

# City of Powell

## Citizen Financial Review Task Force

# Report Presentation

Citizen Financial Review Task Force

Report to City Council

June 2018



# Overview

- Introduction
- Committee Reports
  - Capital Needs
  - Expenditure Review
  - Revenue
- Conclusion
- Recommendations

# Introduction

# Task Force Creation

- Rapid growth during the past 30 years
- Infrastructure funding down or eliminated
  - Local Government Fund (LGF), Estate Tax, etc.
- Powell sought grants, did only critical maintenance
- Levy failed in 2010
- City can't continue to provide safe, secure streets
- City Council created Task Force in 2018 to investigate facts, problem and recommend solutions



# Task Force Members

- Mike Barker
- Richard Cline
- John Cruise
- Bruce Dorstewitz
- Christina Drummond
- Tom Ewers
- Jeff Gardiner
- Ross Gillespie
- Lisa Gruebel
- Terry Hoppmann
- Tom Jedlinsky
- Heather Robinson Lindsey
- Tom O'Brien
- Eric Prall
- Randall Sampson
- Craig Sedoris
- Vicki Vendramin
- Barb Walters

# Task Force Charge

- Review cost-containment to-date, identify any new efforts
- Determine long-range impact of revenue loss to City budget
- Assess potential for strengthening long-term revenue
- Review and identify long-term capital needs and potential funding sources

