



City of Gahanna

Meeting Minutes

Finance Committee

200 South Hamilton Road
Gahanna, Ohio 43230

Michael Schnetzer, Chair
Karen J. Angelou
Brian D. Larick
Jamie Leeseberg
Nancy R. McGregor
Brian Metzbower
Stephen A. Renner

Kimberly Banning, Clerk of Council

Monday, August 14, 2017

Council Committee Room

Immediately following Committee of the Whole

CALL TO ORDER

Chair Schnetzer called the meeting to order at 7:24 p.m.

*Leeseberg left at 8:25 p.m.

Present 7 - Michael Schnetzer, Stephen A. Renner, Nancy R. McGregor, Karen J. Angelou, Brian D. Larick, Brian Metzbower, and Jamie Leeseberg

DISCUSSION ITEM

1. Capital Needs Assessments

Larick said the fund balance summary document; one of the funds is for cul-de-sac maintenance; why was it separated and how is it funded; Bury said passed by ordinance, part of permitting fees; Angelou said it was for snow removal and that it takes a different type of removal; Bury said not intended for capital; Priestas said not a fee we will charge; have revised code; moving forward will not be an issue; Angelou said once removed it will not be rebuilt; Franey confirmed; Schnetzer thanked administration for the document; appreciates breaking out of sustaining operating model (SOM) and what was previously referred to as one time; on page 6, SOM, takes 6 million per year just to maintain what we have; useful for the record to communicate with the public; Bury confirmed; Schnetzer asked about page 7 and 8, was that what was one time; Bury confirmed; just a different presentation; Schnetzer said \$39 million worth of new projects over just the baseline; asked if we have a ballpark guestimate what the funding gap is and what we anticipate bringing in; Bury said bringing in on an ongoing is all used; with operating expenses and capital that is within the SOM; what is left is the general fund, and

savings; using 2016 as a base, was about \$10 million; have a \$29 million dollar delta; would not use all savings in one year; Schnetzer asked where funds can come from; Bury said possibly grants from Engineering or Parks; have a good chance of getting grants; nothing that would be a continuous source; Schnetzer said \$29 million is a lot of money; just a simple understanding of the hill we have to climb; what percentage might come from grant funding; Bury said we may apply and not be granted; no guarantee; Jones said in regards to some projects, future TIF revenues are going to be a 30 year revenue stream; could lead to possible debt financing; Johnstown Road was for recent developments; Schnetzer said we have only 1/3 of capital funds available; from a year to year basis, how do we pick and choose; Bury said we decide with the departments what the couple things they want to take forward; that is after all operating pieces are put together; Larick said there is a challenge following the numbers and separating general and proprietary; Bury said did not separate those out this year; was confusing; Schnetzer said in regards to SOM, that is about 10-12%; Bury confirmed; said will fluctuate a bit but around 10%; Schnetzer said in regards to all projects; what meets the criteria for offset revenue; in some cases we have some money that is restricted for streets; not enough for streets program; Bury said we consider that one time resources; the streets part, part of the income tax credit; Schnetzer asked about connection fees at pools or parks; Bury said considered part of normal operations; Schnetzer said offsetting revenue is one time; Bury confirmed; Schnetzer asked about asphalt overlay; asked what a 65 rating typically look like; Priestas said based on 25 year paving outlook, the goal is to make Gahanna roadways a 75+; not currently doing that; doing low 50-60's now; will take a while to catch up and get there; have set a minimum bar of 65 by 2021; have taken pictures and given examples of what a 65, 70, and 75 will look like; said 65 is extensive cracking; also see some potholes that were filled; showed a 70 on the screen, showed some cracking; not a great looking surface; not as extensive as shown in the 65; the 75 shows some cracking; needs maintenance but minimal; where we start to want to repave at this point; Metzbower asked how much subjectivity; Priestas said some subjectivity; is a person doing this; is somewhat subjective but is objective with the design; is a standard methodology; Schnetzer said rode around with Matt Holdren in the past and was within a point of the rating that was set a few months back; asked what additional cost to streets program would be if we increased paving; Priestas said anticipated need is 65 or below; looked at 70 and below for local; and looked at those between 70 and 75 anticipating their need; also looked at arterial roads; looking at those, looking at \$630K/year increase over 3 years; that is to raise the paving floor 5 years; Schnetzer asked if there a cost benefit or hidden savings; Priestas said could be, we have hit on those; Schnetzer asked if it is more expensive to repair a road that is at a 65 versus a

