



City of Gahanna

Meeting Minutes

Finance Committee

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

Beryl D. Anderson, Chair

Shane Ewald

Brian D. Larick

John R. McAlister

Nancy McGregor

Timothy W. Pack

David L. Samuel

Isobel L. Sherwood, MMC, Clerk of Council

Monday, October 24, 2011

7:00 PM

Council Committee Rooms

REVISED AGENDA

Present 6 - Beryl Anderson, Shane W. Ewald, David L. Samuel, Nancy R. McGregor, Timothy W. Pack, and Brian D. Larick

Absent 1 - John McAlister

Additional Attendees:

Tony Collins, Dottie Franey, Karl Wetherholt, Mike Andrako, Jennifer Teal, Brandi Braun, Mayor Stinchcomb, Anthony Jones, Donna Jernigan, Chief Murphy, Gen. Williams, Tom Weber, Brian Hoyt, Sue Wadley, State Representative Nancy Garland, Press; from Value Recovery Group Barry Fromm, James Sisto, Jolene Molitoris, Mandy Bishop.

Discussion US Railcar

Anderson called the meeting for Monday, October 24, 2011 to order; would like to acknowledge our guests and ask them to introduce themselves as they speak; we welcome State Representative Nancy Garland who is here; the first agenda item is U.S. Railcar.

Barry Fromm, Chairman and Chief Operating Officer of Value Recovery Group (VRG), introduced himself and staff; James Sisto, President and Chief Operating Officer of VRG, Jolene Molitoris, President, Ohio Railcar Group, LLC, and Mandy Bishop, who works on the grant application; Fromm provided a power point presentation and passed out 4 documents; the Tiger (Transportation Investment Generating Economic Recovery) Grant Proposal in draft form, a breakdown of costs, a copy of the power point presentation, and brochures for the companies.

Anderson said thank you for the presentation; I would like to clarify the timeline for the grant application. Fromm said it is due Monday, October 31, 2011 at 7:00 P.M. Anderson said OK, and there is no extension. Fromm said no; we are basically done; we are waiting for endorsement letters to add to the proposal; that is all that is left. Anderson said this draft is part of the application. Fromm said it is the application.

Samuel said I am uncomfortable with rushing it through; I would like to see the final

application before making a decision; you are saying that is not possible which leaves so many questions and so much to read and research; it is just too fast.

Pack said I appreciate Mr. Fromm's passion for the project and I commend his sincerity; I read a recent press release on rail car manufacturing; as a current manufacturer, how many cars with DMU's (Diesel Multiple Units) have been made. Fromm said none; we haven't made any but we have purchased the intellectual property rights. Pack said why not go to the private sector; why would this not succeed there first.

Fromm said I have received approval to extend my loan by 6 million dollars; I have paid for this property already for 7 years and am credit worthy; this is about much more than one manufacturing plant; this can lead to a whole cluster of businesses related to this manufacturing entity that would all pay taxes to the City of Gahanna.

Pack said I recognize we are in a tight economic environment; but Central Park is Gahanna's best development area that we have; it is our last bastion without annexation; it has high elevation and infrastructure enhancements planned geared to Office, Commerce and Technology; and now you would turn this into a cluster manufacturing facility area with zero history and zero production statistics for us to be able see what you have done; you are asking us to change course in a short amount of time. Fromm said I went through this 2 years ago; I like to say it is like "putting lipstick on a pig"; this was a brownfield; this would be light manufacturing which is definitely compatible with the area; to the north, we want 80 acres to be class A where it is better fit. Pack said let me ask you a question; if you knew what you knew about Central Park and had a goal for one type of industry in your best development area, would you put your eggs in one basket or diversify that basket; if you were in one of our Council seats and the roles were reversed, what would you do. Fromm said what world are you in; in the 7 years we have been marketing this we have had only 1 prospect; the City is not attracting any big users here; look at the data as to who and what projects are here; you have me putting every dollar I made into this; the Railcar project would benefit so many; Columbus with the location right by the airport and the new bridge under construction to carry traffic; this product bodes well for all of Central Ohio; if I were in your chair, I would be applauding Barry Fromm; no one else has invested 6 million in a golf course and built a clubhouse; I have provided a staff that is available to answer any of your questions; we are still adding value; I believe you should support this; we are doing something right and it is a great idea; frankly, I can't believe I am having this discussion with you; you will have a manufacturing cluster on 15 acres in an area of 200 acres. Pack asked what has changed about rail manufacturing since the bankruptcy and reorganization of the Colorado Company. Fromm said first of all, the Colorado Company did not go bankrupt; Rader owed 8 million and had liquidity issues; that was a different business plan and taking money from a trust which was shut down so a receiver was hired; it was an opportunity for us; we bought the company; we had Amtrak right behind us ready to jump in; this really had to do with Rader and his ability as a businessman. Pack said I appreciate you being here; but I agree with Samuel; I would like to see the full complete application and answers to all questions. Sisto said we can provide answers to every question; this is the complete application; the form and substance is done; there may be a little fine tuning of numbers; it is an online vehicle; you have 95% of the final application which will be done electronically by the City.

