



# City of Gahanna

## Meeting Minutes

### Finance Committee

Office of the Clerk of Council  
200 South Hamilton Road  
Gahanna, Ohio 43230

*Michael Schnetzer, Chair, Brian D. Larick,  
Jamie Leeseberg,  
Karen J. Angelou  
, Ryan P. Jolley,  
Stephen A. Renner  
, Thomas R. Kneeland*

*Kimberly McWilliams, CMC, Clerk of Council*

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Monday, February 23, 2015

Council Committee Rooms

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#### Immediately Following Committee of the Whole

#### Members -

**Present** 7 - Brian D. Larick, Jamie Leeseberg, Karen J. Angelou, Ryan P. Jolley, Stephen A. Renner, Thomas R. Kneeland, and Michael Schnetzer

#### Additional Attendees -

Present: Mayor Becky Stinchcomb, Clerk of Council Kim McWilliams, Sue Wadley, Chief Murphy, Rory Gaydos, Jennifer Teal, Joann Bury, Dottie Franey, Rob Priestas, Anthony Jones, Tony Collins, Press, Scout Troop, Residents.

Schnetzer called the Committee of the Whole to order at 7:44 p.m.

#### ITEM - From the Director of Finance

Director of Finance Supporting Documents

#### 1. Bond Ordinance

Teal brought forth a bond ordinance for a refunding issuance for City's remaining 2005 and 2007 Bonds, in addition to Detroit Street Rebuild Program; not quite ready to bring the bond ordinance forward, very complicated; will bring advisor Brad Sprig to work with Finance to develop bond ordinance; always looking for opportunities to do advanced refundings for our existing debt; City has \$7 million remaining from 2007 issue and just over \$1 million remaining from our 2005 issue; would both be good candidates to perform an advanced refunding on; similar to refinancing a mortgage; interest rates were near 5% when issued, and now in 2% range; fixed cost involved, looking to address at once to avoid additional costs and remain

consistent with the sustainable operating model; we looked at good candidates to deal with debt; landed on Detroit Street Rebuild and had a lengthy discussion on what would be needed to accomplish this; would complete a third section of the City's remaining on the Detroit street rebuild at \$4.5 million; Priestas explained a Detroit style street is a type of concrete with monolithic curb; they were popular in the 1940s and '50s; Priestas drew a picture to provide further example of Detroit Street; rebuild will help extend the pavement line; many of the streets have exceeded their lifespan; curb was integral in the construction process; through years of repair the drainage capability has been hindered by the addition of asphalt for repair; Leeseberg noted the asphalt also reduced the curb, therefore it is no longer doing its job; Schnetzer inquired if the \$4.5 million to complete the mentioned section is in dollars or miles; Priest clarified it is in dollars; Schnetzer noted we will need an additional funding component if you don't find ways to increase our capital improvements fund we could be looking at an additional bond issue three years from now; Teal noted when look at advanced refundings, City aims to find an industry threshold as we look for savings to do it at the best return rate; present value saving is somewhere in 7% far exceeds the standard; would not be extending the life of the debt; Schnetzer inquired if it will keep level debt throughout the life of the loan; Teal confirmed; Larick inquired if Priestas could send current street reading; Priestas confirmed; Teal noted Sprig will be at next committee meeting to discuss; noted timing; we are looking to pair the arrival of cash with the construction season; planning to do a large chunk of the work this summer; wants to leverage construction season; Leeseberg inquired what is the best time to bid on the work; Priestas clarified will be the best time now. Schnetzer noted the mechanics behind drafting the ordinance; will we need bids; Teal confirmed already moving forward with bid; we are looking at a fixed dollar amount therefore can move forward with bid without having a backed ordinance; Kneeland inquired if the plan for next year is to improve the same amount of streets; Priestas confirmed 75% first two years and the 25% on the last year; next year's payment would include the aforementioned third of the streets; technically a total of nine years for all streets; Teal noted the sustainable operating model according to Engineering estimates will include this year and the next; will discuss future bonding programs in our future plans to finish all Detroit streets; Larick noted with future forecasting, would it be better to bond all of the Detroit street money accordingly; Teal noted, as we cannot get all of the streets done in three years and the funds must be spent within three years, thus repairing all of the streets within three years would create a similar disruption to the City; discussed items very early, what can the community sustain as long as real work; Larick inquired what the maximum amount of time we need to complete the repairs is something to consider; noted many of those facts are already

assessed; Angelou inquired if most of Detroit streets are west of the Big Walnut Creek; Priestas noted it's about 60/40; noted Flint Ridge, Heil Drive, and Brookhaven all needed repairs; looking into phasing so rebuilds do not affect areas considerably; major disruption when we do this; cannot do too many at a time; Schnetzer inquired in reference to issuing by being limiting tax, will it require some room as far as inside millage; Teal clarified it will not require room; Jolley inquired why the proceeds have to be spent within three years; Teal clarified we are looking at low rates due to tax exempt funds; if we lose this status and would be unable to maintain the low rate; we have to meet IRS regulations or we lose the tax exempt status; Leeseberg inquired what the estimated time to resurface SR 62; Priestas noted it is going to be pushed back to 2016; Teal concluded noting there will be more to come in two weeks.

### **UPDATE: 2014 Year-End Financial Report and Performance Measurement Dashboard**

Teal brought forth 2014 performance measurements; will run over report and answer questions; can come back after audit if necessary to answer questions; highlighted revenue and expense were almost exactly on track with where City was at from 2013; fairly steady throughout; provided information from our general fund collections; income tax collections are two thirds of the general fund; up 0.5% from last year; will continue to estimate conservatively in that respect; growth in income tax; saw drop in individual and resident filings; many factors could be associated; will be monitoring future data for answers; noticed swings net profit returns as this year they were up 25%; watching House Bill 5 as provisions will change net profit returns; Schnetzer inquired what will happen when the next recession hits, as our reliance on income tax is considerable; Teal clarified we are in a good position now, but the numbers from 2006-2008 showed numbers than can raise concerns; noted our diverse withholding base; manufacturing, logistics, banking, etc.; Jolley inquired if "other taxes" in our withholding base includes the state tax; Teal confirmed; noted general fund expenditures; focused on a reminder that as a public service entity, most of the general fund expenditures are through public safety, service, and other direct service departments; Schnetzer inquired what the most costly public service expenditures were from the particularly fierce winter last year; Franey replied salt, overtime manpower costs, and potholes were the highest; Teal noted general fund balance; noted importance on not staying complacent in our evaluations; extended information is available online for review; Larick inquired if we aren't planning on maintaining the quarterly data; Teal clarified the amount of quarterly data can make the document too large to digest; made sense to show the comparisons from

2012-2014; will discuss presentation of quarterly data in the future.

Schnetzer adjourned Finance Committee at 8:11 p.m.