

5/30/2019 | 8:15 AM

The meeting of the Citizen Financial Review Task Force was called to order at 8:15 a.m. in the Lower Level Meeting Room, located at 3600 Tremont Road by Chairperson Ann Gabriel.

**MEMBERS PRESENT:** Chairperson Ann Gabriel, Jamie Crane, Ukeme Awakessien Jeter, Tim Keen, Matthew J. Kirby, Matthew Rule, Kaz Unalan

**MEMBERS ABSENT:** Colin Gawel, Greg Guy

**STAFF PRESENT:** City Clerk Ashley Ellrod

**1. Approval of Minutes of the May 23, 2019 Meeting**

Ms. Crane moved, seconded by Mr. Unalan, to approve the minutes of the May 23, 2019 Citizen Financial Review Task Force Meeting.

Motion carried.

**2. Discuss Responses to Charges from City Council**

**Undertake a high-level review of the City's current financial status and overall outlook**

Ms. Crane said she is impressed with the city's tracking and understanding of where expenses are and what they are trying to address. She advised she feels the city has a good handle on both the revenues and expenses.

Mr. Unalan said he is impressed with everyone working to do all the right things, including talking to other communities and benchmarking. He related there appears to be a good understanding of the community's needs.

Mr. Keen conveyed the fund balances are very strong. With the increase in the income tax there was a significant burst of growth in the taxes as expected. He believes there are sufficient revenues to support the operations of the city and a robust capital plan. He noted there is an extensive capital need in the city. In his perspective, the city is in strong financial shape.

Mr. Rule echoed what has been said. He said he is impressed by the understanding and grasp of where UA is benchmarked with other communities. He is impressed with the city's financial position and appreciates that the city has not let expenses get out of hand.



He added there has been solid growth in the income tax base, not only because of the income tax increase but also the general economic growth. He stated there is an opportunity to have more aggressive growth of the income tax base by having more people working in the city.

Mr. Kirby said a couple of areas that give him pause are there is not a lot of ability to increase tax rates, and there is a 100% tax credit. The opportunity is to further develop the very limited commercial space to increase the tax base. He said he heard a need for more employees in various areas of the city, and thinks that needs to be reviewed. He added grant requests are significant, and questioned how they can accelerate some of those.

Ms. Jeter said she is impressed by the understanding and grasp on the budget. She thinks the city is currently in a good financial place. She shares the same concerns as others, that there is not an aggressive plan in place that is UA specific to growing the tax base. She added she thinks there are some opportunities to look at more shared services.

In response to Chair Gabriel, Mr. Rule said stress testing can be very helpful. He thinks it is more beneficial to have a budget that pushes you. Chair Gabriel questioned if the Committee would want to recommend this exercise be undertaken to City Council. The Committee agreed.

Chair Gabriel said she has concerns if the city is too healthy. The policy is a 30% Fund Balance and the projected balance for the next five years is 46%. She questioned if 30% is the right number and suggested they may need a range. Once that number is established, she questioned what happens with the rest.

Mr. Keen thinks the range is a good suggestion. The disposition of the balance, which would be a one-time expense, has to be carefully considered. He stated both the rating agencies commented about the city's level of debt and that it is much higher than similarly rated entities. The capital plan is a necessary program, the question is what is the balance of debt funded and cash funded capital improvements. The statements by the rating agencies warrant City Council to carefully consider now and every budget cycle what is the balance between cash and debt funded capital.

He advised the city is in a strong financial position but there are still challenges. The extent of the capital needs, and the fact that there is a likely recession, needs to be taken into account. Continued vigilance is needed on how tax dollars are spent and on what. If there are large new projects the city wants to undertake, they have to carefully consider what the capital and operating cost of those projects would be and weigh the use of existing resources for that project against the other issues.

Mr. Unalan advised the 2013 Master plan touches on a lot of the corridors and it may be a good time to revisit that. Mr. Rule said a Master Plan is a great indicator to developers on what is welcomed and what is not.



Mr. Kirby conveyed the 10 year Capital Improvement Plan is updated annually and questioned if a 10 year economic development plan should be revisited annually for consistency.

Mr. Keen questioned the extent Council has assessed the recent TIFs. He said he is somewhat cautious of TIFs but recognized they are a commonly used element of financing projects. He thinks they need to know up front what is the necessary level of revenue growth with both income and property taxes necessary to make the TIF pay for itself and generate additional revenue for the city and the school district. He remarked development may occur without tax incentives or at a lower level tax incentive. They should not assume a TIF is required. He thinks an assessment of when TIF and other tax incentives are provided and what is the best strategy, would be an important undertaking.

