



City of Powell, Ohio  
City Council

**MEETING MINUTES**

July 31, 2018

**CALL TO ORDER/ROLL CALL**

A special meeting of Powell City Council was called to order by Mayor Jon C. Bennehoof on Tuesday, July 31, 2018 at 7:30 p.m. City Council members present included Jon C. Bennehoof, Frank Bertone, Tom Counts, Brian Lorenz, Melissa Riggins and Daniel Swartwout. Brendan Newcomb was absent. Also present were Steve Lutz, City Manager; Eugene Hollins, Law Director; Debra Miller, Finance Director; Jessica Marquez, Assistant Finance Director; Megan Canavan, Communications Director; Karen J. Mitchell, City Clerk; and interested parties.

**PLEDGE OF ALLEGIANCE**

**CITIZEN PARTICIPATION**

Mayor Bennehoof opened the citizen participation session for items not included on the agenda. Hearing none, he closed the public comment session.

**RESOLUTION 2018-12:** A RESOLUTION PROVIDING FOR THE SUBMISSION TO THE ELECTORS OF THE CITY OF POWELL, AT THE GENERAL ELECTION TO BE HELD ON NOVEMBER 6, 2018, OF AN ORDINANCE TO ENACT SECTION 182.012.1 OF THE CODIFIED ORDINANCES OF THE CITY OF POWELL TO INCREASE THE CITY INCOME TAX RATE FROM THE CURRENT RATE OF THREE-QUARTERS OF ONE PERCENT (0.75%) TO A RATE OF ONE AND FIFTEEN HUNDREDTHS OF A PERCENT (1.15%) TO BECOME EFFECTIVE ON JANUARY 1, 2019 FOR THE PURPOSES OF GENERAL MUNICIPAL OPERATIONS AND SERVICES, STREET MAINTENANCE, AND CAPITAL IMPROVEMENTS AND RELATED COSTS; TO ENACT SECTION 182.013 TO DEDICATE NO LESS THAN TWENTY-FIVE PERCENT (25%) OF ALL INCOME TAX REVENUES FOR THE PURPOSE OF CAPITAL IMPROVEMENTS AND RELATED COSTS; AND TO AMEND SECTION 182.081 TO INCREASE THE CREDIT FOR TAXES PAID TO ANOTHER MUNICIPALITY FROM ONE-FOURTH OF ONE PERCENT (0.25%) TO ONE-HALF OF ONE PERCENT (0.50%). ([EX. A](#))

Steve Lutz, City Manager: This matter has been discussed with City Council for the last month or so. An 18 member Citizen Task Force was formed by City Council in January. They were tasked with studying how to fund capital improvement maintenance within the City. The City has lost revenue in recent years as a result of changes in state law – the elimination of the state tax and reduction of the Local Government Fund. As a result of those factors and others, the City has not been able to keep up with the maintenance of our infrastructure. The Task Force met and studied numerous options, reaching a unanimous consensus, which included increasing the City's tax rate from ¾% to 1.15% and to increase the credit for those that live in the City and work outside of the City from a ¼% credit to a ½% credit. In addition to those changes, to dedicate 25% of all income tax revenue to fund existing infrastructure maintenance and repairs. Based on analysis, this proposal would generate approximately \$2 million dollars per year in additional revenue which would be used to maintain existing infrastructure.

Mayor Bennehoof: For the benefit of the audience, this is a subject that's been long discussed – over years actually. There is a need for capital improvements in the City. Although this is a special meeting, we will be adhering to the primary rules of decorum for Council. We will open this up for public comment. We will ask you to come up, state your name and address for the record, and state your case for 3 minutes. Council will discuss it first amongst ourselves, interact with Staff, the Task Force Chairs, etc. We want to ferret out amongst us the fairness of this proposal, the next steps, if the report was thorough, if there are any alternatives, etc. Our Oath of Office requires us to protect the health, safety and welfare of our citizens. Some would say that this Task Force has made a recommendation that helps us with that part of our Oath.

Councilwoman Riggins: As I said before, I think the Task Force did a wonderful job. For my clarification on Resolution 2018-12 and Ordinance 2018-33, can you explain what the difference between those two things?

Gene Hollins, Law Director: Pursuant to O.R.C. Section 718.04, it's somewhat of a two-step process. It says legislative authority, which is Council, shall file with the Board of Elections at least 90 days before date of the general election, a copy of the Ordinance together with a Resolution specifying the date on which the election is to be held and directing the Board of Elections to conduct the election. There are two pieces of legislation. The attachment to the Resolution, Exhibit A, is the other piece of legislation. We are forwarding both to the Board of Elections. When we forward this to the Board of Elections, the Ordinance is still in draft form. When we take any action (and I'm not presupposing an approval of the Resolution at this point), but if Council chooses to approve it and forward it to the Board of Elections, we would then table the Ordinance until after the November election when we will adhere to the wishes of the voters (election results) and either adopt it or defeat it.

Mayor Bennehoof: I neglected to say it, but this is the first reading of this matter and a second reading will be on August 7<sup>th</sup> at our regular meeting.

Councilman Bertone: I'm going to hold off on my comments at the moment. Like Melissa mentioned, I certainly want to recognize the efforts of the Task Force. It's what some of us have been accustomed to over the last few years of watching a very painful subject. We've watched it brew and it's one of those conversations that we can't hide under the microwave anymore. This is a bill, in my opinion, that we have to pay attention to and take action towards. I don't want to get ahead of the conversation, but I commend the Task Force for all their efforts to have 18 of you walk out with a unanimous recommendation. It speaks volumes to me.

Councilman Swartwout: I echo the comments of Melissa and Frank and thank all the members of the Task Force. This was a tremendous sacrifice of your own personal time to study this issue and to put forth such a thorough report.

My initial question is for Debra. For the record, could you tell us how this proposed change gets us to the \$2 million dollars?

Debra Miller, Finance Director: I get a spreadsheet from the Regional Income Tax Agency ("RITA"). They tell me all the different rates that is applicable in the City of Powell. If you look at the first section (indicating), and we are looking at Powell residents working outside of Powell, we are looking at people who had zero percent, a half of a percent, three quarters of a percent, and rates about 1%, so it's the 1% up to the 2.75%. I have hidden the amount of wages from everyone because if you can identify a taxpayer by the information that I am giving, I can't show you that information. You will see where I take the new tax rate times that salary and what the rate would be. Then you have what the new credit would be and the net tax to Powell. If you had a group of people who are working outside of Powell and not paying an income tax, such as working in Liberty Township, you are going to be collecting \$690,000. I then subtract out what was collected based on our current rate, and I get the revenue difference. So it would raise \$240,000. There are 1,325 accounts affected. I do that for each one of the rates. This gives me a total. Of all the people working outside of Powell, there is over \$2.8 million dollars collected at the new rate. We're currently getting \$2.1 million, or a net increase of about \$650,000 dollars, and that is for 60% of the people living in Powell.

For Powell residents working in Powell, the new rate would bring in \$1.1 million. Currently it is bringing in \$723,000 dollars, so that is a net increase of \$385,000 dollars. That is about 24% or 2,000 residents. These percentages and account numbers change as people change jobs, etc. The total of Powell resident income taxes is \$4.6 million dollars and is what would be collected from residents working in or outside the City, less what we currently bring in at \$3.3 million dollars. It would bring us a new total of \$1.2 million dollars.

There are two other categories: One is employees working in Powell that live somewhere else. They would bring in almost \$2 million dollars. They currently bring in \$1.3 million dollars. That is an increase of \$700,000

dollars. Then we have entities conducting business in Powell. That's the net profits section (indicating). With the new rate, they would be paying \$379,000 dollars. The old rate is approximately \$250,000 dollars for a net increase of \$132,000 dollars.