70; Priestas said in theory 75 is your target number; for every dollar, can save \$5; Mayor Kneeland clarified not Detroit street rebuilding; Franey said the rebuilds are the Detroit's; Priestas said currently with Detroit street rebuilds, have additional roadway; would be an additional cost; Larick said longevity and rating should be somewhat close together; need to figure out an appropriate dollar amount to maintain roads at a level, whatever that level is, needs to make an argument for a particular level; certainly something more than what we have; Priestas said in theory, may fluctuate a few years; depends on quality of construction when they go, maintenance, and traffic; Mayor Kneeland said are we at the end cycle of Detroit streets; will that amount go up if we do not rebuild those; Priestas said time and materials will be spent on maintenance; will need rebuilt; cost that we incur for delayed maintenance; spending dollars on maintenance on roadways that should be rebuilt; Bury said bonding may make sense for remaining 2/3 of the Detroit street rebuilds; have pledged income tax for the remainder; do we have enough remaining in income tax; Mayor Kneeland said may be TIF revenues available depending on the street location; Larick said may be helpful to have a long term plan with a few options; have a baseline but does not answer how we get there; Mayor Kneeland said we can put together a package that addresses incoming revenues; will bring us up to the standards we are expecting; Larick said perspective is that we are behind; Franey said strategic results, said by the end of 2019, no arterial road would be below a 70; at this point, when roads were recorded in November, they rated them 99.7 for arterial were 70 or above; Priestas said hoping everything is above 70 for arterial; Franey said local roads were 65+ by 2021, in 2016 97.37 were 65+; now is higher; we may be able to bring up that bottom rating with what we have programmed; Larick said talking about a 25 year span; have to have 3-4%; continuous higher expectation than what we are at; from a budgeting and capital investment, how do we get there and what decisions do we need to make; Larick said have a road that is potentially a decade out; Mayor Kneeland said if we commit to being at a 75+ it will be maintained but may not be brand new; Larick said appears that the expectation is that we are falling behind and need to get to a higher level; Schnetzer said going out and knocking on doors heard a number of times "when will my street be re-built"; streets appear okay but there are high expectations and our residents have a standard they want met; was asked by a resident if he should patch the holes in the curbs in his neighborhood; clearly we are not meeting resident expectations; Larick said if funds are bonded, could free up revenue for streets; Bury said bonding will not provide with ongoing funding; Angelou said the efforts that have been made, over the last 4-5 years, are worth praise; instead of letting it go, have addressed funding; to take something that has been a problem and expect to do it in a few years is asking too much; even if there was funding, would be difficult

to do all of the roads; we need to push up the bar; Leeseberg said Priestas mentioned and in his experience, the amount of traffic and types of roads vary; roads may only need maintained based on traffic; as long as the base is water tight, it can last a while; everyone would like a brand new shiny road; Hamilton Road and Johnstown Road getting paved was great and helped; Mayor Kneeland said walked the same streets and saw the same curbs; if you run into those, please document; would be interested to know if they are part of the Detroit street rebuilds; McGregor asked when Detroit streets were built; Priestas said a lot of them in the 1950s and 1960s; Mayor Kneeland said appreciates the early questions; Schnetzer said page 11, budgeting for traffic signals; \$33K for a traffic signal; Priestas confirmed; Metzbower asked what the price to convert to a roundabout; Priestas said minimum \$1.2 million; Metzbower said considerable; Schnetzer asked Barr about the fountain at Creekside; is a big footprint for the space; is the incremental cost to shrink the fountain significantly narrow; the repairs that are identified; Barr said the drainage issues there, the lagoon area; engaged with an engineering firm to add to their scope of work; will look at potential conversion cost and savings; water wall does have leaks in it; tough to trace in there; a smaller footprint would be less to identify repairs and maintain; we are in the process of that now; said OHM will be doing this; they have the background on that; just an analysis at this point; Metzbower asked about the talk of a splash pad; Barr said picture what they have at Easton; will be program space as well as water play space; much smaller footprint; and is a water feature; Angelou asked about moving the pergolas; Barr said can include looking at those; will bring forward for discussion when have plans; McGregor said was brought to Council to use OHM and asked to use someone else; Barr said only looking at maintenance of it; knows there is history; when we get to the next phase of design and other engineering, will be a larger project that will be a more formal bid; Mayor Kneeland said will go through concept discussion; McGregor said arches were supposed to be a miniature Gahanna arch; then the pergolas went up; Barr said railings out there need maintenance; Angelou said OHM put the original plan together; Schnetzer said page 13, the offsetting revenue question was answered; Franey said that should have said no, that was a mistake, has already been spent; Schnetzer said the issue with the Detroit street rebuild, dealing with this in 2017; decision was made not to rebuild but to overlay them; Priestas said that is correct and it was long before his time; shows around 1991; Schnetzer have incurred bond proceeds; \$15 million in costs are coming out of our budget to catch up on a decision that was made over 30 years ago; Angelou said took advice of engineer; knew far better than Council members; Angelou said sometimes decisions were made based on wrong advice; Schnetzer moved to GNet fiber; what do we get for it and what is fiber and why is it better; Jones said fiber is an asset to

