



City of Powell Finance Committee

MINUTES October 11, 2016

Attendees:

Tom Counts, Jim Hrivnak, Dan Swartwout, Brendan Newcomb, Frank Bertone, Steve Lutz, Jessica Marquez, Debra Miller and other staff members throughout the evening.

Approval of minutes

Minutes were approved as printed.

Financial Reports for September 2016

Ms. Miller stated that revenues and expenditures were coming in as expected with no major surprises. Municipal income tax collection is up 5% compared to last year as the gap continues to get closer each month.

2017 Budget Request

Mr. Lutz gave a brief overview of the budget planning including pointing out the marker board which showed the net changes to the General Fund budget from 2016 to 2017.

Ms. Miller started the conversation by going over the City of Powell Funds (a copy of the large sign is attached). She went over the 5 different fund types and gave examples of restrictions. Also pointed out where what funds could be used for capital improvements. Ms. Miller then went over how the 2017 Budget would be presented to the Finance Committee – department's operating and capital expenditures along with any requested or proposed changes to personnel; Parks & Recreation Fund which includes Powell Festival; Canine Support Fund; Capital Infrastructure Projects; Any Other Funds not previously discussed and general fund balances and fund balances. Mr. Lutz stated that other personnel cost changes would be presented in Executive Session.

- Council/Clerk Budget – Ms. Miller reviewed who was charged to this department and listed the changes to the budget. Those changes included:
 - Awards \$200
 - Records Maintenance Agreement \$6,300
 - Records Storage \$7,400
 - Codification \$1,050
 - Contracted Services & Travel/Meetings & Dues (\$96)

Ms. Mitchell went over the new records storage request (Fireproof) and the increase in maintenance costs from (OnBase from the Sire product). There was discussion on the

increase in the maintenance cost because no one seem to remember this was going to occur from the previous discussions on the change from Sire to OnBase. This wasn't clarified as the previous City Clerk had made the software change presentation.

Also requested, was additional hours for the part-time Deputy Clerk at \$7,700; however, this request was not brought forward into the budget due to overload being due to a vacant position (PT Zoning Inspector).

- Communications Budget – Ms. Miller reviewed who was charged to this department and listed the changes to the budget. Those changes included:

- Consulting Services \$7,000
- Advertising \$1,450
- Dues/Subscriptions; Promo Supplies & Other Items \$180

Ms. Canavan went over the request for additional videos including examples of some of the videos she would like to do next year. She also talked about updated the City's graphic standards which haven't been looked at since early 2000.

A question regarding the cell phone line was asked. Ms. Canavan does not have a city issued cell phone but uses her personal cell phone and receives \$50/month through payroll to pay for the data usage for City emails.

Also requested, was a paid intern for \$15,430; however, this request was not brought forward into the budget since additional assistance with consulting was brought forward.

- Development Budget – Ms. Miller reviewed who was charged to this department and listed the changes to the budget. Those changes included:

- GIS Maintenance \$1,500
- Travel/Seminars \$1,000
- Architecture Advisor \$1,000
- Economic Development \$1,000

Mr. Kambo represented the Development Department as Mr. Betz was on vacation. Mr. Kambo reviewed the GIS program and the changes ESRI was making to their product. Ms. Miller assisted the conversation by explaining the architecture advisor was being increased due to higher number of development plans and that a request for additional funding in 2016 was on an upcoming City Council agenda. A brief discussion was on the economic development request as neither Mr. Kambo nor Ms. Miller was familiar with the topic.

- Building Department – Ms. Miller reviewed who was charged to this department and listed the changes to the budget. The changes didn't affect the Building Department budget added additional costs to the City's auto policy. The request was to keep 2 police cruisers (minus their markings) for use by the Building Inspectors. The cost to maintenance including gasoline was transferred from the travel budget since mileage would no longer have to be paid to the Building Inspectors.

Mr. Wenzel along with Mr. Lutz assisted the conversation by responding to questions from the committee including autos would not be taken home. Other questions Mr. Wenzel responded to was on the Plans Examiner and Auto Allowance. An Architect is needed to review plans which the City doesn't have on staff and Mr. Wenzel is the only employee who still has the 'grandfathered in' auto allowance.