We would be bringing in approximately \$7 million dollars. We currently bring in about \$4.9 million dollars. So there's about a \$2 million dollar increase. We are looking at the 2016 tax returns for the numbers. These numbers will never match our cash collection because it will be a mixture of multiple years. That is why we didn't use 2017 numbers because the extension for 2017 hasn't occurred yet and we still have a lot of outstanding tax returns.

Mayor Bennehoof: So, in general, the new proposal would raise approximately what the target is for the capital improvements.

Councilman Counts: I want to talk about what my expectations for this meeting and next meeting is. For tonight, I want to hear from the audience and what Council has to say. We will be voting on this at our next meeting. The reason why tonight's meeting is so important is because if anyone on the dais is interested in tweaking or modifying this Ordinance, tonight is the night to do it. I'm putting everyone on notice that if you try to do it at our next meeting, I think you're doing a disservice not only to your fellow members because we will not have time to think about that, but we will be forced to make a decision if we choose to go to the ballot in November. As a courtesy to all of us, if you have something to propose, change or consider, tonight is the night to do that.

Councilman Lorenz: Debra, the Committee formed three subcommittees and the Revenue Committee was one that really attracted my eye in the report. In that report, they cite opportunities to increase revenue aside from a tax increase. One of the areas they talked about was development of the commercial area. There's a portion that talks about delinquent tax collection. Who handles that for the City? Can you talk a little bit about that process and how much that costs us to outsource?

Ms. Miller: There's actually distinct groups that work on delinquent taxes. One is Regional Income Tax Agency (RITA) by doing collection letters, etc. They take people to court for collections and do collection plans with people who have filed their tax returns and just didn't pay the money owed. This is part of our regular payment and doesn't cost extra. They also have an administrative subpoena process. We have the choice to elect to do that every year. That costs \$8 for each account that they work on. That starts with accounts that are existing and they think a tax return should be filed. So they send out a notice/letter saying that a tax return was not filed and should have been. If there isn't a response within a certain period of time, an administrative subpoena is issued and it is resolved through that process. We average collecting between \$25 to \$50,000 dollars per year for the administrative subpoena program and it costs us approximately \$1,000 dollars annually. Compared to the cost and what our time and efforts are in it, I think it's well worth it.

The second piece is done by your Staff. That is the piece that could use some enhancement because it's only when Jessica and I have time available. We go after several different things. One is we get a list from RITA of all the balances under \$250 because they don't do collections for amounts less than that. We have used a high school intern to write a letter to those people asking them to get it resolved. We usually get a couple thousand dollars out of that one.

Another process we do is we get a list of people that haven't filed a tax return and have never filed. RITA has limited methods of doing it. Our Charter and the law allows Jessica and me to estimate a tax return. We have a process where we write a letter, up to 3 letters, to ask them to resolve the issue. If it remains unresolved after the third letter, we take them to court. This is where the cost comes because we hire an attorney to prepare the filings and go to court. If we get a positive ruling, we can then place a garnishment or put a lien on the home. I guess it's been 3 to 4 years since we have been able to do that process.

We also get the GIS addresses from the Development Department and match them to what's on RITA. Any address that's not on RITA, we do a process to get them registered into the system. [Councilman Lorenz: But,

again, that's very limited opportunities for you]. Yes. Some of those can go years in-between because of our time constraints.

Councilman Lorenz: And with the number of in-home businesses we have ranging from a sales person that may get a check from Patterson, New Jersey to someone who is selling something like Rodan and Fields, we're not capturing that.

Ms. Miller: There is a chance we are not catching it. Jessica and I are always trying to brain storm. One project that we didn't get to finish is we had taken the commercial and was checking the commercial space to see if they were having withholding and net profit filing and we only got through two strip areas and over 50% were not paying their taxes.

Councilman Lorenz: Thanks for explaining that to me. We don't have a home business registry or license requirement. I think Liberty Township has one that they charge a small fee for.

Jessica Marquez, Assistant Finance Director: RITA does have a method to catch some of that and they have access to the federal IRS system so they can compare incomes. If they aren't close, then they can send a letter.

Councilman Lorenz: How much do we pay to use RITA's services? What about if we hired someone in here to help us collect all these missing revenues verses outsourcing to RITA?

Ms. Miller: We pay about 2.8% of our income taxes to RITA, which equates to around \$100,000. We couldn't have a department, even if it was a one person department, for that amount of money.

Councilman Lorenz: If I understand the report correctly, the recommendation is only to devote 25% of these monies that are brought in for capital improvements. Why not just raise the income tax by that proportion? What does the extra 75% do for us?

Richard Cline, 290 Weatherburn Court: I think there is a small misunderstanding about what the recommendation of the Task Force was. The Task Force's recommendation was to devote 100% of the increase to capital needs. The way we decided to recommend the City do that is to recognize that in the 2016 example that Debra provided for you, it just neatly worked out that 25% of the total of the revenue after the increase is the \$2 million dollars. That is 100% of the increase. I will acknowledge that this is a confusing way to do it. But the thought process was we should express the dedication of revenue as a percentage of total revenue not as an isolation of new revenue. The reason for that was that the percentage needs should ebb and flow with the income tax. So if the income tax generates a higher number that should generate a relational percentage applied to capital needs. If income tax goes down and 25% is less than \$2 million then the City should not be forced to take funds from other City services in order to make that \$2 million.

Mayor Bennehoof: I will be redundant, but I also want to express my deep and sincere gratitude to the Task Force, its leadership, and committee members. I appreciate all the work, the hundreds of hours that was put into this effort over a six month period of time. I understood that 25% of all tax revenues will be earmarked for capital improvements going forward if this is approved by the voters. I would like to give you the floor for a couple of minutes then we will open it up for public comments.

Mr. Cline: I'd also like to thank all those on the Task Force for their efforts. Rather than having me talk, I'd like to invite all the subcommittee chairs to come forward and give a minute or two description of their work.

Heather Robinson Lindsey, 244 Woodedge Circle East: I was the Chair of the Capital Needs Committee. We met numerous times. Our task was to determine what is the need? Are our roads in trouble? How do other communities deal with this? We spent a great deal of time talking to our City Engineer and Assistant City Engineer. I know more about pavement than I've ever wanted to know. I feel very comfortable that I can go outside anyone's home and give them a PCR rating of their pavement. I'm also now hypersensitive to



pavement. As I've been driving through our City streets and neighborhoods, I can't help but look at it and what I've noticed is that a lot of the pavement in our neighborhoods are very poor quality, particularly Olentangy Ridge. So I know the need is there because I can see it. I know it's there because all the members of our committees spent time, not just talking to the engineers and looking at photographs, but we actually went out and looked, as a group, at the streets. And then there are the storm sewers, another entire issue that I didn't really appreciate the complexity of. But storm sewers make good, safe roads. Our committee was unanimous that we have a problem. I know that we are going to have to have a lot of road repair in the future and we just don't have the money to do it. I don't want to pay more in taxes, as a general principle, but as a prosecutor I tend to be very factual. If there is a problem, I want to solve it. We need a lot more money to fix our infrastructure. How do we get that money? The Finance Committee did a great job in exploring all these different alternatives and none of them seemed to come up with enough money to fix the roads. As a citizen, a mom, a member of this Task Force, I felt that we really comprehensively looked at this capital needs issue. We need to do something and we need to do it quickly. I love the idea of generating more business income in Powell. I think that's great. We can't do that quickly enough to actually get us the money that we need this year to take care of some of this maintenance backlog.

