



# 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*

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Monday, June 25, 2018

Council Committee Room

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#### Immediately Following Committee of the Whole

#### CALL TO ORDER

Chair Schnetzer called the meeting to order at 8:10 p.m.

#### DISCUSSION FROM THE DIRECTOR OF FINANCE

[2018-0073](#)

#### 2019 Budget Discussion Documents

Schnetzer said this was a continuation of last meeting's discussion on the 20 year projection. Bury began with showing Council where the City has been the past 10 years; looking back at 2007, General Fund, including Capital Improvement; still \$9 mil less than in 2007, receiving 25% less; on expense side, City took action and deferred capital maintenance and had salary freezes; expenses are trending up and revenue is staying the same; obtained worksheet that RITA uses; takes works report and tax rate and allows to plug in to see loss; when talking about levies, it takes about 3 years to get to the money; in 2021, year 3, would see 100% of revenue from levy; not involved with Capital Committee, but some items were funded but names of project had changed overtime, so wanted to push out new updated information; \$5.4 million taken off bottom line based on updates; but new revenue added; has original and updated list for anyone who wants to view; presented attached report and went through the numbers; have a shortfall of \$263 million; \$197 million in one time capital; \$66 million in operations; 75% capital related and 25% operational related; the next few pages of attachment show what the tax increase revenue would look like with various percentages of taxes and credits; with 2.5 % increase and 100% credit we will meet our basic needs but also be able to fund one time

needs; lastly wants to show where our neighbor cities are at; most have 100% credit. Schnetzer asked if Bury is banking on future revenue; Bury confirmed. Bury said not much can happen in the beginning years; only have enough to cover basic needs. Schnetzer asked for allocation for increased calls for service; the region continues to push out and we are a prime area; more traffic in community. Bury said projection includes no additional staff; to ramp up public safety will require increased staff; did account for growth in wages for existing staff and contract services, materials, supplies as needed; Leeseberg said no police cars, no additional officers; trying to maintain status quo. Schnetzer said looking out 20 years, doesn't think this is realistic, especially with Police Department; asked Chief if he thinks it is realistic; Chief said no; said started in 1992 and were staffed at 31-32 officers then; city exploded in development; what MORPC predicts for the future of Gahanna and surrounding areas impact the City; 36,000-40,000 calls for service annually and will increase. Schnetzer asked if there are examples in other communities where they are pulling back like this. Chief stated that during recession in late 2000s when we were at peak staff of 61 officers had a much larger policing community, had community based programs, DARE, had to cut back; operating with 49 currently; could do more in community and expand in schools; Columbus has increased academy class to 15 more recruits per class to keep up; puts pressure on us to keep up with standard. Schnetzer said called non-emergency line in Columbus at one point and received voicemail; remembers the frustration; asked Chief if that's something he sees as potential for the PD; Chief said yes; core function is response to emergency calls for service; worried that increased call demand would not be met. Thomas said police officers do more than just police; they have to deal with a lot of mental illness and are often times acting as social workers; anticipates that will only increase; not realistic to say we can only maintain the current workload and that more resources won't be needed. Schnetzer thanked them for their comments. Metzbower asked for a chart that has numbers with current tax/credit ratio; Bury said that is available and will provide. Angelou asked about putting a levy out for the Police Department which would give that department the funds they need; can see residents supporting a levy for the PD; asked how much money would need to be budgeted for that; Chief said \$10.5 million. Angelou reiterated that it is another option versus an income tax levy; or have a levy that is just for road repairs, etc. Bury said another option is to have a property tax levy; said we only have the ability to tax income and property; with property tax it is slower to get the money, it's not as volatile to an economic downturn; income tax is more attractive because not waiting so long to see the benefits. Mayor wants comment that general fund is looked at like a fund