# Task Force Committees

- Capital Needs
- Expenditure Review
- Revenues

**Thanks to City staff for invaluable support!**



# Capital Needs Committee

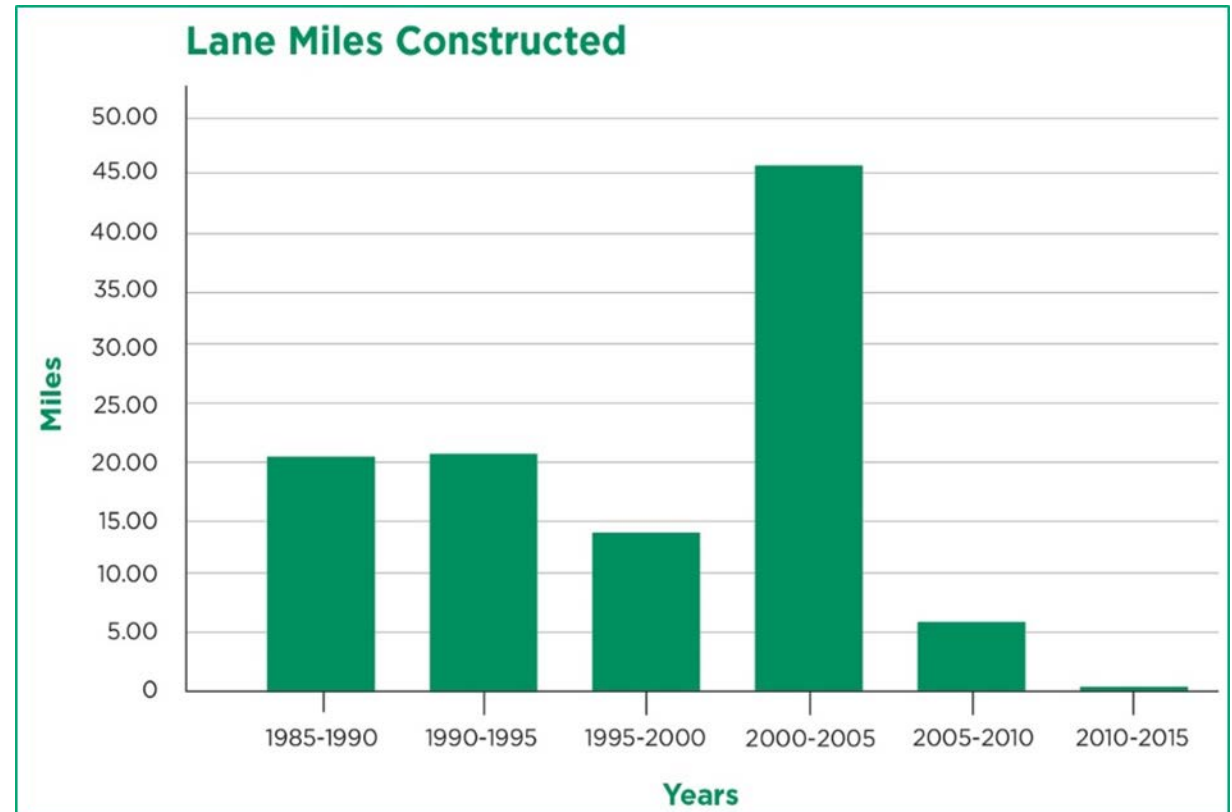


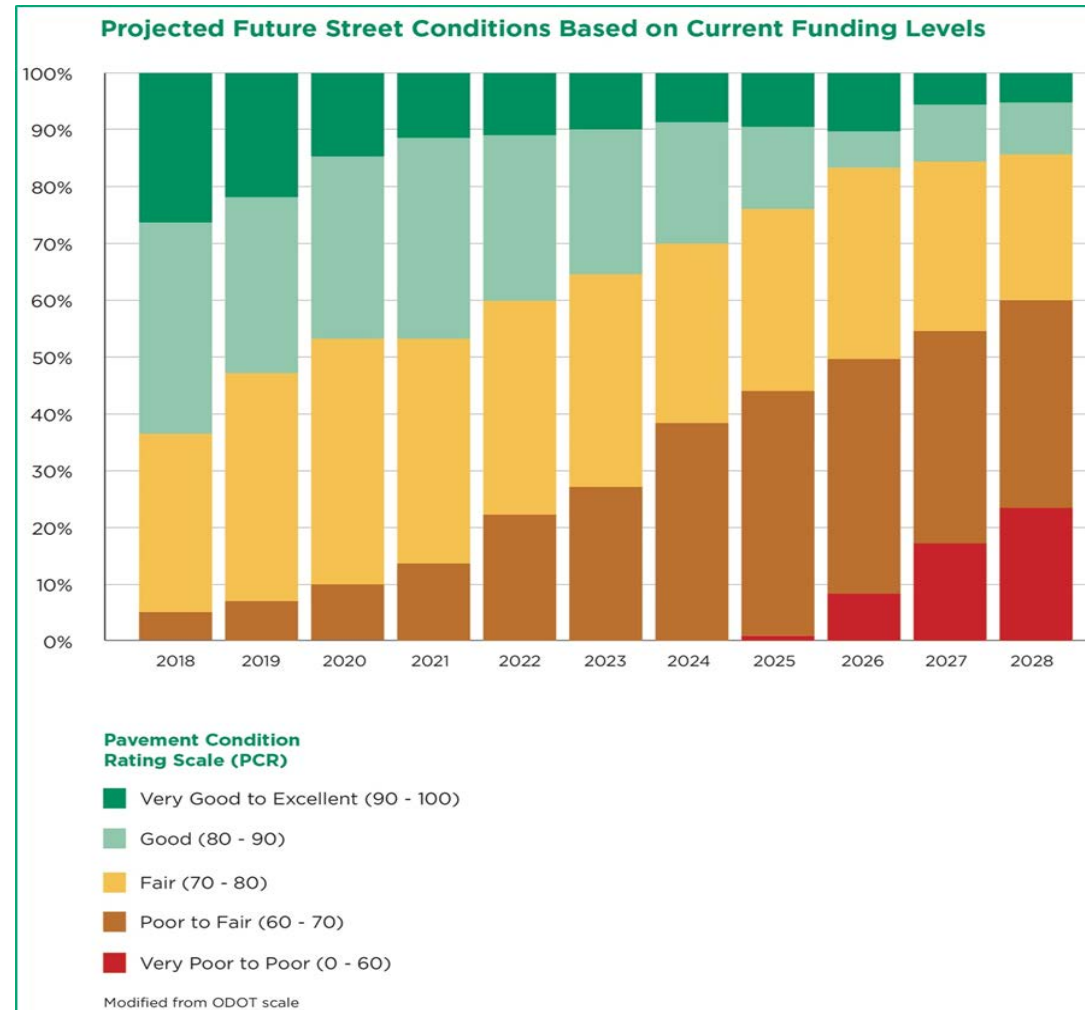
# Capital Needs Findings & Analysis

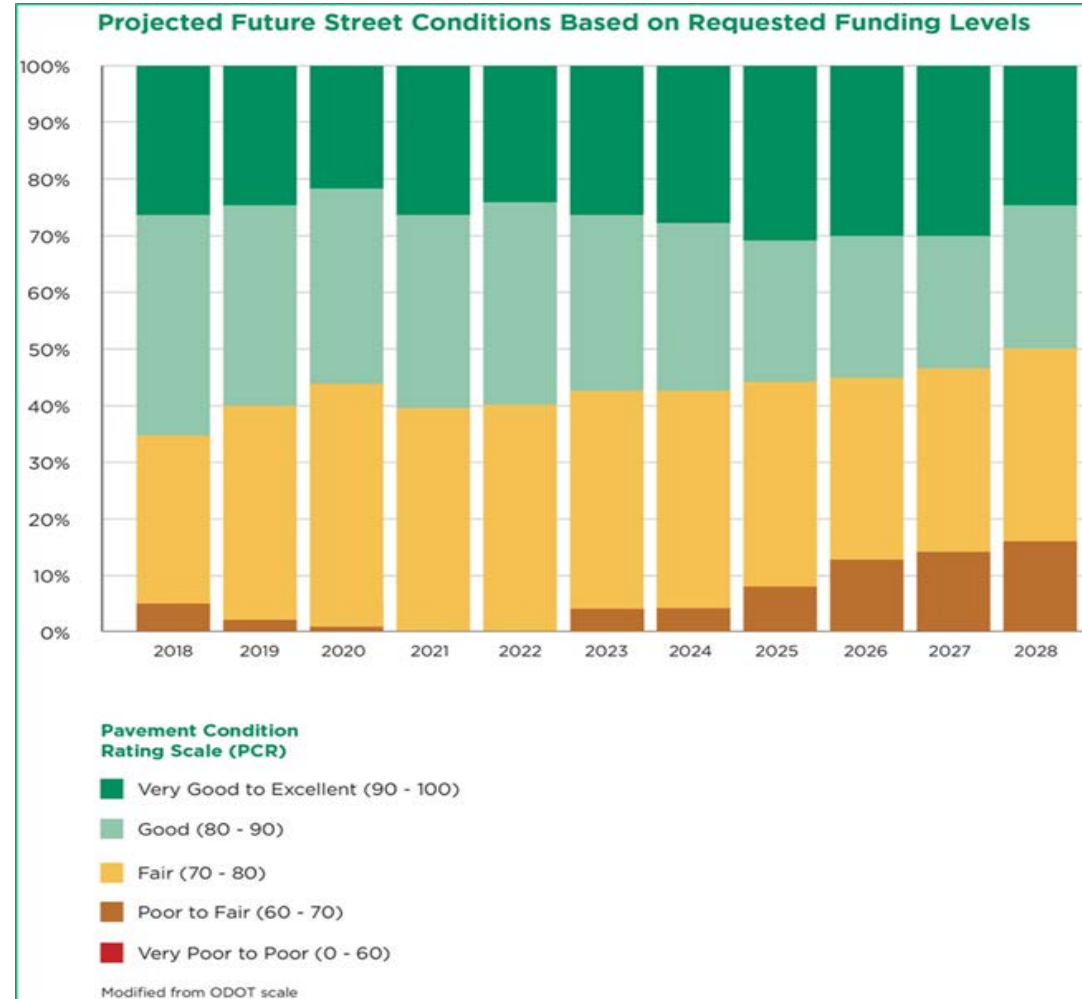
- Powell no longer collects sufficient revenue to maintain its existing infrastructure.
- The City needs an additional \$2M per year to adequately fund maintenance of existing City infrastructure.
- Grants are not a sustainable way to pay.