- Police Department – Ms. Miller reviewed who was charged to this department and listed the changes to the budget. Those changes included:
 - Utilities \$750
 - Equipment & copier maintenance \$300
 - Lab and printing (\$50)
 - Travel/Education \$1,800
 - Overtime (\$5,500)
 - Gasoline/Oil (\$4,085)

Ms. Miller stated that the City have left the higher budget for gasoline for a couple years but the gasoline prices have remained lower for a few years, some of that budget is being reduced.

Next requested was a speed trailer at \$14,000; however, it was not brought forward into this budget but this is 1 of 2 items that the City anticipates bringing forward mid-year when additional revenue is collected in 2017. Chief Vest reviewed the speed trailer including other uses it could do since it included a sign board.

Also requested was a police officer at \$96,962; however it was brought forward into budget as being hired in July which reduced the cost to \$50,552. Chief Vest went over the various philosophies on how many officers a City should have. He follows the theory of “call hours include type” which shows how long an officer is tied up based on particular types of calls. Based on his research which was presented two years ago – he had requested 5 new officers to be put on staff. Staffing either 1 a year or every 18 months. Chief Vest responded to multiple questions on staff including overtime. Overtime varies based on the type of cases the department is working on. He illustrated a few cases over the past few years which pointed out the “peaks” in the overtime budget.

- Canine Support Fund – Ms. Miller pointed out the expenditures of \$7,500. Chief Vest discussed the donations that supported these expenditures and the various types of expenditures the canine has.
- Lands & Building – Ms. Miller reviewed that the City has no employees charged to this department. The Parks & Public Service employees perform any of the functions not out-sourced. Changes to the department included:
 - Office cleaning \$1,000
 - Property taxes & janitorial supplies \$350

Mr. Snyder discussed that he was going out for bid for cleaning services and this increase was assuming our current provider got the contract. Our current contractor is below market value and if another provider gets the contract, we would have to come back to City Council for additional funding.

Capital improvements of \$37,500 is being requested to continue to maintain/improve the City’s buildings. These budget is not “planned” and will be based on the various needs of the buildings. Expenditures in the past of included new windows, garage doors, HVAC, etc.

- Parks – Ms. Miller reviewed that the employees are split (estimated) 40% here and the remaining 60% in Parks Service. There is no rationale for the split or who is in what budget for employees. The changes being requested for this department include:
 - Utilities \$1,693
 - Janitorial Supplies \$1,000

- Turf Maintenance/Fertilization \$6,000
- Downtown Plantings \$1,500
- Playground Maintenance \$2,500
- Equipment Maintenance (\$10,000)
- Weed/Pest Control (\$3,000)
- Moved outside General Fund – Special Events (\$10,000)

Mr. Snyder stated the new turf maintenance/fertilization is for the new areas the department will now be responsible for maintaining – such as the Murphy Parkway extension area. The reduction in equipment maintenance is a short-term reduction as the City prepares to add additional & different equipment in the future to assist in handling the Seldom Seen Park.

Special Events is being moved to the Parks & Recreation Programming Fund. Mr. Snyder discussed how the Powell Festival is now under the control of the City and they have changed how they request donations and/or sponsorships for events to cover ALL events including Powell Festival. It was extremely difficult this year trying to make revenues and expenditures because of the different funds being used. Mr. Snyder stated that they received more sponsorships and money because of this change to sponsor ALL events.

This department requested a Large Size Mower at \$60,000 (for Seldom Seen) that was postponed one year to the 2018 Budget. Also requested was a Parks Laborer at \$74,000 which was also postponed one year. A Forester/Arborist was requested at \$93,000 but this position was not brought forward into the budget. However, an additional \$20,000 was added to contracted services to get this type of assistance started.

- Public Service – the changes to the budget included:
 - Utilities (\$1,351)
 - Street Light Repairs \$10,000
 - Street Sweeping \$2,000
 - Safety Equipment & Shop supplies \$750
 - Gasoline/Oil (\$3,000)

Ms. Miller stated again that the City had left the higher budget for gasoline for a couple years but the gasoline prices have remained lower for a few years, so some of that budget is being reduced.