in the sky, but would be in support of either funding option but needs to be a guarantee. Angelou said was a period of 2 years where no capital projects were completed in order to cut costs; wants to continue thinking of other options; knows from being a part of the Branding Project, everyone talks about Police Department and wants to ensure that it remains as good or better; moving them out and on their own would free up money elsewhere; before was against income tax, but now looking for more of a targeted source. Schnetzer said income tax increase is more stable; said school district could pass a permanent levy but have not chosen to do so. Angelou said is a retired teacher; knows all about schools; said we have worked well with them. McGregor said she understands Angelou's point. Schnetzer said he is in the investment arena; take away from Warren Buffet that is his goal as long as he is on Council, wants to make the city government as fool proof as possible; charts show that 2.5%/100 option is as good as an option we have; reminded of GoForward Gahanna that we are targeting funds for capital improvements. Chief said the critical need, what impacts the PD the most is the outdated building; will cost outrageous amount to update it; hampered by our facility and it won't last another 20 years. Schnetzer said when he toured the facility 5 years ago, remembers the evidence locker and it was busting at the seams then. Chief said we have made improvements but the building is not up par; now we have to go outside the building for training and that's a basic need. Leeseberg said is a common trend that new recruits are going towards bigger and better spaces; don't want to lose staff; need to start providing bigger and better facilities or we will continue to be passed over. Mayor said he would also like to add that the Chief is right; that building is not adequate; working on facilities needs assessment; same holds true for attracting talent. Bury said has been successful in finding additional funding to offset, but won't stop looking for available funding. Schnetzer asked Council if they see any value in having one over the other, in reference to the 2.5%/100% vs, 2.25% with reduced credit. Metzbower said worth mentioning income/property tax increase versus fees. Bury said everyone would analyze fees regularly and make increases as needed, but wants to ensure the services are affordable for residents; fees are always a part of the equation. Schnetzer said the fees may not increase annually, but the forecast does account for cost of inflation; Bury said that is correct. Bury looked at 5 year average and actual to capture ups and downs. McGregor said concern with residents paying for services and those with credit don't pay for services but get the benefits. Schnetzer asked Bury how she would split. Bury said when revenue comes in 25% goes here, and 75% goes there; but not sure how that would be worded on the ballot. Larick confirmed that it would spell out the capital versus operating

portions. Schnetzer said this seems obvious to him; doesn't want to kick the can down the road; believes schools would be up in arms if a property tax increase was levied; as would Council if the schools decided to place an income tax increase on us. Committee discussed what other cities are doing with levies and property taxes. Schnetzer said wants to give residents a choice; said that is the proper thing to do; knows colleagues are uneasy about asking residents for this but they need to be the ones to decide; every poll he has seen shows that people want their streets repaired, etc. Angelou said we need to run a very lean machine now; just about everyone asked regarding targeted levies said they would vote in favor; believes a recession will come sooner than folks think and we need to be prepared. Larick said the capital portion is not clear. Bury said there are lists of capital needs; we have a vast amount and will be able to show this is everything we can do with the amount received by income tax increase; it is not that we are asking for money and then will create a list later. Schnetzer said most communities throughout the country use the same two pot method: if they have more than one operating fund they split it up into capital and operating; stresses that the 2.5%/100% is where we need to go. Leeseberg said thinks we have cut all we can in the last 10 years and we need to move forward with something; at a loss with how else to bring in funding. Metzbower said 2.5%/90% may be beneficial. Larick asked if something like this happens, when would Detroit streets be done for example if it was project 1; Priestas said many variables, but if all constraints gone maybe 5 years. Metzbower said we had an auditor tell us we are a well funded city. Schnetzer recalls sitting down with city staff to have a consultant find where we can save money; one value of that, not finding the money we hoped to find, which served as confirmation that this is needed. Renner asked what if we put a clock on this; say this is for 10 years and then we reevaluate this; if it takes only 5 years to finish streets then we have another 5 years to build up funds; would we consider that. Schnetzer said these items would be bonded and would need consistent revenue; could do 20 year levy; preference is permanent. Bury said our new accounting system allows for tracking projects; took that into consideration when looking at new systems. Angelou asked when our next union negotiations are; Chief said expires at end of year; Cochran said Steelworkers ends in 2019. Schnetzer asked if anyone has a different view; asked Banning if she could work with City Attorney to get this going.

## ADJOURNMENT

9:34 p.m.