## Most expensive infrastructure assets are streets, sewers and bike paths.

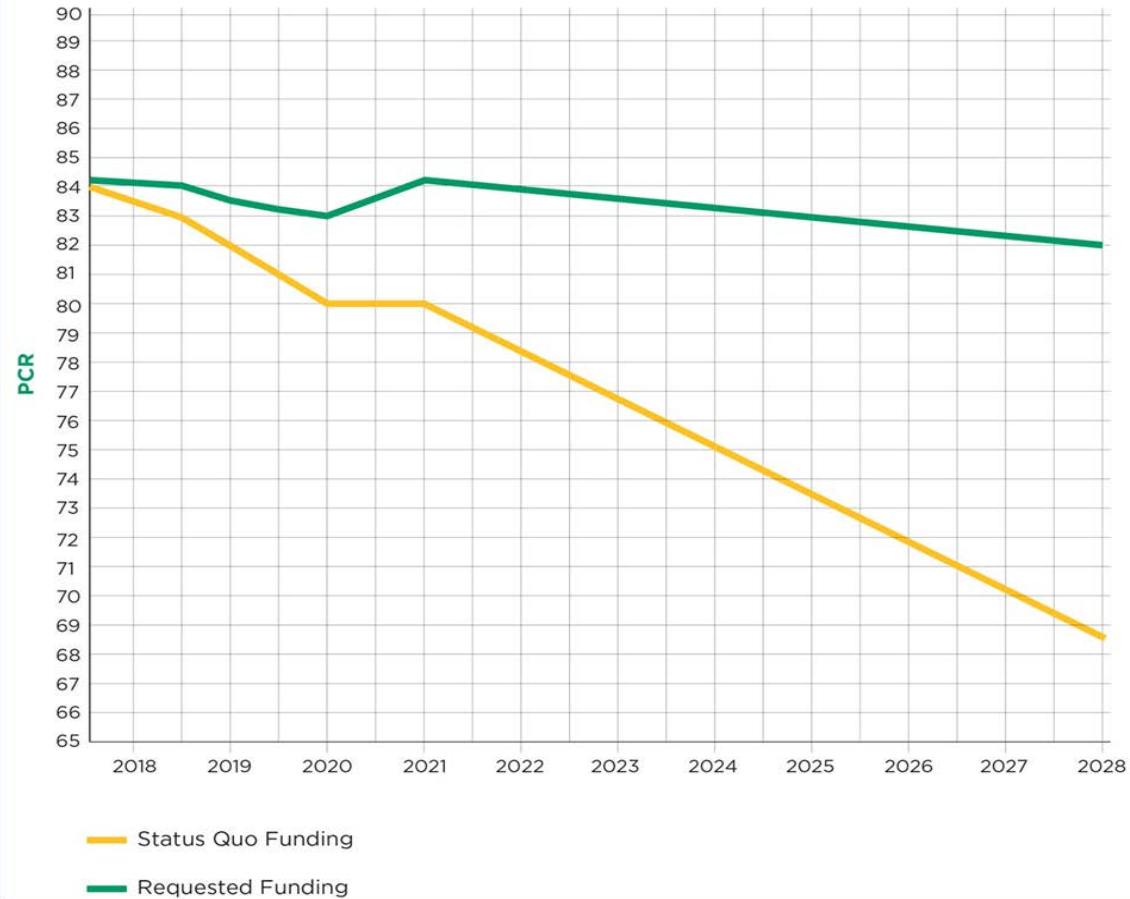
- 120 lane miles
- 77 miles of storm sewers
- 24 miles of bike paths







