



City of Gahanna

Meeting Minutes

Finance Committee

200 South Hamilton Road
Gahanna, Ohio 43230

Michael Schnetzer, Chair
Karen J. Angelou
Merisa K. Bowers
Nancy R. McGregor
Kaylee Padova
Stephen A. Renner
Trenton I. Weaver

Jeremy A. VanMeter, Clerk of Council

Monday, November 13, 2023

City Hall, Council Chambers

Immediately following the regular Committee of the Whole meeting on November 13, 2023

A. CALL TO ORDER:

Councilmember Michael Schnetzer, Chair, called the meeting to order at 7:32 p.m. The agenda was published on November 10, 2023. Councilmember Bowers was absent from the meeting. All other members were present for the meeting. There were no additions or corrections to the agenda.

B. DISCUSSIONS:

1. FY 2024 Proposed Budget Presentation

[ORD-0080-2023](#) AN ORDINANCE TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF GAHANNA, OHIO DURING THE FISCAL YEAR ENDING DECEMBER 31, 2024

Finance Director Joann Bury and Senior Director of Administrative Services Miranda Vollmer presented on the 2024 proposed budget. Topics include factors that influence the 2024 budget; the summary of the General Fund request; the General Fund request impact on fund balance; a five-year view of the General Fund; the summary of public safety, parks & rec, and public service funds request; the summary of the capital request; and upcoming initiatives.

Factors influencing the budget include the economy, both nationally and locally. Locally, the economy is projected to grow. Nationally, unemployment is low but there is still an inverted yield curve and some items that point to a potential recession or slow down. However, they do not anticipate this impacting Gahanna or central Ohio. Inflation is tamping down, but it is still not to the federal level of 2%. Interest rates are expected to remain high into the first quarter of

2024. This is the first budget cycle in which they are basing the budget on the adopted Capital Improvement Plan (CIP). The organization structure must be considered each year. This includes workloads, staffing, and vacancies. Then, the labor market is considered. All union contracts were negotiated in 2022 and 2023 and there is an agreed upon increase of 3.25% this year. Finance also recommends that unclassified employees receive the 3.25% increase. Unemployment is still low but Bury noted the need to stay competitive.

The General Fund revenue is expected to be about \$34.4 million, an increase of about 8%. The majority of the city's resources are income and real estate taxes. The largest driver of the 8% increase is income tax. Economic growth is expected to continue, with an anticipated 4% increase in income tax. The second largest increase is investment income. The third largest item is charges for services. Parks and Recreation is back to pre-pandemic levels and exceeding them in some cases. Park and field rentals are expected to increase going into 2024. Bury said there are also proprietary administrative fees. She referenced the Baker Tilly study mentioned by Wybensing during the Committee of the Whole meeting. It looked at how the city was charging those proprietary funds for the administrative services that the governmental funds provide. With this change and calculation, there is revenue of about \$461,000 more. Bury directed Council's attention to the increase in other revenue. Because of the success of the Central Ohio Healthcare Consortium, insurance rates are below industry standards and premium holidays are provided. In addition to the premium holiday, there is a return on investment from their excess reserves of \$133,000. These dollars will be used to benefit the employee wellness program.

The appropriation request for 2024 is about \$34.2 million, or an increase of about 12%. The majority of expenses are for salaries and benefits at 64%, followed by contract services at 23%. Bury again pointed to the 3.25% increases as part of the salary and benefit increase. There is a 5% increase for insurance premiums, as well as new positions. The contract services are increasing, such as Franklin County Health contract and risk and property insurance, and mosquito spraying. It includes new initiatives such as strategic and sustainability plans, economic development update and additional initiatives.

Impact on the General Fund balance - the city has about \$34.4 million coming in. The administration is requesting to use about \$34.2 million, so the anticipated amount added back to the fund balance is about \$235,000. The emergency reserve is calculated to be 25% of operating appropriations, which is an increase of about \$1 million to the emergency reserve this year. There is an anticipated \$28.1 million in the unreserved fund balance. Taking out the \$8.45 million in emergency reserve leaves the city with an unassigned, unreserved

fund balance of \$19.7 million. This is more than three times the minimum required by policy.

Over the next five years, it is expected that expenditures will continue to grow as they will in 2024. On the revenue side, there is still growth but less growth than on the expenditure side. This is because there is less control on the revenue side and more control on the expenditures. The largest resource is income tax, and there are always economic pressures on that. The assumption is that there will be some negative pressures on revenue. The city may want to examine what is happening around 2026.