Jeff Gardiner, 3817 Laurel Valley Drive: I was the Chair for the Revenue Committee. We spent the first few meetings just understanding where we get our money from, understanding the different revenue streams, what goes into collecting those revenue streams, who pays what, understanding the credit, understanding the income tax rate, and also understanding how the other communities around us operate. Then, as Heather's committee came up with a \$2 million number, we had a goal and we started to explore ways to get to that number. The Expenditure Committee looked at expenditures across the board and what a 4% cut would lead to, about \$330,000 or so. That was far off the mark, not to mention the City services that we would lose because of that. So it really came down to the Revenue Committee to find the money. We looked at property tax versus income tax. We looked at future development. We looked at creating a Powell registry for the businesses in the community to have people be smart shoppers when they are looking for services to be sure that they are helping the cause by hiring people that actually pay taxes in the City of Powell. The dollar amount was so enormous that we had to look at income taxes, not only because of the low rate that we currently have in the City, being a bedroom community and everything that comes along with that both good and bad, but also because everything else seemed to be a drop in the bucket. We talked a lot about development. I know Councilman Lorenz, you brought that up earlier. We strongly believe that development has to be part of the long-term solution. It's a great way to broaden the tax base. But there were three reasons why we didn't go further down that road: First, to create a cost benefit analysis for that type of development and understanding what future development would actually bring to the City requires an economic analysis that our Task Force didn't have. The Comprehensive Plan, on page 91, has a thorough economic analysis with several different scenarios of what future development in the City would be and what those proceeds would be. So, we didn't have the tool in our tool belt to go down that route.

Second, we focused on short-term solutions over long-term solutions. We think we wanted to get and raise revenue to get our head above water and basically put the fingers in the dam to stop the infrastructure decline that we are seeing and was identified by Heather's committee. So the long-term nature of development was one of the reasons why we didn't further explore it either. You think about the Ohio State facility. If everything goes as planned – which is a long shot – full employment by 2027. Our PCR ratings will be down close to 60 by then. Finally, annexation and future development north of Home Road, which is where the fertile ground lies, is both politically and legally complex, and we didn't want to, as a Task Force, take positions around annexation and the legal constraints and abilities of the City to annex that type of land. That is another reason why we didn't explore future development within our recommendations.

I think at the end of the day the City has a threefold problem. First, 2001-2005, developers built a lot of infrastructure in our City. They built it on their dime and handed it over once they built the last house. We are responsible for it. We are coming up on the 20 year anniversary of a lot of those roads that had been deferred maintenance-wise for 20 years. Second, we haven't been spending the money we should have been spending each year. We figure we should have been spending over \$2 million dollars a year on infrastructure maintenance. We've been spending \$500,000 a year in recent years. Third, the decline of funds from the state

has hampered our ability to fund the infrastructure in the right way without sacrificing City services that people move here for to have. I think that's important that although people say our roads are fine and are perfectly normal, the cliff is coming. Every year we wait and defer our maintenance, that bill will get higher and higher. This is the cheapest option because of you wait another 8 years, this \$2 million dollars may be \$4 million or \$5 million. I think that is an important note to make and something that I want to emphasize.

Mr. Cline: I don't think our last Committee Chair could make it tonight. I just wanted to give a 50,000 foot view of the Task Force's work. The Task Force really got deep into the weeds. We really dug into the numbers, but I really think we can boil down the questions the Task Force addressed as three: First, is there a need? I think everybody on Council recognizes that there is a critical need to address infrastructure maintenance costs. I don't think anyone debates whether that need is real. Second, can the City solve it? I think the answer to that is yes. It is within the City's power to solve that problem. In fact, it is the City's responsibility to solve that problem. Third, and it is the troubling one, what is the best solution? I stress the word 'best' solution as opposed to the 'perfect' solution because all of us who have been involved in strategic planning and making policy decisions understand the danger of making the perfect the enemy of the possible. There is no perfect solution. The Task Force looked at a variety of different opportunities and concluded that each of them have pluses and minuses. In the end the Task Force felt that the proposal that's before you tonight is the best of all the alternatives. It has the most positive and the fewest negatives. The bottom line for the Task Force was that we don't, as a Task Force, get to decide how to solve this question. The truth is, you as a Council, do not get to decide how to solve this question. What you get to decide is whether or not the voters will have a voice in this decision. You get to decide whether this issue goes on the ballot so the people of Powell can decide for themselves whether they want this to happen. That's what we are asking you to do.

Mayor Bennehoof opened this item to public comment.

Larry Coolidge, 78 W. Olentangy Street: I went to some of the committee meetings on this matter and these guys did an exemplary report on the issue. I've lived here for 50 years and I've watched the town grow from one police car. At one point, when they needed two police cars, the City didn't have the money to do it. The officers offered to donate money to help to purchase that. It was quite a while ago and since then a lot has changed. Every department in the City has grown. They used to have one snow plow. You can't do it with one snow plow. All the expenses are growing. The cost of that equipment is growing.

If you take a look at Powell, one of the problems is that it's not on a freeway, it's not like Worthington, Westerville, Dublin, Gahanna or any other town that we're competing with. They have all these people coming into work, paying income tax and leaving. They also have a lot of housing there to support those people so they are staying there and paying. We are still the lowest amount of income tax collected in the area. I've been selling real estate for 50 years and I'm happy to see it when Powell is ranked high in media.

Deferred maintenance is probably what we are talking about more as we go through. When you buy a car you are given a maintenance book. They tell you what to do with your house. You don't wait for the paint to go bad and rot the wood. You don't wait for the roof to go bad until you get a leak in the house. You have to fix things and normally it's now. That's one of the items you are looking at here is the amount of deferred maintenance that's gone on. A representative from MKSK was going to talk about the economics of Powell and what was going to happen during the Comprehensive Plan campaign. This can has been kicked down the road for a long time and it's time to step up. It's still a small increase.

Years ago we had a lady who had an idea to get rid of the Police Department. She came in and claimed to have a report signed by the sheriff, but no one ever got a copy of it. Her idea was to dissolve the Police Department. I stood up for the Police Department. Gary's done a great job and the Police Department has grown as it's needed. We have a 'dark state' group that called the people that worked on this Task Force idiots, and they're not. Is that what they have planned – to start dismantling Powell to lower the taxes? I would hate to see that happen because we would certainly lose our ranking that no one tried for, but just happened because of the pride of this community. I would hate to see that end.

Gary Johnson 388 Vinwood Lane: I've resided in Powell 18 of the last 22 years. A little bit about my background so you know where I'm coming from, I retired as the Chief of the Marysville Fire Department where I was the Chief officer for 25 years, 13 of those years as an Assistant Chief Operations Officer and the last 12 as Chief. I've seen this movie before. What brought me here, being a retired guy, was bike paths, and because of that, I started looking at things. What we did in our city is we had a 5 year street plan that we piggybacked path improvement, path maintenance off of. I found out we didn't have a street maintenance plan here. Digging a little deeper and after a couple important conversations, I found out why.

What we are seeing here is a pay me now or pay me later scenario. While I was Chief, we experienced a lot of growth and development in the city in the 80s. We didn't properly plan for it. We added a lot of rooftops that outpaced the businesses. The developers came in. They paid for the initial costs, just like they did here. We also had older streets and storm sewers, pathways, all of which needed to be maintained. It caught up with us. The general fund covers many things, just like any other city. We had a fire department and here we have a Police Department and other agencies that are funded through the general fund. The demands outstripped what we could do [in Marysville]. Infrastructure suffered. Eventually the public demand for changing some of those things, improving the streets and paving the streets and catching up with the infrastructure, affected other departments. We started deferring vehicle replacement. It became an annual drill. We started seeing our snow plows would be down and out of service. More importantly, I started seeing apparatus out of service for an extended period of time. As we started to grow in population, we started stacking calls with our police department because we couldn't adequately staff our forces. One year we had 6 cruisers that were budgeted and only two were approved by council. We had three police cruisers that ended up in crashes within a two month period and one of them they had to go to the bone yard to replace a door on one of those cruisers. Salaries became less competitive. We started losing people. In another year, we hired 6 new firefighters in January only to lose all 6 by the end of the year because they went on to better paying jobs. All of our money was going toward infrastructure and trying keep our head above water. I took out an engine because it had been in service so long the frame was warped. I had a 1973 aerial ladder that we eventually replaced with a federal grant in 2006.

