



City of Powell Citizen Financial Review Task Force

MINUTES March 21, 2018

Attendees:

City Staff Members: Steve Lutz, Jessica Marquez and Debra Miller

Task Force Members: Heather Lindsey, Lisa Gruebel, Barb Walters, Randall Sampson, Rich Cline, Tom Jedlinsky, Jeff Gardiner, Eric Prall, Craig Sedoris, Terry Hoppmann, John Cruise and Mike Barker

Introduction:

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

Subcommittee Reports:

Capital Needs Subcommittee: Ms. Lindsey reviewed the capital needs subcommittee minutes from their previous 2 meetings (3/6 and 3/13).

Mr. Cline talked about how in the past, the City has used development as a way to create bike paths which has resulted in "choppy" bike paths and missing connectors.

Mr. Jedlinsky pointed out that the standards that the City uses for their streets are on par with neighboring communities.

Mr. Cline noted that there is a higher incremental cost to maintain streets at a higher level. He suggested that the City should maintain major roads higher and local roads could be slightly less.

Mr. Lutz mentioned that the City currently prioritizes roads into 4 categories: primary, secondary, tertiary and cul-de-sacs.

Mr. Cruise asked about the cost of bike path connectors; that information is not currently available.

Mr. Hoppmann requested map projections of road conditions in 2020 and 2030. Ms. Miller provided the maps from the engineering department that were provided to the Capital Needs subcommittee at their 3/6 meeting.

Ms. Lindsey pointed out that the longer we defer the street maintenance the more expensive it is to fix because the lower levels of pavement become damaged.

Some additional discussion ensued regarding the City's storm sewers.

Mr. Gardiner questioned if the "Category A" cost request was increased to \$20 million for ten years? Yes, it was.

Revenue Subcommittee: Mr. Gardiner covered the revenue subcommittee notes from their 3/5 meeting. He indicated that as of that meeting they were looking at an income tax increase to 1.15% with a .5% credit for taxes paid to another municipality.

Mr. Hoppmann reiterated we have very little other options outside of property tax or income tax.

Mr. Gardiner shared that the committee had come to the conclusion that an income tax increase should help maintain existing assets and that a property tax renewal would help with new assets and infrastructure.

Mr. Cline stated that this is still a shared pain and wanted to know how others felt about it.

Mr. Hoppmann stated as a business owner that he felt it was a pretty fair compromise.

Mr. Gardiner said that we have to make sure the increased burden does not cause businesses or residents to move down the street where they would be located in the township and have no tax liability to the City.

Further discussion ensued regarding income tax in general.

Mr. Hoppmann stated that he "tested" the idea of 25% of the total income tax going directly capital needs and he found that people reacted positively. They also had a reaction when they found out that the state keeps taking away the local money.

Mr. Sampson has been looking for a value-add proposition since the beginning of the task force and stated that he believes he finally has one that he likes; "Keep the streets safe and the sewers working."

Mr. Hoppmann strongly suggested tying a percentage of the income tax to capital needs.

Mr. Cline supported dedicating a portion to capital needs but cautioned how it gets done. He mentioned that in 2009 they wanted to allow City Council to put on restrictions and remove them as they saw fit, as opposed to doing a Charter amendment or having it be ballot driven.

Mr. Gardiner asked how Dublin's restrictions were written.

Mr. Hoppmann requested the thoughts of others that were not part of the revenue subcommittee.

Ms. Lindsey stated that the increase seemed modest. Mr. Jedlinsky asked how they came to 1.15% and not a round quarter percent like many other cities.

Mr. Gardiner explained that if we say we need \$2 million per year then let's generate only \$2 million per year and no more than that. He believed it would be easier to "sell" if we aren't generating a lot of excess beyond what we say we need for maintenance items. He pointed out that the City cannot afford to lose this vote.

Mr. Cruise stated that the increase seems modest and that we just need to make sure that we are getting enough.

Mr. Sedoris asked if the City could do a tax credit if they set the rate too high and discovered that they were generating a lot of excess. The consensus was that yes, we could, but it's not realistic.

Expenditure/Cost Avoidance Subcommittee: Mr. Barker reviewed the expenditure/cost avoidance subcommittee notes from their last meeting on 3/13.

Ms. Lindsey pointed out that the City wants to keep their police salaries competitive to get the upper level of officers working in the City.

Mr. Hoppmann wanted to know if can limit overtime for the police department for their final five years of service to avoid them working excessive overtime and using it as a retirement planning tool?

Mr. Cline stated that police union contracts help dictate who is assigned to overtime within the department. Mr. Lutz also pointed out that the police chief tries to limit overtime as much as possible.

