



City of Powell Citizen Financial Review Task Force

MINUTES January 23, 2018

Attendees:

City Staff Members: Jessica Marquez and Debra Miller.

Task Force Members: Rich Cline, Tom Jedlinsky, Tom Ewers, Christina Drummond, Lisa Gruebel, Terry Hoppmann, Barb Walters, Craig Sedoris, Jeff Gardiner, Mike Barker, John Cruise, Randall Sampson, Heather Robinson-Lindsey, Eric Prall, Ross Gillespie, Bruce Dorsewitz and Vicki Vendramin.

Introduction:

Mr. Cline called the meeting to order at 7:00pm.

Approval of the minutes from the January 9, 2018 meeting:

Review of the minutes from the January 9, 2018 meeting. Ms. Drummond requested 2 corrections, one on page 2 regarding an additional question that was raised and page 3 a correction regarding the use of a listserv rather than an email chain. Minutes were approved as amended.

Government Financial Overview Presentation:

Ms. Miller and Ms. Marquez did a finance presentation to provide a brief overview of government financial accounting. Ms. Miller presented some general information on government Finance. Ms. Marquez provided an overview of the City's current income tax and property tax structures. Some discussion followed on both of the City's largest revenue streams.

Ms. Miller presented some basic information on Tax Increment Financing (TIF) revenue, and a lengthy discussion followed. Mr. Hoppman suggested that we table the TIF discussion and get into more detail at a future meeting.

Ms. Miller and Ms. Marquez provided some information on the Community Infrastructure Financing Authorities (CIFA's) that are part of the City; and another discussion followed regarding the design and function of the CIFA's. Ms. Drummond requested a map of the City

with a breakdown of property tax millage including Golf Village and the Powell CIFA community development charges.

Further discussion continued on other revenue sources in the City and Ms. Miller highlighted those that have decreased in recent years, mostly due to changes at the state legislature.

Ms. Miller provided a brief explanation of the City's expenditure categories and elaborated a little bit on what makes up the personnel services category. Ms. Marquez continued with a discussion on operating and capital expenditures. Ms. Marquez explained the City's various contingencies and reserve accounts.

Ms. Miller explained the City's budgeting process and described how the City's annual budget books is organized. It was noted that this document is available on the City's website for viewing; it was recommended that task force members review the budget book to help gain a better understanding of government finance.

Ms. Miller then explained the different types of fund balances that are presented in the City's Comprehensive Annual Financial Report (CAFR). She discussed each fund balance category and explained the significance of each while providing some examples to help aid in understanding.

A brief discussion occurred regarding the City's debt and Ms. Miller and Ms. Marquez provided additional information regarding the City's debt limitations. Ms. Drummond and Mr. Gardiner requested additional information regarding debt refinancing dates. Ms. Miller reviewed the additional handouts, which included a copy of the City's debt limitation statistical table from the City's 2016 CAFR. Mr. Gardiner asked a question about the footnote and why we excluded \$16 million from the calculation. Ms. Marquez replied that our bond counsel advised that the debt related to both the Liberty CIFA and the Powell CIFA was allowed to be excluded due to the debt covenants that were in place.

Ms. Miller reviewed another handout with information that was requested at the January 9, 2018 meeting which was "what would happen if we just cut 4% across the board?" Ms. Miller provided examples of what this type of cut would look like in each of the City's departments, and indicated that deep cuts to the departments would only generate approximately \$300,000.

Ms. Miller provided the task force with some questions that the Finance Department received after the kickoff meeting from a resident. She emphasized why it is troubling when people post on private Facebook pages instead of asking the questions directly to City staff; private social media sites make it difficult for City staff to know what questions are being asked and to be able to provide accurate information.

Task Force Discussion/Old Business:

Mr. Cline addressed a question that was brought up at the previous meeting regarding voting on a final recommendation and whether there was an attendance requirement. Mr. Gardiner asked how many meetings we intend to have. Consensus was that there would likely be 4-5 main meetings with the whole group and several subcommittee meetings.

Ms. Drummond compared this process to what occurred with the Comprehensive Plan in 2015; she pointed out that they had an outside firm to provide a document for policy analysis and that she believed that having an outside firm might be beneficial to this group. She

expressed some concern over whether we could accomplish this in such a small number of meetings. Ms. Robinson-Lindsey and Mr. Hoppmann echoed these concerns.

