



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, April 24, 2017

Council Committee Rooms

Immediately following Committee of the Whole

CALL TO ORDER

Chair Schnetzer called the meeting to order at 7:30 p.m.

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

UPDATE FROM THE DIRECTOR OF FINANCE

[2017-0088](#)

Q1 Finance Report to Council - 2017

Bury said first quarter showed nothing out of the ordinary; compared to last year, we are down 10%; part of this is expected and is due to grants; income tax was down; had a large amount of individual collections from last year; there was not a driver; on average we are around half a million; 2013 was when we experienced this last time; compared to last year we are down 9% relating to the way we fund police pension; we are going back to looking at each quarter; fund balance is around 22 million; Larick asked about page 5 and CAFR reference; Bury said at the end of the year, we take a snapshot and look at assets and obligations; very manual process; pretty long process; goes step by step through each piece; takes 5 months to put together; Larick asked how much is due to Sunguard; Bury said there are not many systems that can do the governmental processing; we do not have anything in Sunguard regarding assets; have not taken advantage of that system; is very old and outdated; Larick asked if our process is the norm of municipalities; Bury said yes; Schnetzer said appreciates the historical chart; asked about the three different income tax types, specifically net-profit; Bury said each business in Gahanna does their own analysis; that profit is subject to the tax levy; Schnetzer asked if it occurs around a certain time; Bury said due at the same

time as the individual; Schnetzer asked about the state controlling that; Bury said is currently pending legislation; a lot of problems with the legislation; takes away from home-rule and will take things to a quarterly basis; they will also charge a 1% fee; claiming that most municipalities have a 3% fee; that is not accurate; would also change ORC; will be replaced and give all authority to the state tax commissioner; Schnetzer asked if that is a long run threat; Bury said potentially if it is allowed; Schnetzer said has had his eye on this for a little bit; spoke with the office of Representative Gonzales, there is some chatter to take that clause or language out and make it a stand-alone bill and voted on; don't believe we are out of the woods; asked if there is a desire to pass a motion resolution; McGregor asked why would they want to do this; Bury said the state is claiming it is bad for business; allowing it to stay under local control is bad for economic development; saying it is time consuming and costly; also claiming a savings; Teal said our net profit collections are not our bread and butter; but could open a backdoor for withholdings and other collections; not a lot of sympathy for the municipality; Angelou said are all involved in lobbying against this at MORPC; believes we should state our views as a home-rule city; they will be earning money while we wait to get it quarterly; believes it will not apply to townships; hopes that OML is doing their part; Schnetzer asked about the risk for auditing; Bury said right now we have access to all forms that are filed and we can see everything going through RITA; is the current problem with Ohio Business Gateway; would not be able to access what has been filed; will also not allow the municipality to appeal; Renner said absolutely to passing something; have heard that Ohio is the test bed for things; is that the case here; Bury said have not looked at any other state; Teal said we are hard to compare because of our tax structure; Metzbower said Ohio has one of the most cumbersome tax structures in the US; we need to find comfortable balance and local control; all neighboring states are right to work states; would like to hear both sides of this issue before we take position; would like to have all points addressed on both sides of the issue; Bury said have been looking at testimony; they have not had much from businesses; most are against and not for this provision; can find additional testimony; Schnetzer asked for that to be distributed; Metzbower offered to reach out to resources as well; Schnetzer asked about data from RITA showing whether or not we are gaining the number of filers; Bury said they do not count W2's; was able to gather 2 reports to compare '14 and '15; looking at those two years and the residents work report, there was a 2% increase in residential income; not the number of filers, that actually went down; could be the timing of when the report was filed; on the business side, are we growing; that one is more difficult; looked at current year collections vs. 2014 to see whether or not they were a new business; showed a decline for those from 2014 to now; may show a growth in jobs versus businesses;

Angelou said has sent a MORPC update recently, page 3, second paragraph, discusses the legislation we have talked about tonight.

ADJOURNMENT

7:52 p.m.