the City; touches every department; have set five goals; referred to as GahannaNet; the fiber network is far more expansive; used for City internet and data services; traffic signal connectivity; inter-governmental partnerships and the schools; all these assets use the program; looking for annual investment; is way more than an economic development tool; development is one piece of the pie; has driven some of the expansion of the network; Mayor Kneeland said in the recent state audit, one of their recommendations was to partner closely with other agencies; this will help address those recommendations; there are a lot of additional synergies that will pay back the costs; Schnetzer asked about the benefits to projects; Jones said want to extend for economic development; can let the other stakeholders speak for their benefits; Schnetzer asked where are we in department expectations; Jones said not as far as we'd like to be but do not have far to go; Priestas said from traffic signal and utility standpoint, we are able to remotely monitor traffic signals; eliminates costs for sending crews; are able to monitor and troubleshoot from phone or computer; Schnetzer asked about existing fiber; Angelou asked about what is happening in Easton area and Smart Cities; is there possibility to connect with Smart Cities; Jones said Smart Cities is broad term; broken in small grants; will have transportation from Limited to Easton; our fiber runs adjacent to that; will be overlap connectivity in the future; once these assets are in place, our network will be able to tap into it easily; goal is to connect with Columbus and mirror their improvements; right now that is kind of far off; Angelou said the 33 corridor, there is a lot of collaboration in putting more fiber than you've ever seen; is it possible to bring in the companies that will invest in this; knows it is happening in other cities; how can we be like them; Jones said best opportunity we have right now is our connectivity to I-270; coordination is imperative; once that happens, not sure how that will take place; Governor is behind that; Mayor Kneeland said Honda, Dublin, and all their assets, more than we have because they started earlier; they are addressing logistical issues and employee transportation; depending on getting someone like Honda; has been on our radar for some time; Metzbower asked about airport; Jones said have not connected with them much; believe they are connecting to Rickenbacker; Angelou asked about the Defense Supply Center Columbus (DSCC); Jones said not interested in using locals and they have higher security controls; said connected to school buildings in residential neighborhoods; the challenge with that is that it is expensive to maintain; is highly competitive; Schnetzer asked if anyone has brought up Chattanooga, TN; they are apparently a fiber city; Jones said there are half a dozen cities that are becoming an internet provider and doing what carriers are doing; require a significant amount of investment; Metzbower said the city itself is becoming the utility carrier itself; Jones said City of Hudson is doing that; very unique city; able to reduce costs to residents; Metzbower

