financially. Treadway said they get a 9% reduction; it's about \$100 for family and \$40 for single; up some so now it's about \$115; also had to do a disincentive; we have pushed that up to 15% of the premium.

Meeting Adjourned.

**Della Brandenberger, Reporting**