There are a lot of hidden costs to deferring some of these items. Some of these we can talk about and some of these will come back and smack us later on I guarantee you. One of the most memorable experiences I dealt with was during our effort to increase the income tax in our city, which was successful on the second try. I had a private meeting with the mayor and the city administrator and I was told flat out that because of funding issues, if we did not pass the income tax on the second try, I would have to reduce my budget by 30%. Where do you think that money was going to come from? I do not want to find this City in that position. This is my home. I've lived this. I know what happens. I think the Task Force did an outstanding job. I've seen a lot of reports in my lifetime and served on a lot of committees, done a lot of cross-governmental work, and nice job. But we have to act now. The longer we defer these things, it will start steamrolling and we will put ourselves in a place that we don't want to be. I urge you to go ahead and move Ordinance 2018-33 forward.

Scott Lindsey, 244 Woodedge Circle E.: I would urge Council to enact the Ordinance as it's been proposed. You are all public servants and we appreciate the thankless job that you are doing here. I know that many times you are making decisions in what feels like a vacuum. People show up when they have something to complain about that's very local. Whether or not they have the facts, that's another matter. You have a lot of tough decisions to make.

As a member of the public, I attended the Task Force presentation evening. I thought it was excellently done. As many times as my wife had been out working on this gathering information and working with the Task Force, I really hadn't been brought up to speed on their conclusions. I thought their presentation was excellent, the arguments compelling, and the need proven. They didn't go out with a Christmas list or a wishful thinking list. They went out for something that is needed now to maintain, the services that I think most residents would say are essential for maintaining the quality of our City. It's not an easy discussion to have with neighbors when you say there's going to be a tax increase, or you'd like to have one, and here's why and it's for infrastructure. Their eyes glaze over. But just in the limited conversations we've had with our own neighbors, I think once you start explaining or it's looked into a little bit more, people realize what the need is and this is a good, reasonable

solution even if it's not very popular. I think others have already said that the can's been kicked down the road and unfortunately it lands in this Council's lap to do something about it. Certainly, I think the time is now to do it and I would encourage you to pass the Ordinance as it's been presented.

Nico Franano, 2855 Lexington Drive, Liberty Township: I am here as a member of the community and think this issue is important for the entire community, not just the residents of Powell. It's fair to say that as Powell moves forward and succeeds, our entire community succeeds. As such, it's important that we make investments to keep the character and community of Powell and the neighborhoods we all call home strong and as vibrant as we can. To that end, I would echo what you and those from the community said about the Task Force. They did a Yeoman's work. They worked hard, gave their time and talents to an initiative that was important for our community, and did so without compensation and without enough thanks. So I would echo all of your sentiments that they did good and thorough work on the issue. I think that it's pretty clear from analysis and research that we don't have a misuse of funds issue in Powell. We don't have excess revenues that are not being spent efficiently. I think it's fair to say that Steve and his team in the City have done an excellent job in stretching dollars as far as possible, especially in the climate of the state and local government fund cuts that we've endured over the last eight years. As Jeff mentioned, I don't think there are necessarily solutions on margins that will get us to the numbers we need to keep our community strong. It has to be something more intense like an income tax increase. I don't think there's any question that we need to raise the revenue to maintain the quality of life in Powell to forestall larger bills down the road and to keep the community that we all wish to call home.

The thing that was discussed in the Task Force, and while ultimately not voted out as a part of the unanimous recommendations, but a consideration, is the effective tax rates that residents of Powell who work outside the City face. Currently, and there is a nice chart in their report, it looks at the tax rates that they face. They pay typically an out of city/out of Powell tax rate and then they pay an additional half percent to Powell based on the structure that currently exists. That 3%, if they work in Columbus, is the highest local effective tax rate in the State of Ohio. 60% of our residents in Powell pay the highest local effective tax rate. The proposal that the Task Force brought forward increases that tax rate even further to 3.15%. They have increased the amount of credit but the amount of the tax increase is greater than that so what we are looking at with this proposal is taking the 60% of residents that already pay the highest net effective local taxes in the state and asking them to pay more. I don't think there's a discussion or argument about the \$2 million. It does seem to be the number. \$20 million over 10 years keeps our roads at a certain condition, invests in infrastructure in an appropriate way, and forestalls larger costs of road replacement before a 30 year life cycle, so I don't think there's a question about that. I think the question and opportunity is tax fairness, about the neighbor down the street sharing an equal commitment and equal burden to move our community forward.

So while I think it's important that Council is considering taking this to the ballot to gauge the interest of the residents of Powell and get their feedback on what they think is the best path forward to maintain our community, I think that there are only so many chances to take a bite of the apple, only so many chances you have to go to the ballot to set up a system that will appropriately fund the community going forward. I would encourage the Council to consider moving to a 100% tax credit for residents working outside the City of Powell and moving the income tax rate for the City of Powell in line with the rest of the communities in Central Ohio, as they have a very clear breakout. The majority rates are between 2-2.5%. Like Powell did, many of these communities tried to move their tax rate up when the state and local government funding cuts started to happen in 2008, 2009, 2010 and that's where you saw the increase to 2.5% for a lot of communities. If we have the moment now to join the Central Ohio communities in extending 100% tax credit and setting our tax rate to a more comparable level of our sister communities, that gives us the chance to say to 60% of Powell residents, it's time that you pay the same as your neighbor does to improve our community and it gives them a motivation to go to the polls and say yes. While we are having to make a sacrifice, we are all doing it together and you can mobilize a large percentage of your population to support a tax issue.

So while I completely support the recommendation of the increase in revenue, I would encourage you to consider the opportunity to also establish in this ballot, some tax equity, neighbor to neighbor, so everybody shares an equal burden to take Powell forward.



Hearing nothing further, the Mayor closed the public comment session.

Councilman Counts: I would like to make a suggestion. So we are now at the point where we can discuss things. Rich identified three questions that were asked. I suggest, as a Council, we talk about each one of those questions and come up with an answer, or not an answer, but it would serve us well to understand where we are in this debate. If that is acceptable, then after we go through those three questions, we can have whatever additional discussions, comments, etc.

The first question was is there a need?

Councilman Bertone: In short, yes. The need is obvious. As I previously said, for the last several years, having been a part of some of our Finance Committee conversations, etc., you could see the cliff coming, the deferment of efforts that have been going on here within the City. Frugality has been king here and I want to thank Steve and Staff for that effort. They've done a great job of trying to keep things at bay. The loss of the gas tax, the estate tax, the local government revenue tax has created impingement upon us in what we choose to do here and what we would like to do here. To me the need is more than evident.

Councilman Lorenz: Yes, there's a need.

Mayor Bennehoof: Absolutely.

Councilwoman Riggins: Yes, there's a need.

Councilman Swartwout: Yes.

Councilman Counts: The second question was, can the City solve that?

Councilwoman Riggins: I think we have to solve it. We've been presented with what appears to be a good, workable solution. Several people have said tonight that this has to happen now. We need to start generating this money now.