Chairman Schnetzer said he understands the imperfect nature of the model. He asked if Bury could pinpoint one or two things that are driving the mismatch between estimated revenues and estimated expenditures between now and 2026. Bury replied that when laying in at the five-year model, they projected revenue out and planned growth, but pulled it down a bit, knowing that Gahanna does not have unlimited space to continue to grow. There is also the question of what will happen to existing businesses. There is a question of how much developable space is available.

Three special funds split the 25% of the 1% increase. For the public safety fund, there is a 12% decrease in income tax due to the change in allocation of income tax. The net operating cost of each fund is looked at, and the income tax is allocated proportionately based on what that net operating cost is. In this year, public safety needs fewer dollars, so fewer income tax dollars are allocated. The school resource officer program is run out of this fund. There is the expectation that the program will need to be modified based on the needs of the school. There is an additional school resource officer planned. Another piece of this fund is for police pension. In 2024, there is a request of a little over \$1 million to transfer out for police pensions. The city receives property tax that offsets a portion of the pension, and this fund transfers over to pay for the remainder of the pension. Additionally, the mental health liaison and community liaison officer are paid out of this fund.

Councilmember Angelou asked how many public safety people would be retiring, if known. Director Vollmer said that city is aware of one.

Director Bury turned to Parks & Rec. There is an increase in income tax, as well as service charges. With the increased demand for programs and activities, there is also an increase in the funding to provide those programs and activities. The largest increase is coming from salaries, benefits, and materials and supplies to have the activities in place. The seasonal budget request was righted. The increase in this area is aligning with the need for the programs.

The last special revenue fund is public service. It houses engineering

department and garage maintenance. There is a larger increase in income tax, there is a larger request than the other funds and their appropriations are increasing by 66%. Some of this is from salaries and benefits, but the majority is from contract services. There are new initiatives such as a thoroughfare plan, a bridge and culvert assessment plan, a sign reflectivity assessment, and some code updates. These initiatives are driving the large increase.

Chairman Schnetzer posited that for every \$2.50 received from income tax, \$1.50 flows to the General Fund per statute. Seventy-five cents go to the capital improvement fund, and 25 cents is allocated across the three special funds. However, the allocation of that 25 cents can vary between what programs are paid out of the funds. Director Bury stated this is correct. Schnetzer said this would explain why you see differences in the projected increases between funds. Bury said this is correct.

In August of 2023, council adopted the first city-wide Capital Improvement Plan (CIP). It identified a long-term look to fund and complete projects, creates the capital improvement advisory committee for on-going monitoring and recommendations, and it established policies and procedures for identifying and carrying out projects. Most importantly, it aligns resources to ensure that what is worked on each year has resources to see the project to completion. There is a capital outlay being requested. In 2023, only priority items and those already in progress were funded. This was intentional so the CIP could be completed. There is a large increase because this is the first full year of funding for the CIP. Bury referred to the budget document, in which CIP overview is shown on page 111. Citywide, about \$19.9 million is anticipated. A large portion, \$7.3 million, is going toward transportation and mobility. The other two areas that consume a majority of the funds are trails and surfaces and water infrastructure.

Vice President Weaver asked Bury to explain utility rates, which are different dollars than would be funding any improvements to sanitary and storm sewers as shown in the capital improvement plan. Bury replied no, that those are the capital dollars. Bury stated the \$13.7 million is coming out of the capital fund and would not include any capital proprietary projects. Proprietary funds should remain whole and should support their capital and operations. Right now, the only plan for those proprietary funds is coming out of those capital proprietary funds. The \$19.9 million represents the \$13.7 million plus all the other funds throughout the city that have capital coming out of them.

Director Bury wrapped up by going over 2024 initiatives. These include the construction phase of 825 Tech Center, the citywide strategic plan which will be driven by community input, the citywide sustainability plan, new economic development plan, code updates

for service and engineering, continuing the redevelopment of Creekside park and plaza, and continued facility assessments for the parks complexes.