Projected Average Street Network PCR Rating for Powell



# Adventure Park – PCR 55





# Manderly Court – PCR 70





# Retreat Lane – PCR 80



# Pedestrian Tunnel – Adventure Park



## Ten-Year Estimate of Infrastructure Maintenance

| Infrastructure                           | Yearly Cost Estimate <sup>1</sup> | Periodic Cost Estimate <sup>2</sup> | 10-Year Cost Estimate <sup>3</sup> |
|--|-----------------------------------|-------------------------------------|------------------------------------|
| Street Maintenance                       | \$1,350,000                       |                                     | \$13,500,000                       |
| Street Reconstruction                    |                                   | \$750,000                           | \$750,000                          |
| Storm Sewer/Drainage Renovations         |                                   | \$1,000,000                         | \$1,000,000                        |
| Bike Path Maintenance                    | \$125,000                         |                                     | \$1,250,000                        |
| Bike Path Reconstruction (Existing Only) |                                   | \$225,000                           | \$225,000                          |
| Street Light Renovations                 |                                   | \$750,000                           | \$750,000                          |
| Traffic Signal Renovations               |                                   | \$675,000                           | \$675,000                          |
| CSX Tunnel Renovations                   |                                   | \$200,000                           | \$200,000                          |
| Park Renovations (Existing Only)         |                                   | \$1,500,000                         | \$1,500,000                        |
| City-Owned Sidewalks                     | \$15,000                          |                                     | \$150,000                          |
| <b>Subtotal Yearly Cost</b>              | <b>\$1,490,000</b>                |                                     |                                    |
| <b>Total Cost Over 10-Year Period</b>    | <b>\$14,900,000</b>               | <b>\$5,100,000</b>                  | <b>\$20,000,000</b>                |

<sup>1</sup> Yearly costs recur annually and are estimated over a ten-year period.

<sup>2</sup> The Subcommittee estimates periodic costs will occur once in the next ten years.

<sup>3</sup> 10-Year Cost Estimate accounts for inflation over a ten-year period.

# Capital Needs Findings & Analysis

## Three Possible Scenarios

1. Status quo
2. Find way to generate \$2M needed
3. Find way to generate more revenue

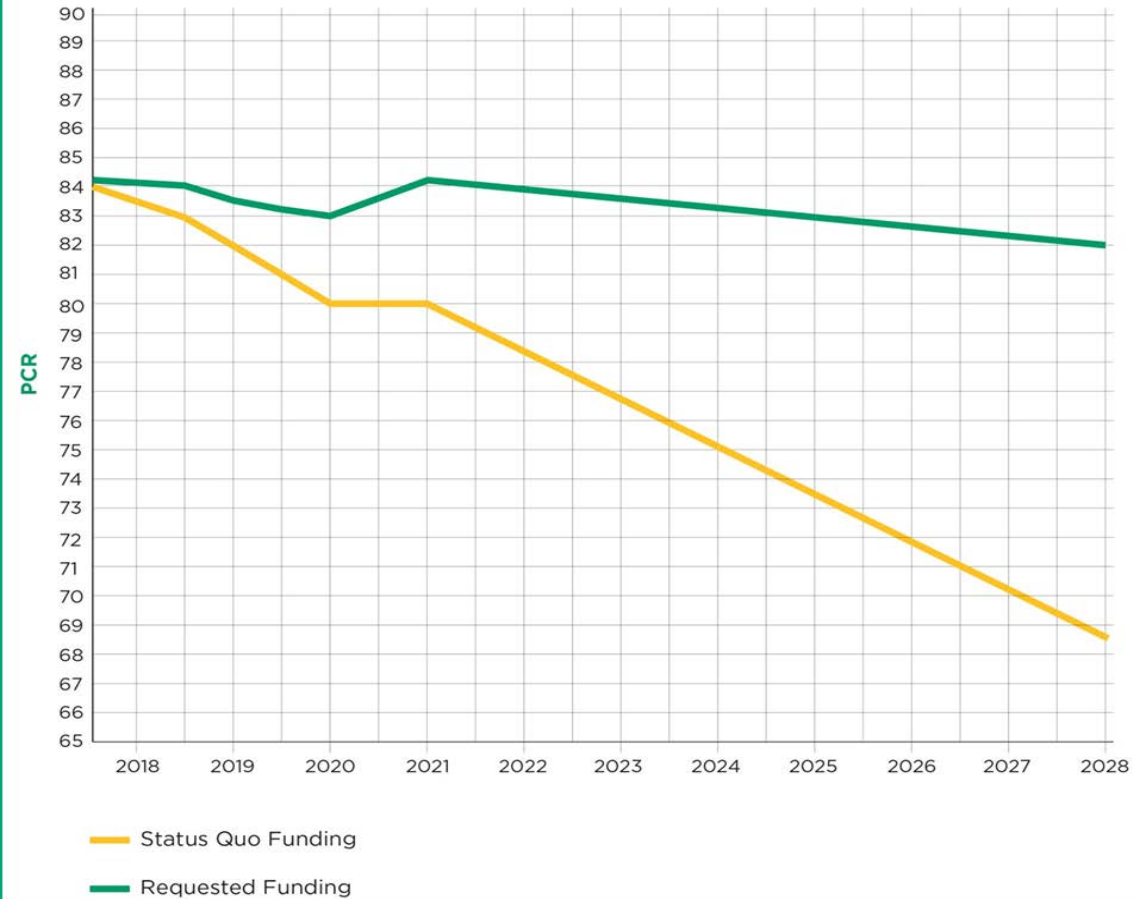


# Capital Needs Recommendations

## **Scenario 2 is most cost effective and sensible**

- Allows City to act based on need, not funding
- Provides stable funding source for multi-year planning
- Bidding to get work done when labor is cheapest