Mayor said since I have to sign this, I need to understand the consequences of that action; there are many assurances given and terms of acceptance implied here; I don't want to make any fraudulent statements if I am called upon to accept an award; I want to know what are these required assurances; I want them understood and certified as to what I and the City are committing to. Sisto said the only certification I know of is the Federal Wage Certification and that is the only one required; the

assurances are general language; they say the same things as any federal application of which the city has done many; so what assurances is the City making, none; there is no money involved; this is U.S. Code; all in the Federal Register; there is no specific liability other than a Grant Administrator. Mayor said there is a local match. Fromm said we will provide that; the federal government will then pay 12 million dollars; we learn in February if we won; you can change your mind during that time; you can change your mind at any time if you choose to do it by October 31; that is the date; we can fix the agreement with us to indemnify you from any risk. Anderson said does it speak to that anywhere in the agreement. Sisto said there is no agreement between the City and us. Anderson said hearing that I would say there is a need for clarity on some issues in the application; we have not seen this to know what it is. Fromm said you have it all; that 25 page draft application is it; there isn't anything else. Anderson said we need to see what it looks like completed and any briefing the Mayor gets to clear up the City's obligations should also be included in that; we are in this together. Sisto handed out instructions for the grant; said the City has applied for many grants; this is the first time under this Director. Fromm said we did the job for you previously. Anderson said we have new people on Council so it is helpful to them for you to go through the steps.

McGregor said this can run on freight rails from any rail line; do you have the support of the freight rail industry. Molitoris said they all run on someone's property so we have operating agreements presumed; we have the Genesee & Wyoming Inc. railroad being very supportive and they are excited about the potential for a cluster of businesses to create Railcars in this part of the country; Ohio has a history in rail transportation and we would like to build on that successful idea in the City of Gahanna; no matter what the marketplace is showing, railroads have been successful and our partnership bodes well for economic viability. Fromm said if you go back to the graphic on who carries what state by state; you find many states like North Carolina who are very similar; they have had remarkable return on investment; that is really the driver here; return on investment to the companies who invest in the City and community; when you look at cities all around the rail lines, there are 32 states with partnerships that are successful; it created jobs and provided tax benefits; for sales, we plan to build 500 in the next 10 years; if we get half that many; think of the sales tax revenue you receive.

Mayor said I understand the vision; but I would like to go back and focus on the next 7 days; so Railcar will complete the document; we have to fill it out online with your help; we need to get information on the funding; then if Council is comfortable enough, we can do legislation; I would ask Weber is it an ordinance or motion resolution or statutory resolution. Weber said a statutory resolution could authorize the Mayor to fill out the application since we are not committing any funds and can withdraw it; we are only a conduit; a public entity has to file it; with a resolution we have no legal or financial obligation; we have a legal right to withdraw from it so this is the type of legislation that we normally would use; a motion resolution is also time sensitive in that it only takes one reading which is the standard; it is not authorized by any specific statutes; there is not time for 2 readings unless we waive 2nd reading and add emergency; if the administration or Council wants to do this, it has to be a document from a government body, so we would do a resolution stating this is the document on behalf of the City but that is as far as we have to go at this point; there may be legislation in the future that needs an ordinance but we are not at that stage yet; it would be on file then on behalf of the entities what the decision was that we made and what we are obligating ourselves to as far as grant administration; authorizing the mayor to submit a grant application does not require an ordinance; we are not committing any funds or anything else; I would say do this resolution and attach it to the application and they can check it off their list; I do understand the Mayor's concern about other assurances; what do they mean; we need to flush those out but we cannot by the 8:30 meeting today; Council can call another special

meeting with 24 hours notice; if you still have questions then the alternative is no special meeting tonight, then call one later in the week.

