



City of Gahanna

Meeting Minutes

Finance Committee

200 South Hamilton Road
Gahanna, Ohio 43230

Monday, January 28, 2019

Council Chambers

***Immediately Following the Committee of the Whole**

CALL TO ORDER

Leeseberg called the meeting to order at 8:43 p.m.

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

ITEMS FROM THE DIRECTOR OF FINANCE -

[2019-0010](#)

2018 FINAL YEAR END REPORT

Bury reviewed and summarized the Final Year End Report; attached; stated the transfers were actually 93% and 100%; unsure why the numbers were not updated; included \$6.9 million transfer to capital improvement fund; regarding income taxes, we were up 3% but at only 98% of planned; usually when the projection is prepared, we have 4-5 months for collections; when we did the initial projections we did not quite hit the mark for those last months, so our projection was inflated; looking at 2019, we will have to monitor carefully so as to not fall in same cycle.

Bury stated that on pg. 26, General Fund balance, ended the year at \$18 million mark; \$7.1 million is reserved for Emergency Reserve; unreserved of \$8.1 million includes litigation as part of that balance; \$4 million unreserved for other purposes.

Schnetzer thanked Bury for the thorough report; report compiled on a cash basis; asked how do we know what it was on a modified basis. Bury said no; typically gets that info from RITA around March; will know on for the first quarter report. Larick said Bury mentioned \$5 million spent. Bury said that was from the transfer; look at net change fund balance; on page 1 of financial statements, comparing quarters; look for Q4 actual; \$8.1 million is already taking out what is reserved for encumbrance; remaining balance; provided background from end of 2017 to 2018; stated that she had sent something to Renner and would send that to all of Council. Leeseberg said Larick is trying to understand why if \$5.1

million was spent out of that revenue, the revenue as a whole went up versus down, as indicated on a separate page. Bury said she would have to go back to analyze. Schnetzer said to go to the table on page 2.

Leeseberg said he would direct everyone's attention to the conclusion; second paragraph; general fund savings; we are reaching a critical level; we have one year's worth of spending if we continue at that same rate. Schnetzer stated this was done under relative economic expansion; this is unique compared to other cities.

PENDING LEGISLATION -

[ORD-0010-2019](#) TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF GAHANNA, OHIO DURING THE FISCAL YEAR 2019.

Larick said he's referring to the info forwarded by Leeseberg; would be helpful to understand how changes correlate to attachment; that is, changes to appropriations for 2019; asked if there is any material difference between what was supplied and how it was translated to make budget appropriations. Leeseberg said he sent out a summary of proposed cuts. Larick said generally speaking, does the attached document translate to the budget. Bury confirmed. Larick said then he would be referencing that document; said he does not want to speak for entirety of Council but today is Jan. 28th, our regular process is to pass a budget back on 12/17/18; usually the budget process begins in September/October; concerned with the process that it has been challenging; not happy with the budget; impacts the community and employees; objective in going through the process is to provide the best community we can; fulfilling our responsibilities of a city; wants to do the best we can; this budget touches every department within the city; at the same time, is fair to say that we haven't damaged fatally, any of the areas; the options initially put forward were to find revenue or funds and eliminate activities; in eliminating activities in their entirety, that has long-term detrimental impacts to day to day lives in the community; these changes are at least dispersed; would like to ensure understanding of impacts of these changes; every time it is noted that a position is limited or defunded, there are impacts to the community in one way or another but a complete impact to the individual employee.

Bury said as difficult as it has been for Council, it has been equally difficult for the Administration; we have still funded asphalt overlay; did not completely abandon that but did not budget to go past 2019. Renner thanked Bury; wanted to make a few points; the original budget did not go into cash reserves; something we all recognized even in 2018, that we weren't going to what extent, but knew 2019 would be a tricky year; asphalt overlay was in the original budget and we were public about finding additional cuts; still feels that we picked a number that is aggressive; not based on any science; not based on lean six sigma; we just picked a \$2 million number. Metzbower shared Renner's sentiments; said to Bury's point, everyone knew these things were not sustainable in the long run; too much has been done and too aggressively without the time and analysis required.

Angelou stated she's not in favor of many things; will not be in support of the entire budget but something must be done and in a timely manner; improvements need to be made in the sustainable operating model; infrastructure must be focused on; regarding strategic plan, there are several wonderful goals but how to get to them; how to accomplish them was the story; there were 11 different opportunities to get folks together; people sat around and discussed the vision for the city; moderators were there; 300 people showed up; 900 recommendations were made; had a weekend workshop; finalized the strategic plan; the only thing that made sense was to get money from issue 29; it failed narrowly; we were prepared for disappointment; we now face the challenge of coming up with this budget before us; it is devastating; talking about people here; is the hardest because I have worked with some of these people for 26 years; by law we must come up with a balanced budget; thank you for thinking about the senior citizens; what should we do next; lowering the tax credit has been put on the table; lowering the credit is not the right thing to do; putting a Band-Aid on when we need surgery; am passionate about the city but it won't be a terrific city without funding; people were upset about the new brand, but that was one of the recommendations that came out of the strategic plan; read the vision and mission statement for the city.