Projected Average Street Network PCR Rating for Powell



# Expenditure Committee

Citizen Financial Review Task Force

Report to City Council

June 2018



# Expenditure Findings & Analysis

## Goals

- Learn how Powell tax dollars are accounted for and spent
- Understand state law funding changes
- Review City's spending across all departments



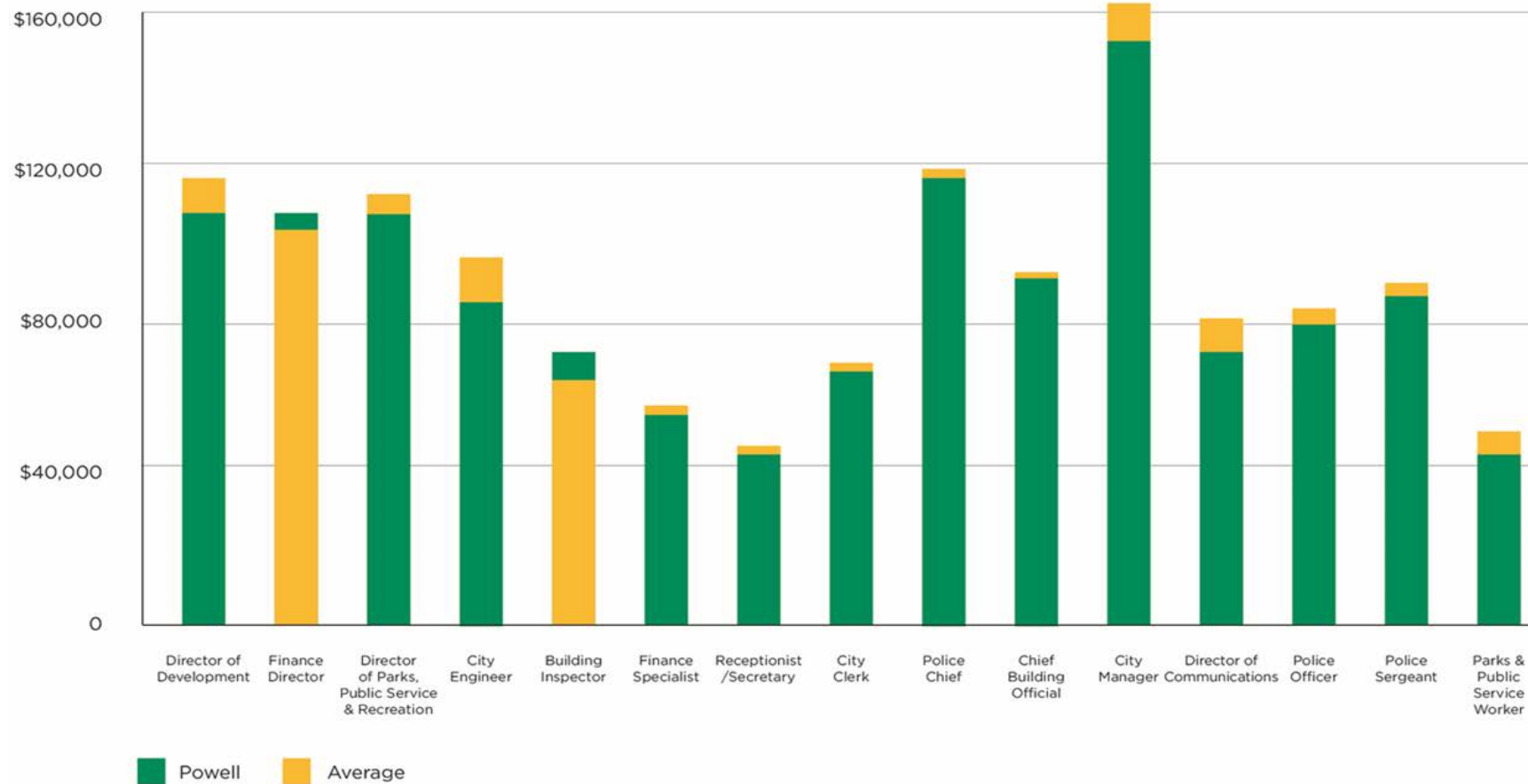


### Central Ohio Area Per Capita Expenditures

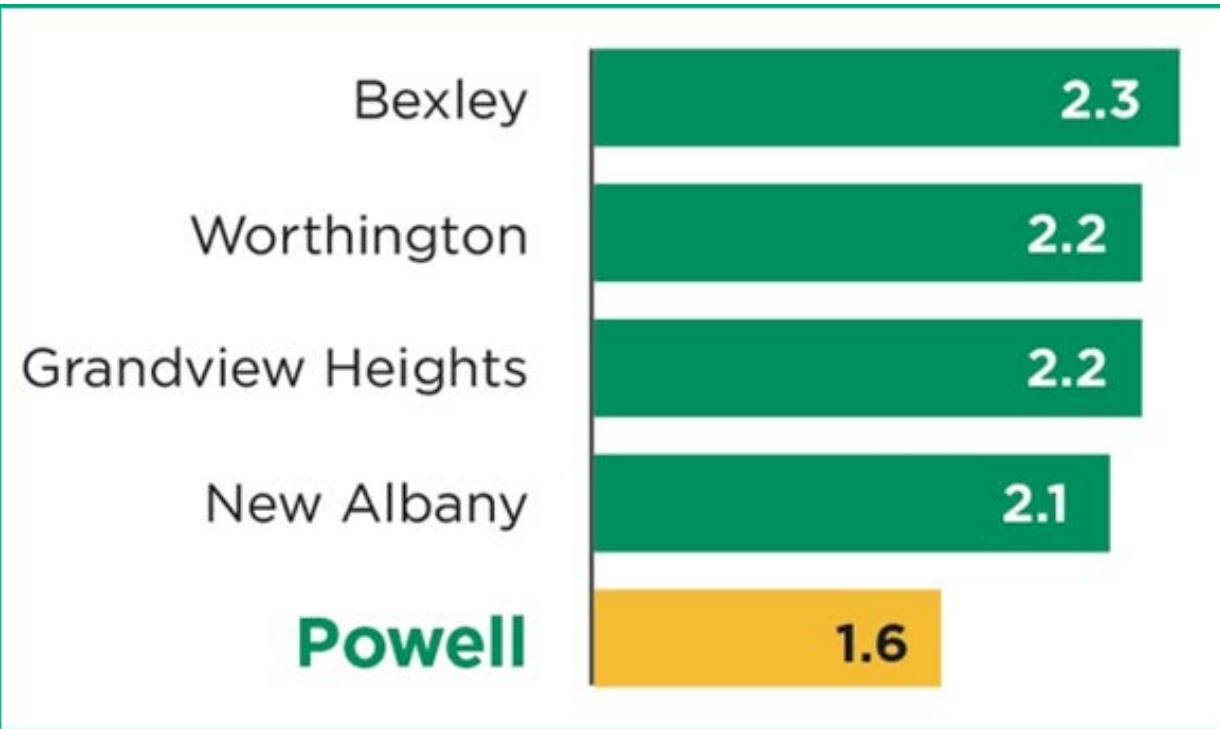
|                   | General<br>Government | Public<br>Safety | Public<br>Services | Parks and<br>Recreation | Community<br>Development | Total<br>Expenses | Population    | Total Expenses<br>per Capita |
|-------------------|-----------------------|------------------|--------------------|-------------------------|--------------------------|-------------------|---------------|------------------------------|
| Pickerington      | 2,539,460             | 5,596,622        | 3,152,322          | 727,661                 | 947,600                  | 12,963,665        | 19,745        | \$656.55                     |
| <b>Powell</b>     | <b>2,077,962</b>      | <b>2,978,513</b> | <b>3,807,186</b>   | <b>1,104,229</b>        | <b>1,230,203</b>         | <b>11,198,093</b> | <b>12,750</b> | <b>\$878.28</b>              |
| Gahanna           | 4,535,792             | 11,239,302       | 5,485,406          | 4,636,591               | 4,866,823                | 30,763,914        | 33,784        | \$910.61                     |
| Delaware          | 5,524,652             | 19,992,138       | 6,303,601          | 3,053,700               | 1,364,230                | 36,238,321        | 38,643        | \$937.77                     |
| Upper Arlington   | 10,491,306            | 18,921,660       | 6,688,176          | 3,657,395               | 912,157                  | 40,670,694        | 34,465        | \$1,180.06                   |
| Grove City        | 18,195,625            | 12,313,322       | 8,581,839          | 3,964,411               | 2,014,290                | 45,069,487        | 36,784        | \$1,225.25                   |
| Whitehall         | 9,298,376             | 15,289,561       | 4,453,924          | 786,491                 | 779,237                  | 30,607,589        | 19,657        | \$1,557.08                   |
| Hilliard          | 12,247,477            | 10,955,413       | 17,001,479         | 4,442,567               | 3,856,330                | 48,503,266        | 29,331        | \$1,653.65                   |
| Westerville       | 17,933,976            | 32,698,404       | 11,827,061         | 12,001,384              | 4,062,724                | 78,523,549        | 37,533        | \$2,092.12                   |
| Dublin            | 31,773,909            | 15,428,164       | 38,157,133         | 23,492,424              | 7,916,745                | 116,768,375       | 46,286        | \$2,522.76                   |
| Grandview Heights | 3,590,566             | 6,196,665        | 2,421,724          | 1,500,914               | 5,467,462                | 19,177,331        | 7,014         | \$2,734.15                   |
| Groveport         | 5,506,850             | 4,062,908        | 2,700,773          | 5,565,906               | 629,425                  | 18,465,862        | 5,672         | \$3,255.62                   |



## Powell Salary Comparison to Central Ohio Area



## Police Officers per 1,000 Residents



# Expenditure Review Recommendations

- Encourage the City to maintain its conservative spending practices.
- Strongly support the Powell Police Department.

