



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

Monday, April 28, 2014

Council Committee Rooms

Immediately Following Committee of the Whole

ROLL CALL:

Present 7 - Brian D. Larick, Jamie Leeseberg, Karen J. Angelou, Michael Schnetzer, Ryan P. Jolley, Stephen A. Renner, and Thomas R. Kneeland

ADDITIONAL ATTENDEES:

Sue Wadely, Dottie Franey, Matt Holdren, Karl Wetherholt, Joann Bury, Jennifer Teal, Yony Collins, Chief Murphy, Gen. Williams, Anthony Jones, Mayor Stinchcomb, Niel Jurist, City Attorney Ewald, George Mrus, Diana Redman, Clerk McWilliams, Student, Press.

DISCUSSION ITEMS

2014-0036 Finance Supporting Documents

1. Reserve Policy Final Draft

Teal provided back to Council a revised draft of Emergency Reserve Policy; an update was made to the replenishment section; language now says it has to be approved by Council, not just reviewed by; pleased with draft; if it pleases the Committee, would bring it back to Committee of the Whole for recommendation and adoption. Leeseberg asked about why we chose to stay at 25% instead of 20%. Teal said any play in my response on the worksheet could have shifted that number; if worksheet had said 7%, then 25% would be clearly out of the ballpark; worksheet said 19-24%; real concerns we would have are in external perception of reducing our strength in ratings; it shows a weakening theoretically in our position and could reduce our rating; we have some desire to pursue debt; the determination was to not bring the percentage down until we've gone to market and gotten our bond rating; can be reviewed and reaffirmed; this will be first time we've had a solid policy and that number; if over time we still have not gotten anywhere close to that number, then we can re-evaluate. Larick

said until funds have a determined use and that amount becomes a switching point, think this continues to make sense; this gives us the ability to reevaluate; thank Teal and everyone else's work on this; long time in coming; another prudent implementation; beneficial in long-run.

RECOMMENDATION: 1st reading, regular agenda.

2. Financial Sustainability Planning-status Update

Collins said we wanted to keep up with our schedule; did not address impact control matrix with staff last week; plan to do so tonight; asking those not in attendance last committee (3 council members and the mayor) to use their dots to prioritize those items; will then do impact control matrix to deal with when these items are considered; some folks are going to look at these from economic and some from strategic standpoint; will talk about that in the schedule.

3. Q1 Financial Report

Teal provided 1st quarter financial report; as reminder, the requirement to provide quarterly update is in the part of our Code that speaks to the Finance Director; typically the focus is on the general fund; supplemental reports speak to all accounts in all of City's funds; from general fund standpoint through March 1st, revenues were \$5.8 million; \$302,000 less than last year; with 25% of year complete, were very close to ball park; good indicator that financial forecasts are accurate; fund transfers are logged as expenses; have not done those yet so expenditures are down; portfolio value is higher or worth more than this time last year and at close of 2013; state reported a positive swing in unemployment; lowest since June 2008; believe we will continue to have uninterrupted but moderate growth; hopeful and confident that will continue; revenue sources are shown by type and how they have come in in comparison with last year; on income tax side, seeing a slight uptick from last year; tracking well; provided some data that shows variation from type to type; provided 12 month trailing income tax collection; report goes into expenditures; in every category, our expenditures this year are less; proving out our strategies for reducing costs; investment portfolio breakout is displayed; hope to issue Request for Proposals for investment management; provided graphical view of investment maturities; table shown listing all fund balances; report will be posted on the website as well. Larick asked if we have any restrictions on selling ahead. Teal answered no, we could do that; need to decide if we report actual stated maturity or the likely range of when it will come; most better yielding maturities are calling now. Schnetzer asked are we still on track with flat or positive carry over in general fund. Teal said revenue is likely to exceed initial

forecast; would use carryover to fund some projects; from ongoing operating standpoint, the City will come out positive this year. Kneeland asked about refuse escrow; it is showing \$1.2 million negative. Franey said that is an in/out account; pay contractor monthly; encumber full amount we will owe the contractor at the beginning of the year; it is even at the end of the year. Schnetzer asked about Star Ohio. Teal said it is a pooled resource available to public entities; similar to money market account but with no interest; just above having us pay to keep money there; keep some cash in Star Ohio to keep it protected but accessible. Schnetzer asked if that 6% is appropriate for our monthly use. Teal answered yes. Angelou asked about StarPlus. Teal said it is another pooled tool; they have sold the product as the opportunity to buy into CDs at local banks in Ohio or in the region; keep your money close to home; have promised a rate of return higher than Star Ohio; our problem is we already hold CDs; we don't want to have more money in the bank than the FDIC can insure; very complicated tracking mechanism for Gahanna; also a fair amount of administrative overhead in StarPlus that we could avoid paying by doing what we do now. Kneeland asked about estimated loss to local government fund this year. Teal said estimate is consistent with 2013; tapered down overtime; from high to low, we're at half of where we were 3 or 4 years ago. Schnetzer asked about dependency. Teal said stability in income tax is consistent.

4. Performance Measurement Update

Teal provided copies of Performance Dashboard; ICMA provides a standard set of measures that thousands of entities can use; gives standardized and repeatable definitions; we implemented a scaled down version of this; there are thousands of things we could measure; we consider raw data we can compile and our ability to present it in a way that word as well as concept people will understand; an important step before we put a lot of work into design, need to put work into content; we have solid 2012, 2013 and Q1 2014 data; this is a good starting point. Schnetzer asked about Fleet Maintenance Expenditures per Vehicle; it appears to be tracking under last year. Franey said do not have an answer right now. Larick said this is a great step into providing insight, information and perspective. Teal said over time this will be some very useful and beneficial information. Larick asked about continuation of this with regards to more granular information. Teal said from a staff standpoint, this is new for all of us; have to start asking those kinds of questions; some of that will happen organically; found other areas like development where we have things we track that ICMA does not that tell the whole story; would love an ultimate state where we can drill down into any and all of this data; starts with those questions and conversations. Kneeland asked is there a plan to include economic development. Teal answered yes; that is hard; what

numbers can we prove out; have been having those conversations; ICMA data does not include the finance information included in our report. Larick said like where this has gone; problem is, this will likely prompt lots of questions; something that can become a very good tool for everyone. Teal said goal would be to report quarterly data about a month after the quarter ends; keeping that coincident with the Quarterly Financial Reports. Larick said he would follow up with questions in an email. Holdren answered Schnetzer's question saying most prep work happens in fall for heavy winter equipment. Teal said this will go out and be on financial publications section of website. Schnetzer asked about timeline on building this. Teal said think you'll see version 2.0 at 2nd quarter report.

Jayne Maxwell, CMC, Reporting