



# City of Powell Citizen Financial Review Task Force

## MINUTES April 24, 2018

### Attendees:

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

Consultant: Marie Kiester

Task Force Members: Ross Gillespie, Heather Robinson-Lindsey, Lisa Gruebel, Jeff Gardiner, Rich Cline, Tom Ewers, Barb Walters, Eric Prall, Bruce Dorstewitz, Craig Sedoris, and Christina Drummond.

### Introduction:

Mr. Cline called the meeting to order at 7:02pm.

Mr. Cline welcomed everyone to the meeting and the first draft of the committee report was distributed to the attendees.

Mr. Gardiner invited the authors of each section to review their draft content with the group.

Mr. Cline began with the Introduction & Charge of the Task Force section. Discussion ensued about the content, it was determined that grammatical errors would be focused on later once the content was established.

Mr. Gardiner reviewed the Executive Summary with the group. He requested the number of meetings that were held as well as how that translated into the number of "man hours" that were put into this. Mr. Gardiner reiterated that this is only a first draft and that the Task Force will have many chances to edit/add/delete through email. Reminder that the vote will occur at the May 22 meeting.

Ms. Drummond requested to share the report in a digital format to allow for review and comment. Mr. Gardiner stated that yes, he would prefer email communication to allow for easier control and tracking of edits.

Ms. Drummond provided some feedback on the layout of the Executive Summary. Mr. Gardiner and Mr. Cline agreed to work on the layout to grab a reader's attention.

Discussion occurred around the cost reduction/expenditure finding that is mentioned in the Executive Summary. Mr. Gardiner asked where costs had already been cut. Ms. Miller pointed out that is not the direction the committee intended to go because it wasn't cost cutting; Powell has never had those expenditures to start with. Mr. Gillespie concurred that was the committee's intent.

Ms. Robinson-Lindsey believes that we should include information about the cost of deferred maintenance and how it will lead to failed infrastructure from the detailed information provided by the Capital Needs Subcommittee.

Mr. Cline suggested that we look for a way to modify the Executive Summary to put it in more of a narrative form and tell the story. Further discussion followed about what to include and not include.

Mr. Ewers, in reference to the recommendation regarding an increase in income taxes, asked whether a number had been determined as far as an amount needed. Mr. Gardiner stated, yes, it was approximately \$2 million per year.

Some discussion occurred amongst the group over concern of another shortfall in the not to distant future. Mr. Ewers suggested raising it a little bit more to avoid being at the ballot again in 2-3 years.

Mr. Cline explained that this concept was discussed at a previous meeting, and provided an explanation of why the group chose 1.15% rather than a higher increase. The rationale was that we are not asking for a nickel more than what we need. Also, that the structure of income tax, lends itself to natural growth as population and/or salaries of residents grows.

Ms. Miller stated that business owners who had attended previous meetings liked the specific number because it seemed like it was more of a fair share between business and individual.

Mr. Gardiner explained that we chose 1.15% because we do not want to give the impression of generating excess revenue. He stated that future growth can come from property tax extensions.

Mr. Ewers asked what if the property tax measures fail? Ms. Miller answered by saying then you will not have growth and new assets; the "wish list" items will not be fulfilled, but maintenance of existing assets will be covered.

Ms. Drummond questioned the specific timing that is mentioned in the report. She wanted to give Council and staff more flexibility. She asked if anyone had a feel for how Council feels about income tax. Mr. Lutz indicated that Council is open minded and asked this group for a recommendation.

Mr. Cline followed up stating that we were tasked with making a specific recommendation to Council. That idea alone leaves it to Council to either accept or reject that recommendation.

Mr. Gardiner moved on in the report and discussed the 75/25 policy. Mr. Cline pointed out that in 2010, opponents had a point that they had to trust City Council not to change the allocation. This would put the allocation into the ballot language, meaning that Council cannot change it without a vote.

Mr. Gillespie expressed concern that the 75/25 policy would hamper Council's ability to spend the funds; forcing them to spend so much on capital and end up with a shortfall for operating.

Ms. Drummond asked if the 75/25 could be a Resolution instead. Mr. Cline stated that a Resolution does not make it permanent like ballot language would.

Mr. Gillespie and Ms. Drummond requested a change in the language from capital improvement maintenance; this gives the impression of new capital improvements instead of infrastructure maintenance.

Mr. Gardiner and Mr. Gillespie discussed that the verbiage could be not less than 25% should go to infrastructure maintenance.

Mr. Gardiner said that he will focus on the Executive Summary, drafts will be coming around via email for review.

Mr. Ewers asked about bikepaths and maintenance. Ms. Miller explained that many of our bikepaths are built by developers and given to the City, at that point, the City is responsible for the maintenance.

There was group discussion regarding the methodology of the task force. It was suggested to include information on the tour and a hyperlink to the virtual tour.

Ms. Drummond also suggested that information be added to the executive summary about the tour and some additional statistics. Ms. Robinson-Lindsey pointed out some of the information is included in the capital needs section of the report. Mr. Gardiner requested some statistics from the Engineering Department about infrastructure.

Ms. Robinson-Lindsey reviewed the Capital Needs Subcommittee Findings and Analysis section of the report. The group provided further discussion on this section of the report as well as the idea of including charts, graphs and photos.

Mr. Ewers asked if we were liable for safety concerns on infrastructure that is not maintained. Mr. Lutz indicated that this is not something to get too concerned about because of certain immunities that the City has.

More discussion followed on the Capital Needs Subcommittee section.

Mr. Gillespie discussed the cost reduction section briefly. Mr. Barker and Mr. Cruise were the co-authors and were not in attendance at this plenary session.

Mr. Gardiner stated the he believes the Cost Reduction section still needs work and suggested moving on to the revenue section, in the interest of time.

Mr. Gardiner reviewed the revenue section and exhibits. Discussion followed by the group regarding the content and layout of the revenue section.

Mr. Gardiner suggested an additional meeting be added to allow for more discussion. Mr. Cline agreed and suggested working on tonight's recommendations and meeting again in 2 weeks.

Ms. Miller recommended May 8, but indicated that Ms. Miller and Ms. Marquez will both be out of town, but that the Task Force can still meet. Mr. Lutz and Ms. Canavan can attend as staff representatives.

Mr. Cline stated that an additional meeting will be held on May 8, 2018 at 7:00pm.

Ms. Canavan introduced Ms. Kiester from Murphy Epson who will be working with the Task Force to produce an Education and Engagement plan.

**Next Meeting Dates:**

Whole Group:

Additional Meeting- 5/8 7:00pm

Regular meeting- 5/22 7:00pm (Report will be voted on at this meeting)

Presentation to City Council- 6/19 7:30pm

Meeting adjourned: 9:10pm.