Councilman Swartwout: In answer to the question of whether the City can solve this need: maybe. Anything relating to new income revenue, higher income taxes in that regard, has to be approved by the voters. So when you say can the City solve that, do you mean Council, do you mean Staff? Not without the approval of the voters on an income tax measure. There is the reality that this has been a very tax-adverse community. The ballot issue in 2010 lost approximately 77%-23%. So the voters can solve that or the voters can choose alternate solutions or the voters can choose not to.

Councilman Counts: I think you raise a very important point and I want to ask this question of you since you raised it. That is, forget a moment about the voters. Let's assume the voters are not part of the equation, can the City solve it?

Councilman Swartwout: How do you remove the voters? If part of the solution is renewal of the bond, and that's something that obviously the bond in and of itself does not meet the \$2 million dollar a year need, but how that would potentially play into something, that would require the voters. This recommendation here would require the consent of the voters. I don't see how you can remove the voters from the equation.

Councilman Counts: The question I'm asking is whether it is paying out of our checkbook, unappropriated funds...

Councilman Swartwout: Are you asking can the City solve that? Because I think this question can be asked and answered many different ways. Can the City solve that with the revenues we have now knowing that the bond expires and would be renewed by the voters, knowing that any income tax – and that's just to answer is

there a need - the City's current revenues do not meet the infrastructures needs that I think the Task Force has definitely made that apparent. The question of whether the City can solve that, it depends.

Mayor Bennehoof: Singlehandedly without the voters, we cannot solve this issue. We can cut until the cows come home and we won't approach the \$2 million dollar per year need. We cannot solve it without the voters through educating them about the condition of the infrastructure, understanding that we are the least taxed municipality in the state other than zero.

Councilman Lorenz: It's our obligation to solve it. Just like it's our obligation to take care of anything that's health, safety and welfare related. How we get there is what we are talking about.

Councilman Bertone: Agreed, Brian that it is our obligation, but the City cannot solve it alone. In its current financial situation, no we cannot – not without the assistance [of the voters].

Councilman Counts: Clearly there is a need. I've seen that over a period of 13 years on Council. I should also tell you that I had a very long conversation with Brendan [Newcomb] and, I don't want to speak for him because he's not here tonight, he agrees, in terms of the need, there is a definite need.

So the third question that Rich asked was: What is the best solution?

Mayor Bennehoof: The question of tax equity or fairness, I think Mr. Gardiner would probably argue strongly about the mathematics of raising it up and doing a full credit. I don't know that there would be an appetite for jumping from .075% to 2.0% or 2.5% and saying, 'Well it's equity with our surrounding communities.' They got there incrementally. Rich's statement about incremental improvement over waiting for perfection is very poignant here. I've looked at the math with Mr. Gardiner on the full credit question, and it's doesn't work. Mathematically, it's not there.

What is the best solution? There are a lot of different things, but the Task Force spent hundreds of hours, came to a unanimous conclusion, they put forth what they thought was their best work and I think it was their best work. I believe in the work that they've put forward. After our second reading, we won't be able to advocate for or against the proposal. [Mr. Lutz: The City cannot advocate a position. The City can only provide factual information. As a Councilmember, you certainly can advocate.] I believe the best solution lays before us. It is an incremental solution. There are other economic development opportunities and growth patterns. We will not sustain the growth we have had – we are one of the highest growth cities in America – and we won't sustain that if we don't do something about the infrastructure. We have the best schools, the best police. We have the best Fire and EMS. So we need to make sure we are investing in our future and I believe that this proposal does that. So I think we have the solution in front of us.

Councilman Swartwout: The question being: what is the best solution? The one thing I would say about this report is that if something does not go on the ballot this year, this does not spoil. This does not somehow become less relevant. Perhaps it becomes more relevant.

As I go through it and think about it, we are going to get questions just like we had about the tax equity because that is a legitimate question about asking somebody who already pays 3% to pay even more. I believe someone that lives in the City of Delaware, but works in Columbus might have a higher effective local tax rate, but I think that's really the only other scenario, locally,... [Ms. Miller: Gahanna] Gahanna? What's their credit? [Ms. Marquez: Gahanna has a reduced credit, Delaware has a reduced credit. Sunbury has no credit. Gahanna's credit is a very odd number] Delaware is something like 1.95 or 1.85, or something unusual like that. [Mr. Lutz: However, Gahanna will be on the ballot this fall]. [Multiple speakers] So I think that's a question people will be asking because it is a legitimate issue when I pay as much as anyone in Central Ohio, and you want me to pay more and my neighbor pays the lowest. That is a difficult hurdle to overcome because regardless of how you do it, there's going to be a portion that lives in Powell, works outside of Powell that will say my effective tax is too high. Don't raise it any higher. But then you have the portion that works and lives in Powell, and you say you're going to do something with the credit, and take it to 100%, they're going to be

outraged as well.

Through the years that brought us to this point as Powell has changed from a Village with a couple thousand people to a burgeoning City, that tax imbalance is a huge issue that I think deserves a whole lot of consideration. If we were to take this, think about it and vet it, put it on the ballot in the future as we continue to vet and it's not necessarily so rushed, we can go to the public and say look we just didn't rubber stamp this report. We've looked at this report seriously hard. We threw all this out there. For example, Tom when you said that if we have a tweak tonight's the night to tweak it and we can talk about it. Well then we have one meeting, one chance for public input on the tweaks. We would have one chance as opposed to more of a vetting [process]. Could this be the right proposal? Yes, but I don't think we have had that public feedback yet to know that. There's just a lot of issues and a lot of moving parts, especially when you get to that tax equity issue that I think requires more study. This would not spoil if we don't do it right now. If you look at the study of the road, the pavement conditions, we don't really have the real drop off until 2023. If something happens in the spring or next year, with more vetting, that doesn't change the fact that 2023 is when we are really going to hit that. We have plenty of time if we do it soon as opposed to right now.

One of the recommendations we have from the Revenue Committee was a long-term capital improvement plan. We haven't really talked about that a whole lot. I think that long-term capital improvement plan is a key component of whatever it is we do going forward and I think it would be helpful, before we put anything on the ballot, to have that long-term capital improvement plan so we can show the voters and say 'look this is exactly what's happening.' When you go back to our community attitude survey, the survey said 26% said that no matter what, they will say no to a tax increase. 24% say they will consider it with an open mind or would generally support it. The remaining, a bit more than half, 56%, would consider a tax increase with an open mind, but when they answered the question about the tax increase to help fund the project that they said was their highest priority, we can't show anyone what the highest priority would be without a capital improvement plan. Beyond that, I think we still need to talk about how the bond issue plays into things. I know the bond in and of itself cannot solve the problem, but we have not yet discussed where it plays in with what we are doing, with the capital improvements. I think that's part of the capital improvement plan and it all plays together. We need more time to look at it. I don't want it to appear that it was so rushed that we haven't given every consideration that we needed to give to this.

Councilman Lorenz: I'm going to pretty much echo Dan. I don't think we should be in a hurry on this. I'm not in favor of asking people to raise the tax. Someone brought up the fairness issue. I need to understand that so I can explain it to my neighbors. I believe there's other opportunities. I know Jeff talked about the economic development aspect of what we have on our doorstep right now. And while it may take a little time, but what's that going to do to the equation? I believe there's alternatives and opportunities that are more palatable right now than an income tax increase. I'm not pushing it away completely, I just think we need to evaluate everything. I've always advocated that we look at a strong economic development program and you guys know that I've advocated for creating this position for a long time under the leadership of our Development Director. We should also be looking at a combination of tools and opportunities to help curb our funding issues. We can extend our levy. Have we thought about creating a specific TIF district north of Home Road dedicated to capital funding? What are the spin-off opportunities with the proposed hospital? Now is really the time for us to grow that commercial income tax base and capitalize on the land-use plan. Again, having that Capital improvement plan will help drive the exact need. If Council thinks that this is the best thing to do at this point in time, I won't stand in the way of it, but I'm just telling you all that we need to have more time to discuss a backup plan and where we are going to go from there.

