



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

Krystal Gonchar, MPA, Clerk of Council

Monday, November 8, 2021

Council Committee Room

*** Immediately Following Committee of the Whole**

A. CALL TO ORDER.

Chair Michael Schnetzer called the meeting to order at 7:22 p.m.

B. DISCUSSIONS:

1. [ORD-0072-2021](#) TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF GAHANNA, OHIO DURING THE FISCAL YEAR 2022.

Schnetzer stated that Council received the budget a couple of weeks ago; in advance of Committee discussions, Council has prepared a list of questions for the Administration (see attached). Renner stated that historically, newly elected members had been invited to attend the discussions. Schnetzer said he will work with Council to come up with a solution for future meetings.

First question was around chart on pg. ii. Finance Director Joann Bury stated that we saw a lot of questions surrounding year to year information; in 2019, we started with a one-month budget due to income tax defeat; multiple deductions were requested; a new issue was passed in May that year; a lot of key people left the city and positions not filled; moving into 2020 they anticipated a rebuild but were hit with pandemic; reductions were made due to resources; moving into 2021, there were many uncertainties; revenue was left low on modeling; moving into 2022 we are seeing light at the end of the tunnel; increases have been projected.

Bury stated that for the first question, after printing, it became immediately outdated; revenue trends will emerge in 2022-2023; we

have a fully staffed Development Department and Planning Department; projected growth in the Central-Ohio area; those projections are still unknown; on expenditure side, that assumes no employee turnover or inflation rate; did a 3% increase for inflation across the board but we know now that is not enough; inflation could pull back down at end of 2022, but maybe not until 2023; will see ups and downs; if revenue is trending in a bad way then we have control and can come back with reductions; five-year projections can be adjusted; must follow state law so the emergency reserve must stay intact; must have 2 months of reserves; corrections must be made as we see things unfold.

Schnetzer asked what is the chief driver of the expenditure side of the forecast; we can see rate of change, but what is the gap. Bury said the gap between expenditures is mostly salaries; salaries and benefits makeup 67% of expenditures in general fund; revenue is 72% income tax driven; not sure what refunds will look like; businesses continue to change models; we know we can capitalize on some growth; unsure if it will be enough to offset.

Leeseberg said on pg. ii we have deficit spending. Bury said they are asking to use \$1.2M of unreserved funding that is available. Schnetzer stated that he believes there is somewhere in this document, an explanation for freezing personnel in 2020 and having carryover; some of that carryover would be used. Bury stated that's correct; more so for 2021, how we are projecting the end of the year; originally projected a 10% decrease in revenue on the income tax side; as we are going through the third quarter it appears we are instead going to have a 5% increase; original plan was to use \$1.8M from unreserved fund balance and instead we are going to add over half a million. McGregor said she would prefer that we not use from the reserve. Bury said it would be from unreserved, per the policy. McGregor said she is sure that it's within the policy, but does not share the same optimistic outlook for next year; with supply chain issues and inflation much higher than 3%, does not see this going down; there are empty shelves at the grocery store and does not feel this is the year to overspend. Bury said we will still have twice what our policy states, will have four months' worth and the policy is two months for operation expenditures. McGregor said most will go towards salaries and benefits, which are ongoing, not just a one-time occurrence; if you decide to cut back then people lose their jobs; would prefer not to do that.

Schnetzer moved on to question #2. Bury said a little over \$302k is for debt services; \$239k is for anticipated leave payout; leave payouts can't be paid from Capital Improvements; is all capital related debt; could legally pay for capital debt out of capital improvement fund, but chose to

leave as is because it must be will of Council to pay for old debt with new money.

Question #3, Schnetzer asked if there's any sensitivity analysis if that 2% wage increase for public safety were 2.25-2.5%, what is the ripple effect on the budget. Bury stated that she calculated a 1%, illustrates what each 1% increment will mean for the budget; is roughly \$70k for base wages, retirement, workers comp, Medicare, but does not include any premium pay. Angelou stated that typically other governments are going for 3%, but understands we are in the negotiation period. Mayor Jadwin stated that if there was any further discussion on this, since we are in the middle of negotiations, that we move to executive session.