Mr. Gardiner suggested that they include examples from the last five years where the City has made efforts to save money in their report.

Mr. Cruise stated that they plan to address metrics in relation to per 1,000 residents in their reports when comparing to other communities.

Ms. Miller pointed out that it might be difficult to show where money was saved because a lot of what the committee has discussed what cost avoidance measures where the City never went down that road to begin with, therefore there was nothing to decrease.

Task Force Discussion: Mr. Gardiner talked about how the report would be laid out. He suggested that in the committee recommendations section they start with capital needs and lay out what do we need to maintain and what do we need to grow. Followed up by the expenditure report; what would we have to cut to find the funds to meet the need. Then the revenue committee can show the only other real option, which is to raise taxes.

Mr. Cline asked what would the City actually do if the income tax doesn't pass?

Ms. Miller stated that the expenditure/cost avoidance committee is really looking to see if what we are spending is reasonable. They are looking to make sure we are in the middle of the pack with similar communities.

Ms. Lindsey said that we need to point out that call response times between the Delaware county sheriff and Powell Police Department, as well as the number of officers on duty at any given time per square mile.

Mr. Cruise shared the number of officers per 1,000 of population for neighboring communities and indicated that some sort of statistic related to number of officers would be presented in the committee's report.

Mr. Gardiner asked the expenditure/cost avoidance committee if there is anywhere that they believe they will recommend a cut. Mr. Barker and Mr. Cruise indicated probably not.

There was some discussion on healthcare costs and how the City is trending at or below national trends in healthcare inflation.

There was more group discussion on the importance of data sets in the report to help paint the picture and back up the recommendation that is going to be presented.

Additional discussion followed regarding the Powell Police Department versus the Delaware County Sheriff's office.

Mr. Cline asked if we currently have any huge holes in data sets. It appeared that all of the committees had most of the information that they felt they needed, it just needed to be organized.

Mr. Hoppmann pointed out that never moved forward on the development discussion. He wasn't sure we could do anything about encouraging new commercial development. He asked if we could encourage the City to not use City money on TIF's. He suggested that the City follow the rule of thumb that if you want to build in the City then must follow our zoning laws. He asked if the development is a net loss, then why is the City making exceptions to the zoning code and allowing the development to occur anyway.

Mr. Cline stated that historically Powell residents have said yes to residential development and no to everything else. He suggested that the report could include a recommendation for maybe 70% residential and 30% commercial in 20 years. Or at least suggest that this topic be researched.

Mr. Lutz stated that anytime an annexation is discussed there is a cost-benefit analysis performed.

Mr. Gardiner suggested that the recommendation be that the City follow the comprehensive plan that was approved in 2015 with regards to future development. Mr. Cline agreed that the report should reference the comprehensive plan.

Mr. Hoppmann reiterated that using TIF's is not free.

Ms. Lindsey stated that Powell residents need to recognize that we have chosen to be a residential community and need to pay more because of it.

Mr. Cline and Mr. Gardiner moved the discussion to the report and stated that we need to just work backwards from the due date.

Mr. Hoppmann requested a draft report by the April 24 meeting.

Mr. Gardiner asked that the subcommittees get him a draft of their recommendations by early/mid April to allow time to compile the draft report. He stated that his goal is to keep it simple and easy to read.

Mr. Gardiner asked if the task force members should try to do focus groups with their neighbors in April.

Mr. Hoppmann stated he thought they should because he would rather know where the holes are now than in November.

Mr. Gardiner suggested sharing a draft of the executive summary with friends and neighbors.

Mr. Sedoris doesn't believe there will be strong business objection because it's just part of doing business.

Mr. Barker thinks we need to paint the picture of why we are where we are and what has changed?

Ms. Walters asked for an update on the Community Attitudes survey.

Mr. Lutz stated that the survey was completed last night and should be available in the next few weeks. He also stated that he believes this is the last time we can probably use phone surveys since so many people do not answer their phones. He feels that in the future it will be online.

Next Meeting Dates:

Whole Group:

Capital Needs Tour- Tentatively 4/23 5:30pm (pending transportation arrangements)

Regular meeting- 4/24 7:00pm

Regular meeting- 5/22 7:00pm

Expenditure/Cost Avoidance Subcommittee- 4/3 6:30pm

Revenue Subcommittee- 4/9 6:00pm

Capital Subcommittee- 4/10 6:30pm

Expenditure/Cost Avoidance Subcommittee- 4/17 6:30pm

Meeting adjourned 8:45pm