Fromm said Bishop and Molitoris wrote the proposal and the Ohio Rail Development Commission had the same requirements; if you have questions, they have been answered; it was just a different sponsoring organization. Larick said I understand that time is short; the challenges and confusion would be addressed if we had time; there is not time this evening to evaluate the merits of the project; I would ask Weber have you seen this request to the City.

Weber said this is my first time seeing this; I have not had a chance to really review it. Larick said does the City have any risk through the date of acceptance. Weber said I cannot give you an answer to that question; I would need time to look at the application this week; we did have emails back and forth about the City's requirements; some about withdrawing and no financial obligation; some assurances but they are quite generic; standard federal application where they are opaque; time to review would be advisable. Anderson said to Weber when are you available. Weber said I am not going anywhere; we could have another special meeting later in the week. Larick said when could you have your review done. Weber said my main concern is if there is an assurance or obligation lurking beneath the surface; I can't give you enough of an assurance today to answer that question; we are supposed to be only the conduit. Larick said so how much more time do you need. Anderson said how about Thursday. Mayor said can your draft be finalized by Thursday; any part about funding can't change after we approve it; can Weber provide an opinion by Thursday. Weber said is the question that Council is required to vote before funds are accepted; still have control over the process then to accept the grant. Jones said before accepting any funds, all parties have to be in agreement; that is what is requested here. Larick said we cannot evaluate this; we haven't seen enough information; it is not yet within the realm of the City Attorney to say to Council this carries no risk; who has the authority for the acceptance of funds or should we move forward with the application process; we have to have more time. Fromm said we have provided protections; it really is like passing a graduation date; we have to be done by October 31; the determination will be made at that point.

Ewald said I agree with Larick on the timing; and Fromm should be aware that after the first of the year he will be dealing with 4 new Council members. Molitoris said we do understand you have to be comfortable with the decision; at the same time, understand the application only gives us the opportunity to compete for the grant; it is a fierce competition; to win this would be remarkable for the City; the only thing you are risking at this point is giving us this chance to compete.

Anderson said as the conduit organization and having the Mayor sign and hearing no risk, is there a risk between the application and the grant. Fromm said that is just a waiting period where nothing is done. Anderson said once it is successful, is there a document somewhere that says we have no liability. Fromm said it can't be written that way; can be written that you have no indemnity. Samuel said the procedural question is then can we do a meeting later in the week. Weber said I can present you a letter or memo; review what I have and understand if the City has any liability; check that the assurances are of a substantive nature; that would be my task before Thursday if that is when you meet. Mayor asked how many votes do we need to pass a resolution. Weber said 4; then it goes into effect and they can submit the application; an ordinance does nothing else; if we have any other responsibilities they can be identified; the resolution is the fastest, best way.

McGregor said we are not looking for the most expeditious way just the most correct. Weber said it is just a piece of paper saying the Mayor is authorized to submit the application; if the grant is awarded, then we need an ordinance to define what we do

and what type of administrative process we will use to administer the grant; that is next year; this is only authorizing the Mayor to submit the paperwork.

Pack said in Council rules and procedures, it says a resolution is honorary in nature; can do nothing substantive; statutory resolutions are substantive in nature; they require 2 readings like an ordinance. Weber said this is not statutory; only thing it is doing is allowing the Mayor the authority to submit; it is simply a means.

Mayor said I gave a copy of this to the team; they have to agree that this is acceptable; the attorneys have to work together over the next few days to bring it forward at another special meeting. Pack said I may not be here Thursday and John McAlister should also be included in this special meeting.

Anderson said we can have a meeting here Thursday at 6 P.M. or on Monday.

Mayor said Monday is too late. Pack said I leave on Thursday night or Friday morning so I can let you know. Weber said per Charter you need to notify members 24 hours in advance of the special meeting.

Anderson said so we have a possible special meeting for Thursday at 6:00 PM after the attorneys have a couple of days to resolve questions; if it needs to be pushed back or when it is scheduled it takes 24 hours notice. Pack said I will let you know if I am available.

It was decided to cancel tonight's scheduled special meeting.

Fromm said so you know we are not stopping what we do; we are continuing to get letters of recommendation and hope to see you successful; it is not that hard; no risk.

PENDING LEGISLATION:

[ORD-0211-2011](#) TO AMEND CODE CHAPTER 1150, OLDE GAHANNA DOWNTOWN DISTRICT, OF THE CODIFIED ORDINANCES OF THE CITY OF GAHANNA.