Councilwoman Riggins: Some interesting issues that I hadn't heard before. Gene, depending on what is decided, can something of this nature go on the ballot next spring or is it just exclusively in a fall general election or what would we be looking at as the next time this can go on the ballot?

Mr. Hollins: You can even hold a special election. You would have to pay for it, but it would have to be submitted 90 days prior to whenever you want to have an election. You can place it on the ballot at a general, primary or special election, but it must be forwarded to the Board of Elections at least 90 days before

the election. We would have to change the wording on the Ordinance. Right now [collections] would be scheduled to begin January 1, 2019 and while I've heard of communities starting [collections] at mid-year, but it's awfully hard. [Ms. Miller: It's extremely hard to start in mid-year. It's not worth the money that would need to be spent administratively.] So we would probably start it in January 1, 2020.

Councilwoman Riggins: So what I hear you saying is the earliest, if we don't do it for this upcoming election, the earliest that something could go into effect would be January 1, 2020. [Mr. Hollins: Yes. If we don't do it in November, it sounds to me like it would be January 1, 2020.]

I guess as far as what is the best solution? I hear these ideas and things that are being thrown out now, and I guess my question hearing those is, why weren't these issues thought of and addressed and brought forward last year or the beginning of this year? The idea [to create a] Task Force came up before I was part of Council and the Task Force has done a wonderful job, putting a lot of time into this. So I don't know if pushing this vote off or getting more time in for input - we've asked for input from the City, residents, basically pled for the input. Where are these people? They are not here tonight. I'm just not sure what more input we would get if we push this off to be voted on at a later time. What is the best solution? As Rich said, it doesn't have to be the perfect one, but the best one for now with what we are dealing with now. As far as the tax credit issue, maybe that is something that could be addressed down the road. I just don't know that pushing it off to a different time is going to bring anything else forward, or people forward, or comments or ideas, or something viable.

Councilman Bertone: I do believe what is before us tonight is the best solution. I watched 2010 when you guys went out with 1.5% and it failed miserably for a variety of reasons that we don't need to get into at the moment. But I think the group at large here needs to consider where you are today. You're in 2018, we've seen a capital improvement needs list that we've passed around as well in the Development Committee. We know that continuing on this path that spend that we've been looking at of \$2 million dollars per year only grows. What the number is incrementally, I can't recall off the top of my head, is it \$500,000 per year or what, but it is sizeable enough to know that you will never catch up. The bond issue, if you can, when does that renew if it were to renew? What is the earliest we can put that out there? [Ms. Miller: We would be looking at probably borrowing in 2021, maybe early 2022.] Doing the math, that issue is only going to generate for you \$700,000 per year. That's not going to solve this problem and any delay between 2018, 19, 20, 21 or 22 makes that number even bigger. So I'm stuck here. I'm trying to understand the teeter-totter.

I go home and I try to explain this to my wife. She's a CPA, so we both work in Columbus, we live in Powell, [and she asks] what's this mean to me Frank? Well, Julie, we are at 3%, we're going to go to 3.15%. That's going to be \$150 on a \$100,000 of income, a little over \$1,250 a month. I have a middle schooler who I just bought a cell phone for and I spent more than \$150 people. I agree that there's going to be an equity conversation and issue. You raise a good point. I just don't think there's any appetite for folks to go from .75% to 2% or even greater. Looking back in hindsight, what happened in 2010, we tried to go from .75% to 1.5% and got kicked in the face pretty hard. The need is real, and I think folks here have to understand we have some significant issues before us. Kicking the can down the road, be it a development need, we are not going to see - where a couple of hundred grand here or a couple hundred grand there - it's not going to solve \$2 million dollars a year [need]. It is not. So this, to me, is the best solution.

Councilman Counts: I'm not sure where to start on this. This is a conversation that Finance Committee has had for 6 years, 10 years, 15 years, ever since I've been on Council. We've had a capital improvements plan for that entire time, but in some respects it's always been irrelevant because we've never had money to be able to put it into place. For the last two years, we've talked about the need to bring this back into discussion and it's been in discussion in Finance. We chose to have this Task Force handle the issue and everyone on Council knew the time-frame that was given to the Task Force to present a report by the middle of June and for Council to discuss this, they were going to have to discuss this quickly so that we needed to be up to speed in order to act on it and have all the information we needed [for a potential November ballot]. Likewise, the Task Force was completely open to all Councilmembers. If any Councilmember had an idea that wasn't being discussed, it could have been brought up to the Task Force. Also, they had reports that they could, and some did, read throughout the time that the Task Force was meeting. But if there was something that wasn't quite right,

Councilmembers could, in fact, bring that to the attention of the Task Force. As far as I know, they didn't.

With respect to the Economic Director. Brian, you've been on Council almost as long as I have and you know how difficult that is to fund that position, but more importantly, to actually have the kind of environment which that person can do a great job. You have a community that does not lend itself to great commercial development. Yes, we're talking about the OSU development off of Home Road, but we know that we need 10 of those in order to solve the problem we are talking about. That is not going happen. We talk about a TIF and we know the restrictions of a TIF. You put a TIF north of Home Road and that doesn't help put roads or rebuild roads in Olentangy Ridge. It only helps that area.

The problem that I have with many of the solutions that are described here – yes, Melissa, they have been talked about multiple times, in multiple fashions, but for a variety of reasons, they don't solve the problem and they don't make a difference. It doesn't mean that they shouldn't continue to be pursued. So I do believe that a lot of this has been vetted.

As far as putting this off, we can put it off, there's no question. But I will tell you, in the discussion about when is the appropriate time to go to our residents on this particular issue? Clearly a municipal election has never been an appropriate time when you have Councilmembers who are running. I put that out there as fact. No Councilmember is going to want to put a measure on a ballot. For a special election, that could be appropriate, but we all know that in a special election, you don't get all the voters to come to that. And what better opportunity for most voters to vote on an issue that's really important to the City than in either a Presidential year or a gubernatorial year.

Now, the best solution. As Rich said there is no perfect solution. The Councilmembers got this chart which describes how this revenue would be generated. You can play with the tax rate and you can play with the credit and you are going to get drastically different results how you do that. Depending on whether you live in the City, work outside the City, you're going to have that burden displacement over those groups. There is no perfect solution. My kids would sometimes say to me 'that's not fair.' That isn't what they meant though. What they meant is: it's not equal. We can play with this tax chart, but I will tell you we will never have a solution that is equal for everyone. Everybody's circumstances are different. We talked about the number of a \$150 per year. I can take the numbers here out of each group – the people that work in Columbus – and divide what their increased tax burden is by the number of tax units, and I come out with a number of \$158. Well, that's not everybody, that's an average. There will always be someone that finds their situation being unique.

So the question is: Is it the best solution? I don't know, but I will tell you this: In 2010, we had an ad hoc community group come together and really talk to us. They said to us what you are intending to propose is too high. It will never fly. Council sort of dismissed what they said; we said no. We felt at that time this was the best solution. It was a higher rate. It was a rate that gave those outside the City no [tax] increase and we know what the result was. I was hard pressed to say Council knew better because obviously the result showed that Council didn't know better than this ad hoc group.