Mr. Snyder talked about how additional Street Lights are being turned over to the City with new additions, etc. The costs to repair street lights is quite high as even a small replacement part can run a few thousand. He also talk how the City has 2 street sweepings each year and the contract pricing hasn't changed in a few years; and when you consider the additional streets being added he is anticipating a price increase.

This department requested a large size trailer and other items for \$10,000; this items have been postponed for one year. Also requested was a specialized vehicle at \$80,000; however, it was not brought forward into this budget but is the 2nd of 2 items that the City anticipated bringing forward midyear when additional revenue is collected in 2017. Mr. Snyder described the vehicle and it's purposed for the committee.

A Snow Plow at \$130,000 was requested and brought forward into the budget. Mr. Snyder gave some background on the age and timing of snow plow routes. Ms. Miller

reminded the committee that it takes a year to receive a Snow Plow so planning on when needed is important as this Plow won't be available until mid-2017/2018 winter.

Also requested, was a part-time Department Coordinator (Administrative Assistant or clerical) at \$18,000; this was brought forward into the budget. Mr. Snyder described what the clerical assistant would be responsible to do for the department.

- Parks & Recreation Programming Fund – Ms. Miller reviewed the revenue projections for the Classes and Powell Festival (& Other Events). She stated that the budget incorporated the higher class revenue that the City had been receiving over the last few years. This should assist in not coming every year to City Council to request additional appropriations due to higher collections.
- Engineering – Ms. Miller reviewed who was charged to this budget and the changes to the budget. The changes included:
 - Dues/Subscriptions (\$1,000)Mr. Huber reviewed what NPDES was and the types of expenditures related to it.

Before Ms. Miller began the other areas of the budget including the capital budget she handed out the Advances and their Repayment Schedule. The City has advanced over \$4.3 million from the general fund balance over the last few years. The schedule shows the anticipated repayment of those advances and allows the committee to estimate when new funding may be available.

Next Ms. Miller handed out the Funds Available for Capital Use as a guide when she goes through the capital budget.

- Street Maintenance & Repair Fund – Ms. Miller briefly reviewed the Municipal Motor Fund and how its transfers all of its funding to the Street Maintenance & Repair Fund (SMR). The annual Street Maintenance Program is proposed to be \$750,000 in 2017. This level of program is not sustainable as you can see by the estimated revenues. The City does not have any ability to change the revenue stream and it is anticipated to be reduced in the future as more and more electric and gas-saving automobiles are used.

Also included in this budget is \$105,000 for snow removal and \$15,000 in traffic signs throughout the City. The committee discussed how HOA's are reimbursed to a minimum level for subdivisions decorative signs.

Ms. Miller along with Mr. Huber and Mr. Lutz discussed the two projects that are in the works (discussed on handouts). Based if and when two grant applications are awarded the City will have to have a way to pay for their share of costs. Currently, the only fund that could do that is the SMR Fund and the annual street maintenance program would have to be reduced to accomplish it. The 2 projects are: Sawmill & Seldom Seen Grant and Grant with Delaware County for Seldom Seen & Liberty. The City's share is \$500,000 and \$600,000, respectively.

- State Highway Repair Fund – This fund is dedicated for street or street-related repairs of Highway 750 (or Powell Road). This budget includes \$5,000 for storm sewers, drains and traffic signs.

- Park Development Fund – This fund is dedicated for parks only. This budget includes \$3,000 for dog waste stations and a transfer of \$128,081.24 to the Seldom Seen Park Fund. This transfer is the fees paid by the Seldom Seen site developer and is a one-time transfer.
- Veteran’s Memorial Fund – This fund is dedicated for the Veteran’s Memorial. This budget includes \$500 for additional memorial bricks.
- Sawmill Corridor Commercial TIF Fund – This fund is dedicated for the titled area. The budget includes auditor fee’s and advance repayment of \$253,250 and an estimated \$7,500 for the Spectrum/Ganzhorn Sewer agreement.
- Murphy Parkway Construction – this fund will be closed as no additional funding is anticipated since the project is almost completed.
- Downtown TIF – Public Fund – This fund is dedicated for the titled area. This budget includes \$10,000 for paver repairs and auditor fees; \$50,000 for engineering of the 4 Corners intersection and \$750,000 for traffic related projects (Grace Drive (\$500,000) and bike paths/parking lots (\$250,000)).

