



**City of Powell
Finance Committee
Minutes**

May 14, 2019

Attendees

Tom Counts, Dan Swartwout, Frank Bertone, Simon Barlow, Steve Lutz, and Debra Miller. Also attending was Nick Chisek, Julian & Grube; Brian Cooper, Baker Tilly Municipal Advisors; Megan Canavan, Communications Director and Chris Huber, City Engineer.

Call to Order

Approximately 7:00 p.m.

Executive Session

Executive session pursuant to ORC Statute 121.22 D2.

Presentation (By Baker Tilly Municipal Advisors, LLC) and Discussion on Refinancing City Notes

Mr. Cooper went through his handout giving backup information to the finance committee about the history of the note maturing, economic outlook, how the different sales work and details on deciding terms for the refinancing.

The committee asked a variety of questions to make sure they understood the various parts of the refinancing. The consensus was to issue for 20-year term and a call date in 10 years. This would allow them flexibility on paying off the bonds early but also keep the principal and interest payment at a 1.27 coverage. They also were looking at a competitive sale but wanted the flexibility of a negotiated sale if the market changed.

Ms. Miller will let Bond Counsel know the details and bond counsel would draft the ordinance City Council would be seeing on their next week agenda. Mr. Lutz will schedule Bond Counsel attend one of the readings to answer any questions.

Approval of Minutes

Minutes approved as corrected. Ms. Canavan asked for clarification about the PAFR that had been discussed the prior month and the decision to mail. The committee briefly discussed the background of why they decided to mail and that a policy needs to put together to be consistent on which pieces of information they want to mail versus other communication methods.

Capital Improvement Priorities

Mr. Lutz reminded the committee that they had requested Chris Huber, City Engineer, to attend the meeting to assist them with their discussion on moving forward with Public Safety related capital improvement projects.

Mr. Huber discussed the various projects with the committee. He was asked to let them know in what order he would pick the projects for completion. He stated the Adventure Park parking lot, guardrail, bike paths and pedestrian crossings.

Possible funding sources will be prepared by Ms. Miller for the June finance committee meeting and will continue the discussion on these projects.

Financial Reports for April 2019

Ms. Miller briefly reviewed the April reports. She updated the committee on the current status of income tax revenue which is up 22% compared to last year.

Vehicle License Tax

Ms. Miller stated that this permissive licenses fee is a different law than the one previously discussed by the committee. The previous one had the county and city vying for the same \$5 permissive tax. This law goes into effect July 3, 2019 and only municipalities can participate in.

Mr. Bertone, Mr. Barlow and Mr. Counts were in favor of moving forward with this in July to City Council. Mr. Swartwout had some concerns that it would interfere with moving forward with changing the income tax rate.

State Infrastructure Bank (SIB) Loan Application

Ms. Miller gave the background on this item. This application relates to the MORPC grant application that Mr. Huber applied for several years ago for a section of Sawmill. The Ohio Department of Transportation (ODOT) uses this vehicle for short-term financing of their projects. ODOT is also requiring the City to use it if they want to fund the project early by having the grant repay the SIB loan.

Originally, the loan application was not going to be done until Fall 2019 (per the timetable with ODOT) however, the timetable was abruptly changed to needing to be filed in May 2019. If the City does not receive the SIB loan, the project will be postponed until the grant either funding is available or ODOT will need to make an exception for short-term financing.

Building Department Revenue Review

Ms. Miller apologized the committee for dropping this item on their lap in April and not being prepared to discuss the issue. She also stated that she hadn't even had time to discuss the issue anyone including Mr. Lutz or Mr. Counts before the April meeting.

Ms. Miller then gave a timeline on the issue as requested at the April meeting.

- 2017 – Chief Building Official (CBO) and employee retirement along with new software but no updated procedures. This is why Ms. Marquez and myself, began discussing the need for an Internal Control review.
- 2018 (April) - Under Finance Director's Report, told finance committee that need to keep eye on Development revenue since under 50% of covering expenditures.
- 2018 (May) – emailed Kevin Moran (CBO) about revenue concerns. Came back that plumbing was no longer being collected and low number permits issued.
- 2018 (June) – talked with finance committee about Development collection was low and what was the last time staff really looked at adjusting amount charged.
- 2018 (August) – talked with finance committee about results of the Internal Control report.

- 2018 (August) – talked to finance committee about realigning positions in the Building Department and doing another internal control review when completed. Details about changes would be discussed during executive session of a city council meeting.
- 2018 (September) – asked to receive details about some commercial permits and began a review in October.
- 2018 (November) – let Steve Lutz and Kevin Moran (CBO) know that I didn't have confidence in the department to charge, collect and record Development revenues. We had a meeting to review what I found with Plan Review (Architecture fees). Kevin Moran was able to get most of those fees charged as they were still active permits.
- 2019 (January – March) – Building and Finance Departments meet to create new job processes that included internal controls for the Building Department.
- 2019 (March/April) – asked for Agreed Upon Procedures (AUP) to make sure there weren't any other areas we needed to recoup.

Ms. Miller stated again that she hasn't seen nor does she have any suspicions of fraud or embezzlement. This also agrees with what the auditors found out during the 2018 audit – mistakes but not fraud or embezzlement was discovered. The second internal control will make sure the department is on the right track.

The committee discussed the issue and wanted to continue the discussion in June.

Appropriation Request(s)

Included in the packet was a request for an additional \$75,000 for legal fees.

Handed out was a request for \$3,000 from City Council contingency for pond and splash pad maintenance.

Other Business

None.

Adjournment

Adjourned at 9:58 p.m.