So we decided to do something different here. We decided to create this Task Force. It was a group of people that I frankly didn't know most of them. I was a little bit concerned about what the result might be. But they were representative of the City. Now we are sort of faced with just the opposite situation where we have a Task Force who is unanimous in their opinion of what we should do and they are actually recommending a lower rate that would, as you said, affect all those people that work outside to some extent, and now the question is will Council follow that? There will never be a perfect tax rate that will provide pure equality across the board.

I also want to mention about the delay. Most of us on Council have heard residents in various aspects come up and say, 'If you do this my house will be worth nothing' or some other sort of bad thing will happen. I dismiss that doomsday scenario. We could say that some of us are suggesting a doomsday scenario here. But, even to wait a year, we know that we have Sawmill Parkway that's going to take precedence. It's going to take



precedence over Olentangy Ridge. The road that I live on hasn't been done in 15 years. One of my neighbors who you've heard from has said, 'You know, City, you need to come out and fix my curb because my driveway apron and curb are now being pressed up against each other because of the roadway.' Our road is at 77 PCR. It's probably 6-7 years down the road because the list of roads before our road is so long. Can we wait another year? Maybe. But everything gets pushed back. And for our neighbor who has this problem, he has to decide what he is going to do. Is he going to pay for those on his own? But if he does, it doesn't fix the street problem. He doesn't have the resources to fix the street problem. It becomes spiraling. Next year, it may not be the problem, but the next year, and the next year, and the next year, it is going to continue and it will effect various things. So I come back to the Task Force's recommendations [to move forward to the ballot]. We are hard-pressed to say that right now is no different than next year. It may be better. A group of 18 people said it was better.

Councilman Swartwout: I'm looking forward to another meeting. I'm looking for another chance for people to come out, for another chance to talk about this. This is a very big decision and I want to go back to what someone said before. You only have so many bites at the apple. Every time you take a bite at the apple and it doesn't work, it makes it less likely the next time. So I just want to make sure that as we look at time and we look at our proposal, that we are 100% clear and 100% vetted that now is the time.

Councilman Bertone: I agree, Dan, you are right. We do only get so many bites at the apple. That is a community choice. That's not our choice. Our choice is very clear for us. We can put it out there or we don't. If we have the option to do either one, right? From my vantage point, you are just not physically going to go from .75% to 2% in any way, shape or form. The community has no appetite for that. I heard it loud and clear on Saturday at two soccer games – very clearly. Again, I come back to the efforts of this group [Task Force] and the work that's been put forth. \$2 million dollars was the number in finding out what our need was. That's all we are asking for. We are not going above and beyond. We are not selfish or greedy. We understand that where we are as a community and what we want to do to set the pace for it to continue forward. This is the investment and this is the time for us to make that investment.

Councilman Lorenz: I just wanted to be sure to thank all of you on the Task Force again for your efforts. Even though I'm not a strong proponent of raising the income tax, this was a tough and thankless journey for you guys. Participating and sticking your necks out takes a great deal of leadership, especially when you're recommending something which is not likely to be viewed as favorable in our community. You have given us all a great deal to think about and this Council and community owes you a great deal of gratitude.

I'll just close with this. I want to dispel some rumors that are surfacing around town and on social media. We haven't had a tax increase since 1991 no matter how you feel about it. The actions that were taken by residents in 2012 were done to extend a park levy that was passed 10 years prior which dedicated funds to capital improvements, much like what we are talking about now, without raising municipal income tax. This levy extension continues to be successful as it gave us the much needed Murphy Parkway extension and a mechanism to pay for other improvements in addition to the first phases of the Seldom Seen Park.

The City of Powell has an extremely conservative financial policy and has managed their money well and as a planner, I'm keenly aware of our acute capital improvement needs. We are severely limited by our capacity to capture revenue because we are a bedroom community, because we are great place to live, and our growth has validated this because people did not understand that we are in competition for dollars with other entities such as the schools. In addition, we've been hamstrung by the General Assembly and their appropriation at a local government fund. I brought this paper copy from The Dispatch that talks about an editorial from Sunday that Governor Kasich is prideful that he's raised the state's rainy day fund to almost \$3 million dollars since he took office. Well where are all those monies coming from? Your Task Force pointed that out. It's all being taken from cities and villages.

One of the other things that has really hurt us here and is sort of directly in correlation of this, we had to give up quite a bit of money because of lawsuits and countless appeals filed against several development projects that the City ended up being tied into. These issues continue to compound our legal budget. That's not good

for any jurisdiction.

Like everyone else here, I look forward to continuing the conversation. To answer Tom's question. There is a need definitely. I think I made that clear. How we get there, I'm still not quite sure. To your point Tom about economic development, I have been on Council as long as you have and maybe if we would have looked to hire someone earlier on, we would be in a better position. But maybe we wouldn't.

Councilman Counts: I've been on Council 13 years. In that time, one of the things I strive to do is to make this community a better place. We've come together as a community and community means that we help each other out. We do things collectively because we can't do these things on our own, whether it's fixing the road or provide our own police protection. We come to community because it makes us better. It makes us whole. But in community, you have to sacrifice because sometimes you help out your neighbor before you help yourself. We see sacrifice in community in a much broader community in our nation on Memorial Day, when we honor those people that have sacrificed their lives, maybe somewhat unfairly. Maybe unequally. But they chose to sacrifice their lives because there was a greater goal that they believed in. Community also means that you need to compromise sometimes. It may not be what you want, but somehow you need to move that community forward.

So over this next week, I ask each of my fellow Councilmembers to say are we community or are we not? It may not be what you want. It may not be what I want. But in order to move this community forward, maybe we need to make that sacrifice that maybe our neighbor does not have to make. Maybe we need to compromise on our views that we didn't really want to do. So I also ask you to think about this question: when you leave Council, and I will be leaving Council soon, will I be leaving it a better place than when I found it? Quite frankly, the agony I have, and have had over the last several years with this particular problem, is that I'm not sure that I will.

Mayor Bennehoof: The state taking away the estate tax and the state and local funds only precipitated some of this, it didn't cause it. It's a piece of the puzzle. Our extreme fiscal conservatism was a piece of it. Our development - we suffered because of our development - in a good way the development, but we are now looking at paying for that years later. This has been kicked down the road. We have commissioned a citizen task force for almost everything that we've done since I have been on Council. For the last 6 ½ years, we did the Comprehensive Plan, the Zoning Commission updates, Keep Powell Moving. All done with a citizen task force and citizen input. This Task Force came together, did a Herculean job, [put in] hundreds of hours, and came up with their best recommendation. Is it fair? Is it equal? I don't know if I care. What I think our mission is, is to put to the community that we have a problem, that there is a solution, and if you as a community choose to continue to benefit from all of the riches that Powell has, as well as its blemishes, then the community will decide. It's not our decision. It's not the Task Force's decision. It's the community's decision and it is our responsibility to make them aware of the problem and a potential solution and ask them to participate in the solution.

Resolution 2018-12 was taken to a second reading.

**FIRST READING: ORDINANCE 2018-33:** AN ORDINANCE TO ENACT SECTION 182.012.1 OF THE CODIFIED ORDINANCES OF THE CITY OF POWELL TO INCREASE THE CITY INCOME TAX RATE FROM THE CURRENT RATE OF THREE-QUARTERS OF ONE PERCENT (0.75%) TO A RATE OF ONE AND FIFTEEN HUNDREDTHS OF ONE PERCENT (1.15%) TO BECOME EFFECTIVE ON JANUARY 1, 2019 FOR THE PURPOSES OF GENERAL MUNICIPAL OPERATIONS AND SERVICES, STREET MAINTENANCE, AND CAPITAL IMPROVEMENTS AND RELATED COSTS; TO ENACT SECTION 182.013 TO DEDICATE NO LESS THAN TWENTY-FIVE PERCENT (25%) OF ALL INCOME TAX REVENUES FOR THE PURPOSE OF CAPITAL IMPROVEMENTS AND RELATED COSTS; AND TO AMEND SECTION 182.081 TO INCREASE THE CREDIT FOR TAXES PAID TO ANOTHER MUNICIPALITY FROM ONE-FOURTH OF ONE PERCENT (0.25%) TO ONE-HALF OF ONE PERCENT (0.50%).