Mr. Huber reviewed the various projects with the committee. There was several questions regarding the 4 Corners project and what it may entail. Mr. Huber stated those decisions would be made before the project was sent for engineering. It is anticipated the cost of the 4 Corners will be known in late 2017.

- Downtown TIF – Housing Fund – This fund is dedicated for the titled area. This budget is only for auditor fees of \$100 and it is uncertain when projects will be forthcoming due to the small revenue stream.
- Olentangy/Liberty Connector – This fund is dedicated for the titled area. It is anticipated that this funding will be used in 2018 for the 4 Corners Project.
- Sanitary Sewer Agreements Fund – This fund is dedicated for the area served by the self-imposed assessments. It is anticipated that the \$34,000 collected in 2017 will be used for interest costs from the internal
- Seldom Seen TIF – Public Fund – This fund is dedicated for the titled area. It is anticipated that the \$13,400 collected in 2017 will be transferred to debt service to pay for the related debt.
- Seldom Seen TIF – Park Fund - This fund is dedicated for the titled area. This budget includes \$1,057,299.84 for construction/engineering of the Park.
- Village Development Fund – This fund has no restrictions except capital related. This budget includes \$129,218.60 as a transfer to the Seldom Seen Park Fund. This transfer is the fees paid by the Seldom Seen site developer and is a one-time transfer. Also, included is \$225,000 which has been allocated for bike paths and parking lot improvements. The committee was told by Ms. Miller that this a project that could be changed to something else if they desired. It also reduces the fund to just \$6,000 and no new projects could be funded for a few years.

- Capital Improvements Fund – This fund has no restrictions except capital related. There is no funding anticipated unless the General Fund transfers to this fund.
- Voted Capital Improvements Fund – This fund is for expenditures discussed on the related ballot. This budget is \$1,830,560.85 and will be adjusted in January/February to reflect actual numbers so the remaining balances can be utilized in 2017.
- Administration – Ms. Miller went over who is charged to this budget and the related changes. The changes included:
 - Copier costs \$200
 - Survey Estimate \$500

Ms. Miller discussed how the City splits the bi-annual community attitudes survey across two years along with issues if trying to do that over more than two years. The committee asked if there was an issue if the survey didn't occur with this method and there was not.

Also requested is \$600 for additional administrative relief for the Secretary/Receptionist one of the few positions that have to be manned daily. This request is in the budget.

- Finance – Ms. Miller went over who is charged to this budget and the related changes. The changes included:
 - Cell Phone \$600
 - Equipment maintenance; dues/subscriptions \$370
 - Finance Maintenance Agreement \$1,188
 - Printing \$1,300
 - Travel/Seminars \$2,100
 - State Audit & Credit cards \$200
 - Income Tax Collection fees \$2,900
 - Asset Auction Fees \$2,750
 - Refunds & Reimbursements \$500

Ms. Miller stated that she was requesting funding for Ms. Marquez to now get City emails on her personal phone. The Finance Maintenance agreement is the additional costs associated with the Finance software. The income tax collections fees are a percentage of the annual municipal income tax collections – so when additional revenue is projected the fees associated also must rise. The committee briefly discussed the various items sent to auction and how the City has the budget go up and down on this.

Also requested was a full-time Human Resources Specialist at a cost of \$81,000; this request is being brought forward in the budget but as a part-time position at a cost of \$18,000. The committee discussed with Ms. Miller and Ms. Marquez the type of job duties this position would have along with what kind of hours & person they were thinking of. Ms. Miller stated she hoped someone who was retired but still wanting to work would be ideal and they would try to be extremely flexible on the hours. However, until advertised they were unsure if they could even get a part-time person to fill the position. Ms. Miller mentioned that the Development Department was having difficulties in finding people to even apply for their PT Zoning Inspector. Mr. Lutz and the committee also discussed working from home as an option.

