



City of Gahanna

Meeting Minutes

Finance Committee

200 South Hamilton Road
Gahanna, Ohio 43230

Michael Schnetzer, Chair
Karen Angelou
Merisa Bowers
Brian Larick
Jamie Leeseberg
Nancy McGregor
Stephen Renner

April Beggerow, MPA, CMC, Clerk of Council

Monday, March 8, 2021

Virtual Meeting

Immediately Following Committee of the Whole

Meeting Call-in Details:

513-306-4583

Conference ID: 506 285 220#

A. CALL TO ORDER

Chairman Michael Schnetzer called the meeting to order at 8:31 p.m.

B. DISCUSSIONS

1. ITEMS FROM THE DIRECTOR OF FINANCE

- a. [ORD-0009-2021](#) AN ORDINANCE ADOPTING THE REVISED INVESTMENT POLICY FOR THE CITY OF GAHANNA.

Mrs. Bury presented her legislation. Her reports are attached.

Presentation on the changes are attached.

Mr. Schnetzer asked if this mirrors ORC with the exception of the 20% and maturity at 2 years.

Mrs. Bury replied yes.

Mr. Schnetzer asked what was the motivation. Is that addition outside ORC is that to get us a little bit more yield on the margin?

Ms. Trowbridge said yes it was to mimic code and to include the changes to ORC that have occurred over the last few years. The big difference is related to commercial paper. ORC allows up to 40 so we go from 25-40%. We would rather keep funds shorter term in maturity.

Mr. Schnetzer asked if this proposed investment policy in line with the rest of your client base.

Ms. Trowbridge replied yes.

RECOMMENDATION: Regular Agenda.

b. [ORD-0010-2021](#) AN ORDINANCE ADOPTING THE REVISED EMERGENCY RESERVE POLICY FOR THE CITY OF GAHANNA.

Mrs. Bury presented her legislation. Her reports are attached.

Mr. Leeseberg said the differences in emergencies from department to department. He was impressed about how we go about taking care of things when things go awry.

Mr. Larick said the emergency reserve being 25%, disaster recovery being 15% and counter cyclical being 10%, all of the fund is available for disaster recovery situation and up to 10% is available for a disaster. If we use the 25% and there's nothing there for counter cyclical, then it is what it is, but it means we've had a pretty significant disaster that we had to deal with.

Mrs. Bury said right and depending on what the emergency might be you would have both of those components. But I agree, during a disaster should the full 25% used and if we have to face the counter cyclical and figure something out, that would be find.

Mr. Larick said more of a bigger picture, this is guidance for the majority vote of the legislation at that time. There is no additional structure for going outside of the guidance of the emergency fund. We have a policy, a legitimate event has occurred and it takes 15% to make us whole, this is just guidance or is this a hard and fast rule that there is a limit.

Mrs. Bury said so using more of the reserve if needed.

Mr. Larick said yes, using the emergency fund will take the majority vote of Council.

Mrs. Bury said yes and they can say in addition we need to use xy and z. This is what we set aside every year so we know where it is. By passing an ordinance going outside the policy your setting a new policy because everything is set by ordinance.

Mr. Schnetzer asked Mrs. Bury to clarify that this wasn't arbitrary, that this was guided by a GFOA worksheet.

Mrs. Bury said that we went back through the initial workbook to make sure that 25% was still our true target. Looking at natural disasters that hit the area etc.. the true need was when the pandemic hit and we weren't sure how much revenue resource would be lost, we didn't feel the policy met the need. Also going through other policies to see if there is anything new, that someone else adopted that we didn't thing through. We state in the policy that every 5 years we will review this. We didn't see a need to increase the target beyond the 25%.

Mr. Schnetzer said that right now our anticipated general fund expenditures are around 25 million or so is that correct? So 60 days that's right around 4.16 million around there?

Mrs. Bury replied that sounds about right.

Mr. Schnetzer said then the official 25% emergency reserve would be roughly another 6 and a quarter, so almost 10 and a half million set aside for just in case. What are the mechanics behind the 60 days set aside.

Mrs. Bury very similar to that worksheet provided during the budget worksheet that spells it out. Unless something happens mid year and we can adjust like we did last year.

Mr. Larick asked when we did the original policy, we spend a couple of moments on review and renewal, one was set as a 5 year, the other set at 7 year. He wants a schedule set to go back and review. This is close to that cycle, but he wants something that establishes a cycle to make sure we don't let it get stale.

Mrs. Bury said that is in section 8. A review every 5 years.

RECOMMENDATION: Regular Agenda.