Mr. Lutz: We just recommend that this be taken to the second reading at the August 7, 2018 Council meeting.

Mayor Bennehoof opened this item to public comment.

Mr. Cline: For the record, I would reiterate all of the comments that were made as it related to the Resolution apply with equal force to the actual Ordinance. I commend Council's thoughtful consideration of this issue. I realize that when Tom started the discussion, he said that if there are going to be changes to this proposal, tonight's the night to put those changes forth. I respectfully ask that Council allow the voters make a decision on this issue and do it at an election where we know the majority of Powell voters will turn out and that is this November.

Mr. Gardiner: I just wanted to provide a fact. According to the 2016 numbers, we received \$2.2 million dollars from residents who work outside of Powell who pay to a different municipality. If you go to a 100% tax credit, we lose that \$2.2 million dollars. In a goal to replace not only that \$2.2 million dollars, but also to get \$2 million more dollars on top of that, which is the Task Force's recommendation, we would have to go to about a 2% tax bill for the residents who work inside of Powell. .75% to 2% is a 166% tax increase and for someone who makes \$100,000 per year, that's \$1,251 dollars more per year that they would have to pay in income taxes.

Mr. Lindsey: In listening to the conversation of Council, it occurred to me that there was a little bit of a mis-narrative or missed opportunity for a narrative in the tax equity portion of the discussion. I'm a small business owner and I work in a city that charges 2.5%. I live in Powell. It is my choice to live here in Powell and pay that additional half percent after the credit. When I left the Task Force presentation, my conclusion after hearing all the stats and the needs and everything else was: I should move my business to Powell. It would actually create, for me personally, a lower effective tax rate. I think when people talk about an over 3% effective tax rate, those are the result of a lot of choices you have no control over. What you have control over is Powell's tax rate. For somebody like me who has actually benefitted as a small business owner from Ohio's reduction in my income tax that far exceeds what the additional tax would be that you are talking about even if I had kept my office outside of Powell. But if I moved to Powell, I would not only bring my income here at a lower effective tax rate, but my three employees would pay Powell tax when they never did before. So I think there is a missed opportunity so far and I haven't heard anybody say this narrative. This could be a good incentive for people like me to think about – a second location, moving my business, and I seriously left the meeting thinking that would be a good thing for me. It's a great thing to tell your neighbors when they are thinking about this. You can only control the Powell tax and credit. Everything else is an individual choice. I choose to work outside of Powell. I can choose, fortunately, to work inside of Powell and that may well happen. I think that is part of the fair, equitable part of this distribution of the potential shared pain of an increase.

Mr. Franano: I would reiterate all the comments that I made on the Resolution to carry forward for the Ordinance. A couple of points to bring forward about the timing of an election and when to take it to the ballot. It's important to consider that 2010 and 2018 are very different moments in this community. They are also very different moments in the national dynamics of a voter. The polling about who are the most motivated voters in both 2010 and 2018, were very disparate ends of a pendulum. In 2010 you had an electorate that was responding to a Presidential election in 2008 and you saw statewide office holders completely change party in Ohio and you saw Congress change hands as well.

In 2018 you have a similar circumstance. You had a 2016 Presidential election that electors are going to be very motivated to speak towards and as polling would indicate nationally, a very different electorate composition in 2018. I think too the comments about is it a special election or primary election, the best opportunity to put this before voters to capture the most residents of Powell weighing in on this important issue is this November's election. If you wait until a primary or special or 2019 municipals, you will not have the same turnout, you will not have the same vote base that would be more motivated to support a revenue increase for the City of Powell that we think we need. So while in 2010 there was a resounding message from the residents of Powell, the 2018 electorate is a very different electorate. There are also new residents that continue to move into Powell so the sentiment of the community is shifting as the community grow.

The other thing to consider is that in 2010, 60% of your population saw zero impact to their taxes by the proposal and 20% or so saw a doubling of their tax rate. 60% didn't have motivation to go vote the issue at the ballot



box. If you look at a situation where you either increase the credit to make sure there is, as you did in 2010, no effect on the people that live in Powell, work outside, they again have no motivation because if it passes or fails, the tax remains the same. But if you look at an opportunity to raise that credit even further, then you have a chance to motivate 60% of the constituents that you were elected to represent to have an opportunity for their local effective tax rate to actually go down a little bit and to still see progress for Powell. The argument can be made that citizens who live in Powell and work in Powell and pay a .75% tax rate at the moment are consuming municipal services that are paid for by local taxes well beyond the borders of Powell. I think you would be hard pressed to find a resident in Powell who works in Powell who only uses the services in Powell. They drive on the streets in Columbus. They go to Dublin to eat. They shop in other communities in addition to Powell. They are using the services that other tax dollars are paying for. In a MORPC model where you have equal credit, then the burdens are shared equally, so someone that works in Columbus and pays Columbus taxes, pays for those roads and someone that works in Powell and pays income taxes here, pays for the roads when we bring Columbus and Dublin visitors into our community. It is not an issue of a huge tax increase, it's perhaps an issue of people have not paid their full share of taxes that support our local community in a larger sense. So it is something to consider. There are lots of ways to slice it with the tax tables and lots of ways to get to numbers, and there isn't a perfect solution that everyone will agree with, but you have an opportunity to motivate 60% of the people that you are elected to represent to see a slightly lower marginal tax rate and large increase in the amount of service that your City can provide. You are not going to see a better time to put that to the voters than in 2018 and I would encourage you to move it forward for November's election.

Hearing nothing further, Mayor Bennehoof closed the public comment session.

Councilman Swartwout: I want to thank everybody that came out tonight to speak. This is why I wanted to have two meetings even though it was not necessary to do so, because every time we hear from our community, it gives one new things to think about. We have had a lot of intelligent comments from a lot of people tonight and it's given me a lot of things to think about. This is a tough issue and I think it would be doing a disservice to the community if we did not consider it as much as we are considering it tonight by throwing out opinions and ideas and hearing from people. That's what we do. That's the deliberation, the chance to compromise, and the chance to learn from each other. I think this has been a tremendously valuable evening and I thank again the Task Force and the folks that came out tonight. It has been an exceedingly helpful session for me as I continue to look at the best thing for Powell going forward.

Mayor Bennehoof: I think Mr. Cline said it best, when you suffer waiting for perfection, you lose the chance. I thank the Task Force. The entire Council and Staff are very appreciative of the effort that they put forward.

Ordinance 2018-33 was taken to a second reading.

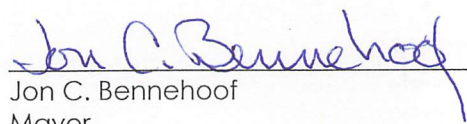
#### OTHER COUNCIL MATTERS

There was none.

#### ADJOURNMENT

MOTION: Councilman Counts moved to adjourn the meeting at 9:38 p.m. Councilman Bertone seconded the motion. By unanimous consent of the remaining members, the meeting was adjourned.

**MINUTES APPROVED: August 21, 2018**

  
Jon C. Bennehoof  
Mayor

Date

  
Karen J. Mitchell  
City Clerk

Date

Frank Bertone

Tom Counts

Brian Lutz

City Council  
Jon C. Bennehoof, Mayor  
Brendan Newcomb

Melissa Riggins

Daniel Swartwout