- Legal & Other Charges – there are no employees charged to this department. The changes to the budget include:
 - Legal Services & Prosecutor \$42,700
 - Liberty Township agreement \$5,000

- Employee screening \$4,200
- Postage; emergency management & health services \$700

Ms. Miller and Mr. Lutz discussed the three union contract negotiations that would be occurring next year. Also discussed was the Verona Income-tax sharing agreement with Liberty Township which is what the \$5,000 request is for. The Employee screening is the assist with the costs associated with hiring a police officer.

Ms. Miller also reviewed the City Manager's contingency line items of \$25,000 and responded to questions on why past budgets reflect zero. Any use of this budget line items or the City Council contingency is transferred to the appropriate expenditures line instead of being spent on the contingency line.

- IT – no employees are charged here. Ms. Miller had a handout to assist the committee with the items in the budget. The three main items have been previously discussed in committee meetings – body cameras, server upgrade and phone system – which brought up questions about planning and when we anticipate expenditures.

The committee discussed the various line items – these items included:

- Police connectivity \$41,000
- Printers/scanners \$500
- Server/network components \$5,500 without the \$28,000 server upgrade
- Computers \$15,000
- Laptops & Portable devices \$5,500
- Camera Monitoring \$5,000
- Wi-Fi Equipment \$5,000
- Phone System \$30,000
- Miscellaneous equipment \$2,500

Ms. Miller used the computers request of \$15,000 as her example when discussing the document with the committee. The committee was interested in why the cost was so high compared to other company's purchases and Best Buy. The IT Committee will be bringing back quotes and the specs of the City's computers.

- Reserves & Transfers. The General Fund Reserve is supposed to be 15-20% of the current year's general fund personnel and operating expenses. As the budget increases so must this rainy day fund to keep in the necessary percentage range. The budget is for \$50,000 to be added.

Also being added is \$15,610.77 to the 27th payroll and \$1,941 for compensated absences. A brief reminder that the compensated absences is based on the GAAP financial statements and is for only employees 60 and above.

The CORMA budget of \$85,000; debt service transfer of \$203,000; CIC budget of \$10,000 for contracts and \$75,000 City Council contingency was discussed.

- General Fund Revenues. Ms. Miller discussed the main general fund revenue items. The municipal income taxes, the City is anticipating collection \$5,649,476 for 2016 and the estimated collection for 2017 is \$5,809,472, a 2.8% increase. Ms. Miller stated she believed the City would receive more than that with the new housing but since we didn't know if they would have withholding or be paying quarterly we were not counting on this revenue at this time.

General Property taxes – we have received notice from Delaware County that the collection should be around \$548,600 which is basically a zero percent change. The County assumes a 90% collection rate so how delinquency will determine if we receive higher amounts.

Development Related revenues – we are looking at a 4.5% increase based on increased usage and higher fees. Ms. Miller handed out a draft 2017 Fee Schedule that will be discussed in more detail at the 1st City Council meeting in November.

The Total General Fund Revenues budgeted for in 2016 was \$7,651,881 compared to the 2017 budget of \$8,021,055, an increase of \$369,174.

The Committee began discussing how they wanted to meet again to finish up the discussion on any changes to the budget before presenting at a City Council meeting. The Finance Committee meeting scheduled for Tuesday, November 8th would only allow minor changes to the budget before presentation. After some discussion, the Development and Finance committee chairs agreed to switch their meeting to allow the Finance Committee to meet on Tuesday, November 1st. This would allow the committee the additional time to make all the changes that wanted and staff time to make the changes in the budget document before it was presented at a City Council meeting.

Other Business

Ms. Miller handout a Financing timeline for the refinancing of the 2016 Note issued in February for \$3,000,000. She mentioned that staff would be meeting in the next few days with the financial advisors on either rolling the note or changing to a bond. The City will be making a \$300,000 principal payment along with paying the interest changing the new note/bond to a \$2,700,000 issue.

Adjourn

Committee adjourned at 9:55 pm.