Director Vollmer shared an overview of 2024 staffing requests with council. She shared the existing organizational structure, which will remain consistent throughout 2024. The Mayor's Office has 3 positions requested. A management analyst II position will work to create, build, and maintain the city's sustainability plan and will work to locate and apply for grants on the city's behalf. Additionally, there is a request for an administrative coordinator to assist with administrative tasks for IT, Finance, and HR, as well as supporting the senior directors. In Marketing & Communications, there is a request for an additional marketing and communications specialist to assist, manage, and coordinate the city's multiple social media channels and overall social media engagement, and to be responsible for updating and managing the city's newly redesigned website.

In public safety, there is a request for two police sergeants and one school resource officer. The police sergeants would be assigned to patrol to allow for significantly improved supervisory coverage and field services. The sergeants would allow the division to guide and develop the new workforce while reducing liability to the city. The position also assists with a relief factor. As of now, there are only 4 sergeants assigned to patrol. When an officer is using a day of leave or is off, an officer in charge is covering instead of a trained supervisor. There is a request for an additional school resource officer, which is necessary to address and prepare for the increasing number of students and staff within GJPS.

The departments of HR, Finance, and Mayor's Court have no additional staffing requests.

Information Technology requests an IT support specialist II to serve as a second tier level of support. Additional staff have been added, so new technology initiatives are taking place. There is a need to address another level of support. The position will also serve as a project technical specialist on IT projects.

There is a request for an administrative assistant in Engineering to help with various tasks such as communicating with residents, assisting with projects including streets, sidewalk, and utilities, finance related items, bid processes, and other administrative tasks associated with the increased capital funding.

The Department of Public Service is seeking the addition of a maintenance worker I under the Streets Division. This position will be vital as the division works toward a leaf collection program for 2024. Under the Fleet Division, there is a request for a Fleet Technician,

for a total of five. The position is needed for succession planning. There are three tenured employees with planned retirements in 2024 and 2025. This is a request to increase staffing to five temporarily, with the plan to go back to four as those employees retire. Additionally, the fleet superintendent and Deputy Director Wybensinger have been working with Eastland Fairfield Career and Technical School to develop workforce development through their automotive and agricultural diesel program. There is a request for two fleet interns to work with Eastland Fairfield on workforce development to get qualified individuals for the fleet program.

Planning has a request for a building inspector, which would reduce the reliance on third party consultants for building inspection and will help keep the city's permit cost low and increases the ability to do last-minute inspections. The city currently has one building inspector.

In Recreation, under the special events supervisor there is a request for a recreation coordinator II to expand the special events and volunteer program as outlined in the Parks Master Plan. Additionally, there is a request for a project administrator I. With dedicated capital funding, there are ongoing planning and execution of projects in the Parks department. Multiple projects occur simultaneously. This position would work with the project manager to ensure projects are handled appropriately.

The Parks Division has a request for a maintenance worker II in the Forestry Division. The implementation of the street tree program will require additional staff to maintain the services provided by the Arbor Division. In addition, there is a request for a full-time maintenance worker in the golf course. This will be cost neutral as it will take the place of two part-time vacancies which will be eliminated. The position will focus on golf course maintenance under the direction of the Golf Course supervisor.

Councilmember McGregor asked if there is sufficient physical space for the positions prior to moving to the new building. Director Vollmer said this is something she and Director Shultz work on regularly with Facilities Foreman Adam Grove, turning some offices into shared work locations.

Process & Next Steps

Chairman Schnetzer said he is happy to facilitate the prior submission and aggregation of questions. He posed to Council what the cadence of the meetings should be, noting that several days would be required to fully review the budget. The general consensus was to schedule a finance meeting each Monday. Vice President Weaver wondered if that schedule will be sufficient for having the necessary public hearings. Mr. VanMeter said December 4th would

be a target date for a first reading. The first public comment could be done at that meeting. Another public comment opportunity would be November 20th. Otherwise, public comment would happen December 4th and December 18th, at the second reading and adoption. The group agreed upon public hearings December 4th and 18th. Finance Committee meetings would occur November 27th, December 4th, and December 11th. Weaver noted that in years past that members-elect were able to participate in the discussion. Schnetzer said he welcomed budget questions from members-elect.

Recommendation: Held in Committee; Further Discussion scheduled for Finance Committee on 11/27/2023.

C. ADJOURNMENT:

With no further business before the Finance Committee, the Chair adjourned the meeting at 8:09 p.m.

**Jeremy A. VanMeter
Clerk of Council**

*APPROVED by the Finance Committee, this
day of 2023.*

Michael Schnetzer