Mr. Rule agreed, he thinks providing parameters around it and safeguards against being too subjective, and providing clarity for staff are needed. He said there is healthy competition among cities for businesses and questioned if staff have the appropriate tools to counter balance that and keep people local. Without a clear plan staff may be unsure of what they can do.

### **Assess the status of capital investments made to date and the outlook/plans for the next 10-year Capital Improvement Program**

Ms. Jeter conveyed she feels overall the city is making the right choices, and there is a good process in place to make these decisions.

Mr. Kirby stated he does not have any concerns and he is impressed with the process in place. He feels the city is aggressively seeking outside grant funding and he is impressed how diligent the plan is and that it is being updated annually.

Ms. Crane said she is impressed with how they are assessing it and said she appreciates the transparency.

Mr. Rule said he feels there is a good process in place and it is transparent. He said the city may want to take this opportunity to pause and make sure the procurement strategy is appropriate.

Mr. Keen suggested since the city is approximately 5 years into the CIP, now may be a good time to conduct an overall assessment. He added it may be helpful to look every 5 years to see how the plan is going and if there are changes that need to be made.

Chair Gabriel said a question that has not been answered is if the gas tax can go towards sidewalks. Another item to consider is if the city should put an additional five dollar fee on license plates. These two things are sitting out there and may play into what can be funded with cash versus borrowing.

Mr. Rule advised the gas tax estimate is \$730,000 a year, which is a significant amount. He said there is an opportunity to dedicate this to road work and reallocate the money being used in the General Fund.



## **Undertake a high level assessment of existing service levels to verify alignment with community needs and/or expectations**

Ms. Crane conveyed when reviewing the community surveys, it seems the community is very happy with most service levels. She advised the city has been responsive to those surveys and has worked to correct any areas where there were problems.

Mr. Kirby questioned if surveying every three to four years is appropriate. He said he would be interested to see the specific survey for the Kingsdale neighborhood and stated he is unsure if there are other surveys planned that will be similar. He suggested surveying specific neighborhoods on a rotating basis annually. Mr. Kirby related the community center is the one area that has not been addressed, and that would tackle a number of different issues.

Ms. Crane stated the feasibility study for a community center is going to need to be very specific.

Chair Gabriel added the public private partnership is really important. She said an important thing to consider would be privatization and professional management by an outside firm. She said she would assume that is something the study would consider.

Mr. Kirby related the timing could not be better. In 2002, people from a financial perspective were more reserved. The community has adequate capital and people may be more willing to agree to something that will cost a little bit.

Mr. Unalan remarked keeping or enhancing the communication with the community should be a recommendation.

Chair Gabriel said she feels the half percent that was voted on for infrastructure would not be part of the indoor facility.

Mr. Keen advised he believes they need to understand the full costs, both operating and capital over the whole life cycle of the project. He added the Committee needs to consider how the additional expenditure effects the needs of the city.

Mr. Rule agreed the feasibility study needs to capture the full costs. He suggested doing a competitive analysis among local communities. He added this is an amenity that is expected in communities and that has changed from years ago.

Chair Gabriel related Mr. Gawel and Mr. Guy have advocated for a field and court scheduling system that is accessible to the public. Mr. Keen suggested having better communication and understanding of the options that are available.

## **Explore further privatization and/or collaboration opportunities.**

This item was not discussed.

## **Examine and recommend specific program areas where a fuller review may be necessary**



This item was not discussed.

### 3. Public Comment

In response to Chair Gabriel, the following speakers came forward:

Jim Becker related Wellington was purchased by Jeff Wilkins in 1982 and was transferred to Wellington for a school in 1984.

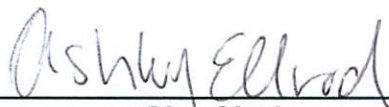
He advised the city has TIFs, and staff is betting with tax payer money when they do that. The City of Gahanna lost 21 million on the Creekside project and he is concerned about a staff that does not understand personal and personnel. He feels this is large gambling and he is not comfortable with it. He related there is a lot of home office in UA and he would like to see accountability on what the city is getting in income tax. He conveyed they need to take down the wall that exists between the schools and city. He advised 70-75% of everything the city takes in is going out to pay the help. The last time the city looked at this in depth was a report in 1997, and they were 23% over market then.

The next meeting will be June 5, 2019 at 7:00p.m. in the Lower Level Meeting Room.

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There being no further business before the Citizen Financial Review Task Force, the meeting was adjourned at 9:41 a.m.

  
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**Chairperson**

ATTEST:   
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**City Clerk**