Ms. Robinson-Lindsey suggested doubling the number of meetings and forego an outside consultant. Mr. Cline indicated that he was less hesitant to tell someone that they need to attend a majority of less meetings in order to be allowed to vote on the final recommendation.

Mr. Gardiner suggested that members be required to attend 50% of the meetings; Mr. Jedlinsky suggested 75-80%. Mr. Gillespie expressed concern on being able to attend so many meetings. Mr. Cruise requested more scope of goals and definition before making a decision.

Mr. Cline asked the group what process will be useful to them; he stated that this group was modeled after the task force that Upper Arlington had because of their success. He stated that subcommittees could manage their own time and asked whether three subcommittees was appealing: revenue, expense and capital needs. Mr. Cline stated that he doesn't expect expense committee to find much but it will not be fair to not look at that. Mr. Cline requested that support staff be able to attend and participate in the subcommittee meetings.

Ms. Robinson-Lindsey pointed out that by having these subcommittees we are essentially doubling the number of meetings.

Mr. Hoppman suggested that at the large group meetings, each subcommittee gets approximately 15 minutes to present their recent findings.

Mr. Barker wanted to know what Upper Arlington's task force ultimately concluded. Mr. Gardiner requested a copy of the Upper Arlington report. Mr. Cline explained that they identified a revenue shortfall with the loss of inheritance tax and the significant decrease to the Local Government Fund.

Mr. Gardiner wanted someone from Upper Arlington's task force to come to a meeting and share some of the issues that they faced. Ms. Miller explained that City staff and Council have already met with the chair from the Upper Arlington committee and that he is not interested in attending any of our meetings.

Mr. Cline requested a vote on the three proposed subcommittees: revenue, expense and capital needs.

Yes: Mr. Prall, Mr. Gillespie, Mr. Dorstewitz, Mr. Hoppmann, Ms. Robinson-Lindsey, Ms. Gruebel, Ms. Drummond, Mr. Cruise, Ms. Vendramin, Mr. Barker, Mr. Gardiner, Mr. Cline, Mr. Jedlinsky and Mr. Ewers.

No: Mr. Sedoris

(Ms. Walters and Mr. Sampson were absent from the vote)

Ms. Drummond suggested utilizing "café conversations" as a way to share a lot of information in a short amount of time during the meetings.

Mr. Gardiner thought that we needed to get a subject matter expert for each subcommittee.

Mr. Hoppmann reiterated that we need to let people know that we looked at the expenditures; show people that we are looking at all opportunities but realistically we will probably not identify anything to cut.

Ms. Drummond followed up stating that there will be different justifications needed depending on what the recommendation ends up being.

Mr. Cline revisited the attendance question raised earlier in the meeting. **Mr. Jedlinsky made a motion that we require attendance at 2/3 of the meetings. The group unanimously approved (Ms. Walters and Mr. Sampson were absent from the vote).**

Mr. Cline requested that each member email Ms. Miller and Ms. Marquez their order of preference for subcommittees.

Ms. Marquez requested that someone volunteer to take minutes at future meetings. Ms. Vendramin and Mr. Cruise both said they would be willing.

Ms. Miller stated that if the committee wanted to see some different revenue scenarios from both the Regional Income Tax Agency (RITA) and the Delaware County Auditor's office to please request them since RITA would be getting into their busy season very soon and may not be able to fulfill the request in a timely manner.

Mr. Cline emphasized that when making these scenarios that we need to be realistic about what we think the residents might actually vote on.

Ms. Drummond wanted to know where Council and Finance Committee stand on these different scenarios. Ms. Miller responded stating that the current popular choice is a slight increase in income tax and continue to renew the property tax levy.

Mr. Hoppmann asked about other revenue options like the zoo. Ms. Miller stated that we are only two parcels away from the zoo and that might not be too far off.

Mr. Gardiner asked about the City being able to fund advocacy for whatever recommendation comes out of this group. Ms. Miller stated that funding any advocacy would be illegal. A brief discussion followed regarding what is allowed by the City and that a Political Action Committee (PAC) would be the best option for any funding.

Meeting adjourned at 9:20pm.

Next meeting is scheduled for Tuesday, February 27, 2018 at 7:00pm.

