



# City of Gahanna

## Meeting Minutes

### Finance Committee

Office of the Clerk of Council  
200 South Hamilton Road  
Gahanna, Ohio 43230

*Michael Schnetzer, Chair, Karen J. Angelou, Ryan P. Jolley,  
Thomas R. Kneeland, Brian D. Larick, Jamie Leeseberg, Stephen A. Renner*

*Kimberly McWilliams, CMC, Clerk of Council*

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Tuesday, October 14, 2014

Council Committee Rooms

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#### Immediately Following Committee of the Whole

#### ROLL CALL

**Present** 6 - Brian D. Larick, Jamie Leeseberg, Karen J. Angelou, Michael Schnetzer, Stephen A. Renner, and Thomas R. Kneeland

**Absent** 1 - Ryan P. Jolley

#### DISCUSSION ITEM -

#### 1. Litigation Reserve

Schnetzer called the October 14, 2014 Finance committee to order at 7:11 pm

One item on the agenda tonight: the continued discussion regarding the litigation reserve; by Schnetzer's last notes there is a raw figure of \$6.2 million of possible liability and a \$6.4 million emergency reserve. Schnetzer clarified tonight's goal is to decide if there is a will from Council to set money aside in a specific amount and determine what that amount would be; secondarily the mechanics and process behind how to do so. Kneeland questioned if the formal amount considers a hypothetical sum until we are no longer at a risk situation. Teal replied that regardless of the mechanism for holding the monies aside, it's more of the implicit understanding from the members of Council and the formal understanding that funds cannot simply be spent on another item unless there is another formal appropriation to clarify spending the reserve. Teal clarified her understanding was that the last discussion revolved around whether to allocate funds from the emergency reserve or the excess reserve; essentially, finding the balance between the two funds. Teal noted the administration is developing its budget proposal taking into consideration future costs and we will not see a proposal to spend down the excess reserves with that knowledge. Teal also clarified that actions could be premature as the legal process still needs to develop for more refined judgments. Kneeland noted that because we have adopted our reserve plan, there is language in place to require payback. How will the excess reserve spending be noted? Teal clarified that the mechanism for payback will not kick in until we have exhausted all

other funds. Larick stated Council's duty is to assess the \$6.2 million potential liability and the \$4.1 million being unrestricted reserve money defined for this purpose; unrestricted reserve having a likely possibility to be at risk; and the \$2.1 million be drawn from the defined reserve, should litigation develop to that point. Schnetzer concurred the \$6.2 million is the maximum liability and stressed his favor with finding a figure right at the median. Leeseberg questioned if we received any additional information from RITA. Teal clarified the next step on RITA's part would be the return-by-return audit for every resident; therefore. Could be months or year for additional information. Leeseberg also stated the intent was not to spend the excess anyway and because so, would be fine with the Larick's plan. Stinchcomb stressed the importance of waiting on legal counsel to determine mechanics. Larick restated Council's duty to address the allocations, because we could be at risk; Council has make sure the funds would be there in the worst case scenario. Angelou agreed we need to address what might be. Leeseberg stated again the excess will not be spent and therefore \$4.1 million excess figure is satisfactory. If court case goes against us the emergency figure will cover the payout. Larick clarified the \$4.1 million excess is the more likely loss as the emergency fund will have to be replenished and until better information is available it would be risky to assume. Larick noted the technicality issue is how to define the spending. Schnetzer called for objections to the number. There were none and the \$4.1 million figure was agreed upon.

Finance meeting was adjourned at 7:23pm

### **Chris Weisenberger, Reporting**