



To: Gahanna City Council
Raymond Mularski, City Attorney

From: Joann Bury, Director of Finance
Laurie A. Jadwin, Mayor

Date: March 3, 2021

Re: Dept. of Finance Report to Council (March 8, 2021 Meeting)

UPDATES

See Mayor's Report dated March 1, 2021.

ACTION ITEMS

ACTION ITEM #1 – Request an Ordinance to Amend the Investment Policy of the City of Gahanna:

The City's Investment Policy was adopted in 2013. Since then, there have been a number of changes to Ohio Revised Code and the economy. With the assistance of and direction from our investment advisors, RedTree Investment Group, we are proposing changes to the City's current Investment Policy. These changes will provide maximum flexibility while still incorporating ORC and will eliminate the need to update the policy every time there is a change to Section 135 of the ORC. Diversification percentages also were updated within the boundaries of the ORC to provide flexibility during economically volatile times while maintaining appropriate safety and liquidity. Other changes updated existing language and provided additional investment advisor criteria. We are respectfully requesting an Ordinance to adopt the amended Investment Policy.

Legislation Needed: Ordinance
Emergency/Waiver: No
Vendor Name & Address: N/A

ACTION ITEM #2 – Request an Ordinance to Amend the General Fund Emergency Reserve Policy:

The Emergency Reserve Policy was adopted in 2014 and only addressed the amount to be set aside for emergencies. The proposed changes not only address the amount to set aside in an

emergency, but also address an acceptable level of unreserved fund balance to maintain, creating an overall fund balance policy for the General Fund. A clear definition is provided for each to avoid confusion.

The Emergency Reserve provision also has been broken down into two components for more clarity and transparency should the City need to use the reserve. The original policy language, which provided a great deal of background information as to why the Policy was being created initially, has been removed, as this can be communicated without incorporating it into the Policy itself.

Additionally, when the Policy was initially adopted, the City's only resource for significant capital outlay was the General Fund, and preserving the majority of the Emergency Reserve for this purpose was prudent. However, with the passage of Issue 12, the City now has a dedicated source of funding for capital. As a result, should an emergency arise, unreserved fund balance of the Capital Improvement Fund could be used (and/or planned projects rescheduled) to allow the City to restore public safety in an emergency. This would allow for more flexibility in being able to use the General Fund Emergency Reserve to support operations during a period of emergency and/or to subsidize what is needed for capital outlay - essentially allowing the City to maintain operations as well as address damages to valuable City assets to restore safety and functionality as quickly as possible. It also is important to remember that, in the case of a widespread emergency (such as the COVID-19 pandemic), other funding sources to address the emergency more than likely would become available from the Federal or State level. Use of the reserve and other fund resources would position the City to be able to respond and act quickly to bridge the gap between the onset of the emergency and any aid that would become available.

For the reasons stated above, we are respectfully requesting an Ordinance to adopt the General Fund – Fund Balance Policy.

Legislation Needed:	Ordinance
Emergency/Waiver:	No
Vendor Name & Address:	N/A