Leeseberg said adding to that; have seen charts for what happens to other cities when the income tax is increased; had we had the money back in 2013, we would not be having this conversation; in 2016 people said don't close pools, so we didn't; we have \$8 million left and we spend \$5 million a year; that's not sustainable; to Larick's point, rather than devastating one entire department or one entire service, we made unsavory cuts, which touches every department; we were going to give

2.5% increases to salaries but can't do that now.

Larick said he will go line by line to review the items; unsure of specific responsibilities of the position being cut; will need help with that; proposals that Mayor brought forward are attached; listed all those items; long term solution for pools must be made; those items provide for \$1 million in reductions; still some discussion around camps; capacity would be reduced; asked administration if there was any info on how to restructure Friendship Camp to be more similar to Hannah Park Camp. Mayor said there was no answer to that because it would take additional work to gather data; we had to reorganize the workload and workforce to accommodate these current changes; will plan to get numbers when budget passes. Larick asked if the expectation was that the camps can be adjusted to be self-funded. Mayor confirmed. Metzbower asked if Friendship is more expensive. Mayor said the camps that are being eliminated are subsidized camps; Barr would have to speak to those questions. Barr stated Friendship is geared towards an older age group; have more entertainment like field trips, has additional costs; had already talked about making adjustments since that park does not sell out; would mirror Hannah Park by reducing field trips; prices for camps would be mirrored; would be net-zero or profitable; those are the 2 largest camps; a Recreation Supervisor position would be needed for that; other smaller camps would be eliminated; providing more opportunities to keep Friendship and Hannah Park open. Larick asked for opportunities to get a vendor for those smaller camps. Barr said it is an option to review.

Larick said for the remaining items, have to do with more senior positions on the table; listed those items; see attachment; discussion point is the city forester. Mayor said McGregor sent an email about the camps; due to short amount of time, could not redo the budget; it took Bury 2 and a half days to get the budget regenerated. Bury explained the way the budget is prepared; once pulled out, any other changes are difficult to run back through and each individual change creates a new sheet; must be concerned with how to operate the area and service once a position is eliminated; this is typically done with more time; had to keep track of every single change from original to now; it takes time to get this right. Larick asked about the two positions that were removed from the list; asked if they were removed from Bury's list. Bury confirmed. Larick said those changes would amount to \$1.5 million; provides funding for a partial plan for street remediation and does not provide for major renovations or projects; does maintain pools for 2019 and senior center, as well as camps; not perfect; some items still require discussion; this is reasonable.

Leeseberg asked about reorganization in regards to positions, notably, the Parks Department. Bury stated that per charter, every department requires a director, despite funding, someone must direct the department; in absence of that, would be the deputy director; would be filling two positions accordingly and the administration pay plan policy allows for a person to get 5% additional for performing the responsibilities of the higher position; when there's a vacant position, budgets for 90% of pay range. Leeseberg said the ask was to defund a position, not reorganize the Parks Department. Bury said we have to know how to operate and by Charter we must have a director. Leeseberg said whoever takes those duties will get a 5% percent increase, and that number should be the only number here. Bury said that is not what the administration decided; said we did find the savings. Leeseberg does not understand the numbers. Bury said she would be happy to go over them again. Leeseberg said when there are less services and fewer employees, how does the number not go down. Bury said it is going down in other areas. Leeseberg said reorganization of Parks Director is not representative of what was asked; defunding a \$90,000 job and only having a savings of \$3,000 does not make sense. Angelou asked how much savings it would provide by closing the pools for one hour. Leeseberg said \$21,000. Mayor said if there's a fear that there will be a director of Parks, there won't be. Metzbower asked for an explanation from colleagues about that specific cut; what was the logic. Leeseberg said over the last 3 years, the Parks budget has increased to \$924,000; if we are paying part time people \$71,000, that should be looked at; proposed cuts by the Mayor didn't sit well with Council; proposed other cuts; discussed at great length. Metzbower said discussed without additional information. Leeseberg said they made cuts to high level positions. Metzbower said that leaves the administration with trying to figure out how to handle job duties for a position required by charter. Leeseberg said the decision was based on not cutting 15 part time people, as proposed by the Mayor, and cutting one position instead. Larick said we are talking about the funds available, not the responsibilities. Metzbower said the discussions were held without external information. McGregor said when looked at this overall as a whole, the most important things, the basic functions of government, safety, etc., you have to think about the basics first; no one appreciates parks more than I do; asked who would mow the grass if those part time people were cut; asked why have supervisors if there would be no staff; were asked to keep pools and camps as well as senior center; this is the solution we came up with; cannot defer potholes because that's a safety issue; people won't move here if they see we don't take care of the

basics; we had to borrow money the past 3 years for roads; decreasing number of roads that get repaired has a cost. Metzbower asked if the cost is \$3,600.