asked how long you need to upgrade and how long the fiber lasts; Jones said not sure; Larick said there is old fiber; Mayor Kneeland said fiber is cheap, it's the pipe it goes in; Schnetzer asked about the \$25K; Franey said this is an old pattern, could go to a program; started that way when there was a storm project that was in the range of \$50K; Larick asked Bury about the items that are just GF items; asked how we are maintaining record of accumulation versus spent; how can we see it; Bury said everything that is determined is a capital number; storm water is considered a project; each sheet has a project number; will build each year; will have the same project number; Angelou asked about tax credit; Bury said offsetting revenue is based on what's outside of ordinary; Angelou asked if we know if we are spending the money on what we appropriated; Bury said it's looking back; Schnetzer said we are closer to a recession; Franey said funding cannot be spent on anything else will split out to \$25K/year; Schnetzer said page 31, Agler Road relocation; Jones said the Community Improvement Corporation (CIC) back in 2014 did an analysis on the west side; identified 30,000 square feet of additional office space that the area could support; as well as multi-family area; based upon some roadway configurations that are still influx; they broke out rental rates and commercial rates; Schnetzer asked if there are any market prospects; Jones said not currently; the Danter Company did surveys of managers and owners of businesses; some of the comments identified were that there was traffic and congestion and it was a poor window to the City; they would choose a different location; they were excited about improvement though; looking to improve walkability and roadways in the area; there are new structures that were built in the area; as a roadway reconfigures, reconstruction will be a target; goal is new development in the area; Schnetzer asked about dollar amount for development; metric headliners do not fit well; Jones said new parcels were identified with square footages; and looked at job income based on square footage; having a hard time identifying what the sites would be; will be able to put together something based on public discussions; still in the works; Larick said regardless of knowing a layout, there is a layout and there is an expectation of the value; Jones said key term is known right of way; we can come up with an analysis based on roadway configurations that are there now; Larick said upon build-out, given expectations, this would be the minimum target; Jones said can do that; Schnetzer asked about the table with Priestas; Priestas said there are three viable projects and there are expectations with grant money for Agler Road; Schnetzer said page 33, Central Park; what is the best way to ensure these parcels are developed in a manner that is viewed by the City as the best use; is there an opportunity to do incentivized limited overlay; if we foot the bill for utilities; Jones said first thing is to identify what types of project we would like to see; really it is the physical structure for zoning code; cannot control which restaurant goes in for example; can as a

contingency control some aspects with our investment; one parcel in the city with this catch all zoning; believes there is an intention with the Crescent (used to be referred to as Buckles Tract) for development; south side is zoned differently; project that is being looked at is on the east side; medical use is potential; average income is \$120K; would be tough to have it rezoned; they need to be in by October next year; if intent is to do that, should carve out a parcel right now; can do it but would have to tell them what to look for; Schnetzer said average income at \$120K is to the north; Jones confirmed; Schnetzer said utilities and infrastructure would be required; Jones said correct; one of the prospects we are looking at; funding in 2018 is for half the cost of extending Buckles to the north; some stakeholders have not finalized their number; have an existing TIF for the south that could offset some costs; would have sufficient revenue stream to accommodate that; would be at that time where the stipulations would come into play; would hope that it would not prolong this medical project; Schnetzer said we have a development on Beecher that the residents are not happy about; that construction of that public roadway made that parcel more valuable; that parcel is not being developed in a way that residents in the area approve of; trying to find a way to prevent that in the future; when City is proposing to spend public monies, that we ensure that the public gets what they want; there are 5 targeted professions; if we spend public monies, would like to lock it up with an overlay; Mayor Kneeland said the incentive program on the property now is already established; asked what we have for permitting per parcel; Jones said parcel needs to be platted; identifying roadways and parcels; platting process will come to Council; could be an overlay at that time; Mayor Kneeland said some properties, have to be approved individually; Jones said does not apply to this property; Schnetzer said there is significant latitude and wants to mitigate that as much as possible; Mayor Kneeland said infrastructure would only be to property being serviced; Jones said just the 12 acres to the north on this property; anticipated there will be retail associated with this site; Schnetzer wants to make sure we know what we are getting; if we commit to build this infrastructure for this one user, could they be developed into something we do not want it to be; Jones said falls within zoning code; our land use plan will be coming soon and will show what areas should be developed into what; our zoning code will then need to be updated; changes to our code in OCT were recently made; able to discourage activities we do not want; Metzbower asked if deed restrictions are an option; Jones said they are; Metzbower asked if fiber will be included; Jones said yes, is currently on Tech Center Drive; Schnetzer said his ask would be that this not automatically be rolled into the budget; Metzbower asked about the implications to not including this in the budget; Schnetzer said would be a separate piece of legislation; Jones said any request for this would be to formally negotiate with them; formal general fund

dollars would not be spent, would be a redirection of TIF funds; would be a small outstanding debt and impact would be minimal; Bury said would be easy for Council to pull this; even if it's in the budget book, does not obligate it in appropriations; would be our ask but not in appropriations; would require then a supplemental; Mayor Kneeland said would be from the TIF account; Jones said that will be discussed before next year's budget; Schnetzer requested to discuss the additional items at the next committee meeting; Larick said he would provide questions to administration.

[2017-0173](#)

2017 Capital Needs Assessment questions

ADJOURNMENT

9:13 p.m.