Schnetzer said the next few items covered the Mayor's Office budget, located on pg. 64, for increase to salaries and benefits. Jadwin stated that the Mayor's Office is focused on communications and marketing; have been asked to compare 2019 to 2022; in 2019 after State of the City, we had no marketing person; the city administrator position had been defunded; Public Information Officer had left the city; only remaining position was a part-time person; no communications or marketing happened in 2019; the project line item for \$101,175 was for Zed Digital, which was website related and the Facilities Assessment; there was also a strategic business plan for the Police Department; some graphic design work; going back to 2018, that may be a better barometer; in 2018 there was a full time PIO, 35+ hour Marketing person, and part timer; 2020 budget was set prior to taking office; projects planned for 2020 were paused due to COVID and kicked into 2021; better comparison would be 2021 to 2022 (see attached comparison document). Jadwin stated that 2022 initiatives include diversity and inclusion, sustainability initiatives, Gateway/entry to city research and design; consultant fees are for Jenn Syx, who is working on grant writing and a long term capital improvement plan; other projects include way finding design, State of the City video, video stories for 175th anniversary of city. Jadwin reviewed 2021 projects and line items; for 2022 Parks & Rec marketing efforts will expand, will have annual report publication for finance; also working on a new resident packet to provide info on services; did a brand refresh this year and will continue plan in 2022; working on Development marketing to drive jobs and businesses. Regarding staffing, Jadwin stated that she hired a Communications Manager and a Marketing Manager; brought us back up to staff; the HR Director was moved from HR to Mayor's Office budget and was re-titled to Director of Administrative Services; part time community liaison was funded last year but never filled; would ask for that to become a full time position; asks that the part time coordinator be moved to full time as well.

Schnetzler asked that for those items that were one-time versus continuing, that they be notated and presented; looking for items that will occur in 2022. Jadwin said she would follow up. Angelou stated that budgets are important; believes all asks must be justified and planned for carefully; looking for the "why"; trying to figure out the necessity for all these new employees; population has not grown based off census; there is no need for all those extra employees; is grateful for Economic Development Department because they are bringing growth; asked how many employees are in that department. Jadwin said three. Angelou said the police should get their 60 requested police; safety is a first priority. Angelou asked how we can provide benefits to a 35-hour position. Bury said that was part of the Affordable Care Act; are eligible for benefits and must offer for 35+ hours. Angelou said the income tax increase had specifics in it; we need to continue including specifics. Jadwin stated that we need more staff to complete the additional projects; there is more communication to residents now and it takes more time for staff to complete.

Schnetzler thanked the Administration for their homework on those; stated that Vollmer was out, so they will follow up on those HR questions; moved on to Parks & Recreation questions. Bury said on pg. 85 there is a lot of decrease to part time and seasonal positions due to moving a lot of activities to special fund; that chart is just what's being paid out of general fund; was an operational change for parks facilities; due to turnover in part time staff, and positions that weren't getting filled, moved those to full time positions; so a decrease in part time and increase in full time. Bowers asked who will lifeguard the pools. Bury said this page only includes those positions being paid from out of general fund; could send over those other staffing tables for review. Bowers asked why the positions are being paid for out of special funds. Bury said it's due to Issue 12 dollars.

Schnetzler asked about the next question, regarding Price Road and programming costs. Director Ferrell stated that the costs for Price Rd. are directly related to independent contracting; those contractors are used to expand programming services; agreements are typically a 70/30 split, where contractors receive 70% of program costs; the more contractor services we obtain, the more contract services we spend; would also see a revenue increase. Ferrell stated that as far as the master plan, it has not been updated since 2006; will include a needs assessment, public involvement, research on local, state, and national trends; will include program and parks inventory assessment; from that, will create a strategic plan; will assist in capital improvement planning for the next 10 years. Ferrell stated that the Price Rd. house is also referred to as an exploration center, is a solution to an ongoing problem of not

having enough space for programs; will not meet the need for a community recreation center, but is something we can do now and will help in the meantime; will be a hub for STEM programs and natural resource programs; coordinating with outside agencies for programming; Rapid 5 project helped solidify the desire to move forward with the project; the Price Rd. center is tied into 50 acres of land; have submitted grant applications. Jadwin stated that they have received letters of support from outside agencies.

Schnetzer stated that on pg. 53, there's a reference to a list of things being carried forward for contract services; on pg.117 there's an expenditure to remodel the Price Rd. house; asked if there's a reasonable belief that the master plan will include that type of programming. Ferrell said that in 2006 they received a full comprehensive plan and one of the top five needs/wants was a nature center and indoor programming area; in 2015 there was a refresh that did not include capital projects but did include operations; the 2015 refresh did include a nature center. Bowers said for the recreation programming item increases, will be offset by the revenue it generates. Ferrell confirmed.

C. ADJOURNMENT.

Meeting adjourned at 8:23 p.m.