# Revenue Committee

Citizen Financial Review Task Force

Report to City Council

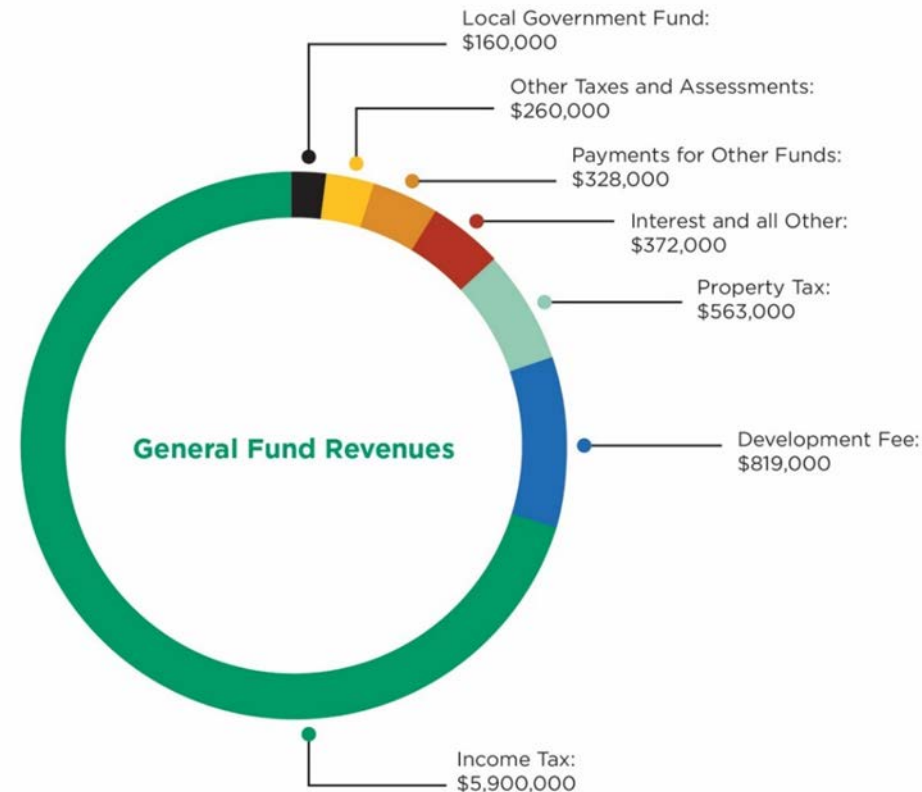
June 2018



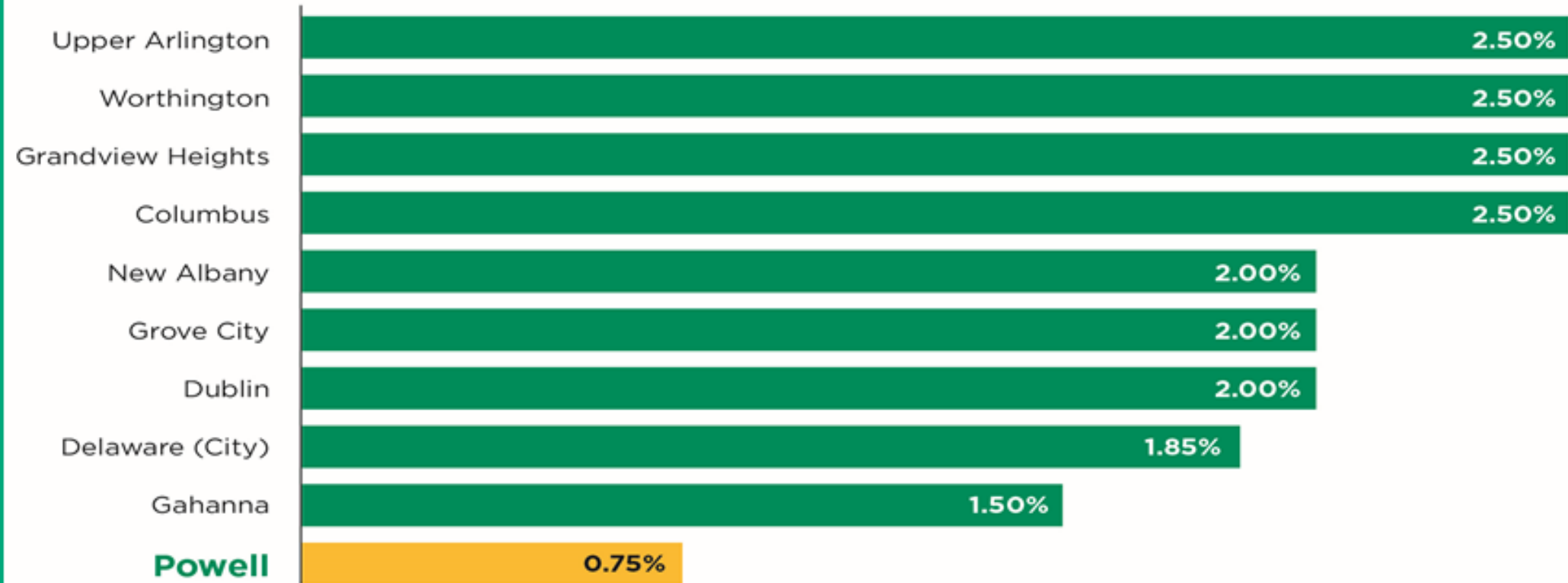
# Revenue Findings & Analysis

## Major Revenue Sources

- Municipal Income Tax
- Development Fees
- Property Tax

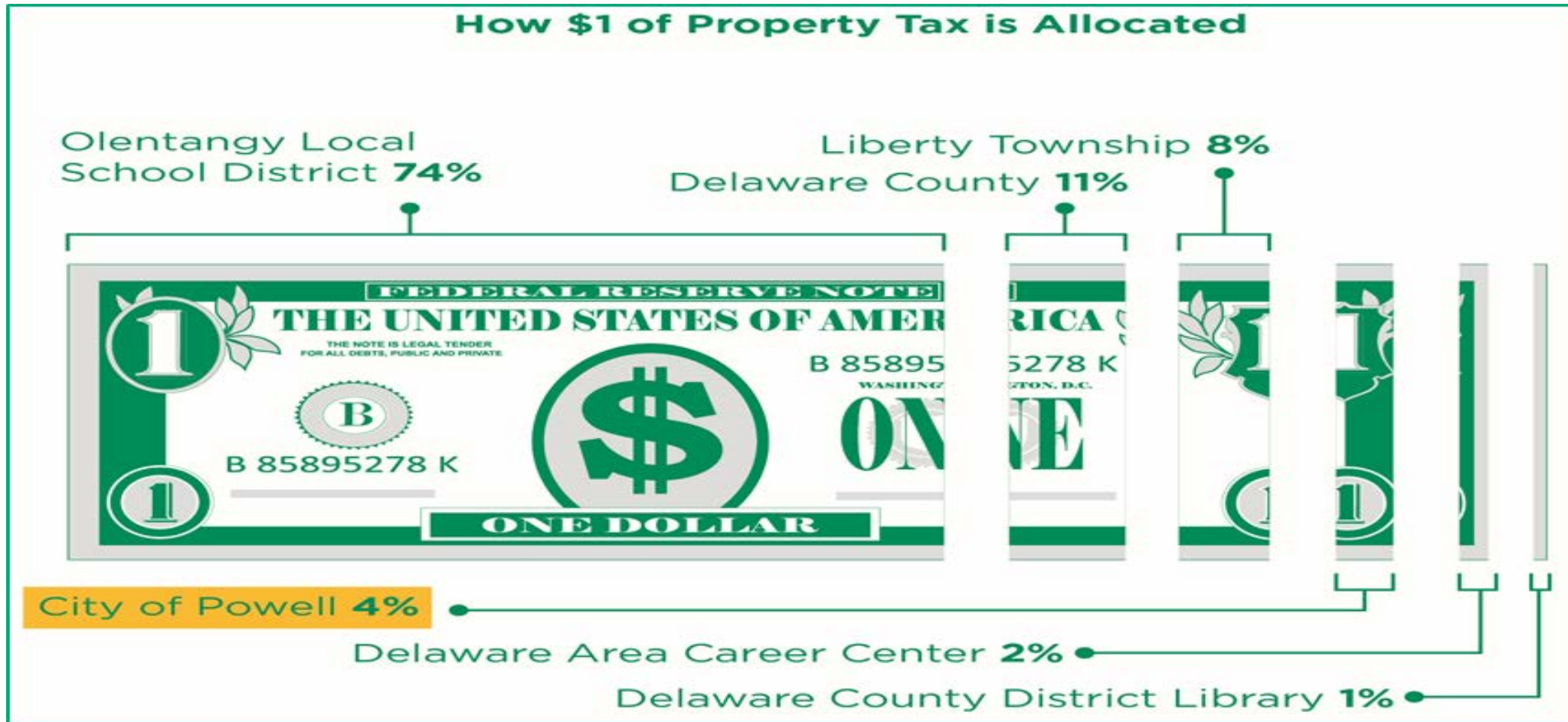


## Central Ohio Municipal Tax Rates





## How \$1 of Property Tax is Allocated



# Revenue Findings & Analysis

## Recent Revenue Trends

- State of Ohio legislative action has reduced annual revenue
- Elimination of the Estate Tax

**-\$567,000 annually**

# Revenue Recommendations

## Income Tax Increase

0.75% → 1.15%

| Resident Earning \$100,000 per Year |                            |                             |                       |
|-------------------------------------|----------------------------|-----------------------------|-----------------------|
| Resident Employment Location        | Current Effective Tax Rate | Proposed Effective Tax Rate | Net Increase per Year |
| City of Powell                      | 0.75%                      | 1.15%                       | \$400                 |
| Other Municipality                  | 0.50%                      | 0.65%                       | \$150                 |

<sup>1</sup> Includes residents who live and work in Powell, as well as Powell residents who work in unincorporated areas, like Liberty Township, that do not have a municipal income tax.

# Revenue Recommendations

## 75/25 Policy

# Fund Existing Infrastructure Maintenance

- Powell maintains one of the lowest income tax rates in Ohio.
- City manages its existing revenue prudently despite significant state deductions.
- Continuing to defer infrastructure maintenance is not a viable option.

# Conclusion

# Public Forum

Tuesday, July 10, 6-8 p.m.

Municipal Building Council Chambers

Presentation at 6:30 p.m.