Mayor said the budget proposed in October covered the funding gap; fully supports that original budget; given the balance of this year, will see more funding; have done 10+ iterations; as asked by Council; did not ask for pools and senior center to be closed; original budget did not close those things. McGregor said it was fair, because we did ask for \$2.5 million to be found; those were just the first to be proposed and then they changed.

Schnetzer said there was an original draft that directly impacted capital, parks, multiple iterations up for discussion over the period of 60 days; what is before us now does not disproportionately impact one department or residents; we have a duty to minimize impact to residents. Metzbower said these discussions were done in a vacuum; let's do away with the staff cuts and do an actual analysis and take the time to discuss the impact; and discuss in a proper open environment. Angelou said this is a temporary situation; cannot continue with this long term.

Larick said while the topic is not on the agenda it relates to budget; believes in the spirit of the community; it wants to prosper; the people want the city to be a positive place to raise their families; we have an option to change the tax credit; we can change to 100% on July 1. Schnetzer said that would decrease city revenue. Larick said that would of course, be tied to returning the issue to the ballot; would have to be an issue on the May ballot; would bring city to a viable path. Leeseberg said he can't support that; not enough has changed; there's still the tax lawsuit out there; we have had lots of people say "save the roads, not the parks"; don't believe the sentiment has changed; lost 3 times; we are all exhausted; this needs driven by the people; does not want to be doing this again next year. Larick said he understands his position; if there's a will of Council, he will work on language. Schnetzer said he is young and has young kids; has a long- term plan for living here; for viability there needs to be a revenue solution; said he works in public finance; the trend that we are on is bleak; knows how this ends; sold on the need but struggles with who will lead; where's the network. Larick said there's a group that has a concept started; will do the work needed; can do the math and there's no guarantee this will go through in May if more residents don't understand the need; takes the population to believe; tax lawsuit has been manipulated so people believe it is something that it isn't; must believe in the community. Schnetzer asked if there's a tie in to

the budget here. Larick said changes will be made as needed if it passes. Schnetzer said he would consider it; McGregor said she is onboard; Renner said he will support. Metzbower said he's not opposed to restricting the city's government, just asks for further analysis; asks that a budget get passed tonight that does not cut those positions; asks for an ad hoc committee to discuss further. Angelou said they have been discussing for 10 weeks; asked City Attorney if we can add both items on the ballot at the same time. Ewald said we have been told before that a single subject only can go on the ballot but last year Powell had more than one, and that changed the game for everyone; yes we can put both items on. Angelou said that would give the voters the choice. Leeseberg asked if there's a change to the credit would we need to then vote on it. Ewald said he will review and provide a response.

Renner commented that he would urge colleagues to take a less aggressive stance; asked why not fully fund as we were originally; take a phased approach to this; in 2020 drastic cuts would take place if needed; please consider. Leeseberg said this really needed to be done in 2013; unsure that this will pass if we don't pass this budget; \$160 million deficit in the next 20 years, or \$8 million a year; that's just for basics; keeping police force at current state which is not sustainable; cannot repeat 2013. McGregor said the budget was going to be until March, but due to bidding process for roads, decided to do a 30 day budget so that we could decide today to pass a budget; if we delay this longer then we have lost our advantage; was not an arbitrary timeline; if we don't pass tonight then we are deferring roads and cannot be in support.

Angelou stated that she was on Council in 2013; the rationale was not that we didn't need money, we just didn't specify where the needs were; if it would have been for capital improvements then I would have voted for it; we have to fund something right now to get those roads done. Larick said he's open to adjustment of dates to be June 1. Renner asked Priestas if it was his intention to go out and bid for streets. Priestas confirmed. Renner said the perception of issue 29 was just streets; it was not understood by the public. Metzbower does believe the 2013 issue and issue 29 communication was difficult to convey. Larick asked Mayor if he needs more time. Mayor said he would ask Bury to get something together by tomorrow for the change to the June 1 date; would know success or failure by then. Larick said the residents can get signatures to get this on the ballot. Schnetzer asked what is the ask of administration, to delay all items or certain items. Larick said the only changes are the ones that have a start date and how that may impact numbers. Mayor

said part times were for Feb. or beginning of March. Leeseberg said there was no severance given to the part time employees but the director would be given the time to find something.

Schnetzer said this would dial back Detroit streets to accommodate for operating expenses to June 1. Angelou said if this is not successful then we know where we stand; must bring that to the community. Metzbower said we are all in agreement and if this does not pass in May then we may have more cuts in June.

ADJOURNMENT

By Leeseberg at 10:38 p.m.