Jones said there are some minor changes so there is a new copy passed out to you; this is Chapter 1150 of the Gahanna City Code; the original version was from September 14, 2011; the first change is on page 2; 1150.03 paragraph b; the last sentence about boundaries was changed to High Street instead of Short Street; it just clarifies boundaries; the second change is on page 24, Section 8, for dwelling dimensions, the additional phrase was redundant so it was removed; no significant changes were made; so what you have is the most up to date now; I can do a brief summary; after the Olde Gahanna Vision Plan was adopted by Council in 2009, the Code for this area had to be reviewed; there were 8 key recommendations made; the Planning Commission met for over a year and held 13 workshops to revise this; they met with Bird Houk who had helped with the design; the key revisions are the addition of definitions; the boundary revisions and a change in the number of districts from 5 to 3; changes the number of permitted uses for mixed use condos; allows us to access to a database of identification codes that will help define the zoning process by having clear expectation; the end product will then meet established standards provided by these guidelines; finally it helps identify the most restrictive industry standards so we have a more uniform process; those are the changes to Chapter 1150; no questions.

Original recommendation amend by substitution; Regular Agenda changed to Return to Committee of the Whole on November 14, 2011 for discussion.

Recommendation: Return to Committee of the Whole on November 14, 2011 for discussion.

ORD-0212-2011 TO AMEND CODE CHAPTER 1197, DESIGN REVIEW, OF THE CODIFIED ORDINANCES OF THE CITY OF GAHANNA.

Jones said the changes to Chapter 1197 change the design standards to encourage developers to use certain standards not in Code; previous standards were not able to be enforced; it was hard for developers to know if they had been used; this helps to increase options and lists options; encourages uniformity; incorporates green building principles although they are not required; it increases the standards for walkability, accessibility and natural preservation; clarifies setbacks and design elements for Olde Gahanna since it is high density; trends expectations going forward.

McGregor said I have had a chance to read only about half of this; are you in a hurry for this or can we postpone it for 2 weeks. Jones said we could possibly wait.

Mayor said the Council office has asked that we get this passed so it gets codified by a certain date; to recodify increases the cost; if we are not done with this, the codification would have to be redone. Larick said the Council office intent is to complete all ordinances by a given date. Mayor said you are referring to legislation; this is to get the codification done. Franey said I have some Code changes coming in after the last meeting; Sherwood has told me she doesn't like to have carry over changes or legislation.

Jernigan said Council office could handle it if it is postponed for 2 weeks. Mayor said will it have to be changed to emergency. Jernigan said it has already had first reading. Weber said you can wait 2 weeks for the 2nd reading. Jernigan said is that for all 3 issues. Jones said they should be handled together. Anderson verified that everyone was ok with that.

Recommendation: Return to Committee of the Whole on November 14, 2011 for discussion.

ORD-0213-2011 TO AMEND CODE CHAPTER 1135, DISTRICTS AND ZONING MAP, OF THE CODIFIED ORDINANCES OF THE CITY OF GAHANNA.

See discussion under ORD-0212-2011.

Recommendation: Return to Committee of the Whole on November 14, 2011 for discussion.

ISSUES FROM THE CHIEF OF POLICE:

Accept Donation - Giant Eagle

Chief said we are requesting you accept a donation of \$250.00 from Giant Eagle and appropriate it to the Police Employee Relations account.

Anderson said what is the Police Employee Relations account.

Chief said it is a separate account used to recognize officers.

Anderson said this is a motion resolution.

Teal said it is a supplemental so it needs to be an ordinance.

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

ISSUES FROM THE DIRECTOR OF PARKS & RECREATION:

Cleaning Contract Golf Course

Collins said we are requesting an ordinance to authorize the Mayor to enter into an annual contract with Bill Walker for cleaning the inside of the Golf Course Clubhouse; would like to point out a couple of updates; the Creepside Festival had an estimated 4,200 people in attendance; great event for the City and businesses located there; the Ohio Herb Education Center attendance figures are also given; for the year we have had 3,676 contacts.

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

ISSUES FROM THE CITY ENGINEER:

Award Contract - Buckles Court/ST 975 and SA 968 Construction

Wetherholt said this request is to award the contract for the infrastructure from the new Techcenter Drive into the 13 acre tract being developed by Central Ohio Urology Group (COUG); bids had been opened on October 7; there was some concern over whether or not they have purchased the property from Buckles; so construction will not start until February with the contingency that if COUG does not purchase the property, then we will not go forward; this will be put off; it will not be awarded until later as the normal course, but it will be before the deadline.

Pack said I would like to say thank you to Jones; he came forward months ago about the funding; it came in under estimate. Wetherholt said to provide full disclosure, we did cut out signals here; those will be done later on; we have all summer to mess with that so they are planned but not ready to go; components we do have are the sanitary sewer; a large portion of that was committed to when Buckles deeded that; there was a commitment for signals and sewer at that time; we went there a year and half ago to get him to donate and his point then was he didn't really know if we would build the road; way more than we committed to on the sanitary sewer and signal; kind of a chicken and egg thing; so that is the back story on his commitment to give property for nothing; but he gets Techcenter Drive done and then he can then sell property to COUG. Pack said thanks to all of you for working out the funding on this.

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

Deeds of Easement - West Gahanna Sanitary Sewer

Wetherholt said this is routine paperwork to accept the easements for the West Gahanna sewers; they were finally recorded.

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

ISSUES FROM THE DIRECTOR OF PUBLIC SERVICE:

Award Contract - Street Sweeping

Franey said our Street Sweeping contract is up at the end of the year; it was put out to bid for next year and we had one response from our current contractor; they do an excellent job; so we are requesting legislation to enter into a contract for 3 years with two 1 year renewals; funds are included in appropriations so no supplemental is needed.

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

West Gahanna Sanitary Sewer Assessment

Franey said we installed some sanitary sewers on the west side; this would be Debra Lane, Sandra Court, Ballard and Cherry and Goshen Lane area; and the residents are required to hook in; we are doing an assessment in order to assist them in paying for their connection over 20 years; there is a whole process; so far 2 pieces of legislation have gone through; this current legislation levies the assessment; after this step, Council office will publish it and send a letter to each resident involved and it is added to their tax bill.

Samuel asked what is the average cost per family. Franey said it depends on their frontage; it is \$30 per front foot; and they pay a capacity fee of \$5,000; \$3,000 of that goes immediately to the City of Columbus. Samuel asked who else is using septic systems in Gahanna. Franey said this was the biggest unsewered area we had. Wetherholt said yes this was the largest most concentrated area where all the houses were together; now there are just a few and they are spread out; we can provide a GIS map of those locations; we need to keep going on with this; but this area was the biggest and was a big concern to Franklin County.

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

ISSUES FROM THE CLERK OF COUNCIL:

Liquor Permit - JMJ FM LLC, 154 N. Hamilton Road

Jernigan said the police have no objection to the liquor permit transfer of D1, D2, D3, D3A, and D6 liquor permits from MGM Entertainment, Inc., DBA Whiskey Ranch & Patios, 154 N. Hamilton Road, Gahanna, OH 43230 to JMJ FM LLC, DBA F M & Patios, 154 N. Hamilton Road, Gahanna, OH 43230.

Recommendation: Motion Resolution, Consent Agenda.

ISSUES FROM THE INTERIM DIRECTOR OF FINANCE:

3rd Quarter Financial Presentation

Teal provided the 3rd Quarter Financial presentation; a copy is available in the Council office.

Questions and Comments:

Anderson asked why do we use US Bank. Teal said that decision was made by a former Finance Director who was Director multiple directors ago; we have recognized that we could do an RFP for banking services; we are absolutely aware of it and hope to do an RFP early in the new year.

Samuel asked how do you select a money manager or financial advisor.

Teal said we have a guide; our investment house has a broker who has views with proven risk management techniques and understands our need to preserve capital and maintain liquidity; when our products are called we have use for up to date advice; we are in touch about every day via conference; we have 3 other sources with the same relationship; they find great funds with central benefits and reporting; I used to combine all this information into a spread sheet for our use; now it is done automatically.

McGregor said is the RITA (Regional Income Tax Authority) increase a one time occurrence or do you anticipate that this is the new collection rate all the time. Teal said it will be interesting to see; they ran an aggressive subpoena program and collected a big percentage of taxes so now that pattern is established; the same excuses are still being heard but people are also continuing to get caught; that would account for a little spike this year; more of the income tax revenue is coming from new employees in Gahanna like those at Chase; we are going to see an increase in income from these new jobs and then a leveling off of the compliance issue.

Larick said he would like to recognize that this was Teal's first formal presentation to Council and he wanted to commend her for doing a very good job.

Meeting adjourned.

Della Brandenberger, Reporting