

6/13/2019 | 8:15 AM

The meeting of the Citizen Financial Review Task Force was called to order at 8:18 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 Kirby, Matthew Rule, Kaz Unalan

MEMBERS ABSENT: Colin Gawel, Greg Guy

STAFF PRESENT: City Clerk Ashley Ellrod

1. Approval of Minutes of June 5 and 6, 2019 Meetings

Ms. Crane moved, seconded by Mr. Keen, to approve the minutes of the June 5, 2019 Citizen Financial Review Task Force Meeting.

Motion carried.

Mr. Keen moved, seconded by Ms. Crane, to approve the minutes of the June 6, 2019 Citizen Financial Review Task Force Meeting.

Motion carried.

2. Discuss Progress Report to City Council June 17, 2019

Chair Gabriel said the Committee is scheduled to give an update to Council on June 17, 2019 at their Council Conference Session. She said anyone is welcome to join her at the meeting. She asked if there are any suggestions on her update to Council.

Mr. Keen suggested they include how the report was put together. He stated the Committee has been going through each charge of the 2014 task force, and having a discussion on the status and outlook. He advised the Committee has been very methodical in the review to be fully responsive to each of the charges. Mr. Unalan added the Committee spent time on the Statement of Values, which framed the discussions. Ms. Crane conveyed she thinks it is a good summary.

3. Discuss Responses to Charges from City Council



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

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

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

Explore further privatization and/or collaboration opportunities.

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

Chair Gabriel advised she thinks the Committee has a pretty strong handle on the 2014 report, the City's current financial status, the CIP and City Services. She said last week they discussed shared services and/or privatization of IT, HR, Fleet, City Attorney, uniforms and outsourcing grant management. Chair Gabriel questioned if there were any other areas to consider for privatization or shared services.

Ms. Jeter questioned how the Committee intends to share the suggestions for further privatizations and shared services. Chair Gabriel stated she thinks they will suggest Council consider looking into a few areas.

Mr. Keen said ultimately when City Council receives the report, Council will have to decide what they would like to pursue. He said the Committee can give broad direction and recommend privatization as something Council needs to continually review on an ongoing basis. He suggested the final report list what has already been done, and suggest a few specific areas for further consideration.

Mr. Kirby related he would be curious to know what the follow through was from the 2014 report and recommendations. He suggested a new Task Force every three to five years to have some additional accountability. He would like to know what the follow up from City Council was on the report and if it was successful or not.

Mr. Keen stated he would not participate in any performance audit undertaken by the city and will not advocate that they do one. He said he does think there is value to having an independent assessment. If the city voluntarily decided on a performance audit, Council would have a say in what they would like reviewed. He stated it is a cooperative endeavor. He conveyed at the conclusion of a performance audit, there would be a series of recommendations. He said these recommendations are not binding but they do present options for the city to consider.

Ms. Jeter questioned if there is a reason the city would not want to undertake a performance review. Mr. Keen responded it is human nature to not like people looking over your shoulder. People can be concerned issues will be identified that will raise questions about management choices or operational choices. His perspective is performance audits are management improvement opportunities.



Ms. Jeter asked what cities have completed a performance audit, Mr. Keen said areas of OSU, the City of Twinsburg, and a number of school districts. He related Auditor Keith Faber feels they are not doing enough performance audits in municipalities. Mr. Rule advised he feels there is value in a performance audit, he noted there is a time commitment with them.

Mr. Kirby questioned if there is anything the Committee should consider that is in need of a performance audit. He conveyed he does not see anything glaring at this time.

Ms. Jeter asked if the Committee should recommend a continual review process, either through a future task force, or a periodic audit.

Mr. Keen stated this Task Force was five years after the first, which seems very reasonable. The recommendation was three years, which the Committee agreed was too soon. The value of this is the Committee is comprised of residents, who are tax payers, and recipients of city services. In response to Mr. Kirby if a performance audit is necessary, Mr. Keen said the concern they hear, is while the finances are in good shape now, there are critical service and infrastructure needs, and there are concerns if there will be adequate revenue to cover those in the future. Mr. Unalan said he thinks it is good for transparency and accountability.

Mr. Kirby asked if the Committee intends to recommend City Council have outside reviews periodically. The Committee agreed that this should be the recommendation.

Chair Gabriel stated the topic she thinks about is Capital Equipment. She questioned if the city has the right equipment, and what is the replacement period. She said similar to the CIP, it would be helpful to know all the capital equipment needs so the city can plan ahead. She stated she thinks a large overview would be helpful.

Mr. Rule said if the recommendation is for an external audit, he wants to make sure they clarify the intent of the recommendation and scope. He noted a full audit would be very time consuming and costly. He feels the city is looking to find opportunities, rather than correcting an issue.

Chair Gabriel advised she would like some input on the report structure. She stated the final charge is to identify areas which need further review. She said in reading through the minutes, there is a general theme of leveraging city assets and if they are being used as efficiently as possible. Another area of discussion was the fee structure, taking a look at all costs, including capital and operating, direct and indirect, to get a picture of the full cost and make a specific decision as to what the city is willing to subsidize. She added having a big overview of capital equipment would be beneficial.

Chair Gabriel said the Committee also discussed economic development at length. She advised in relation to economic development is the issue of TIFs. Ms. Crane related there needs to be transparency on what the city has done. Mr. Keen said he recognizes TIFs can be an economic development tool, which are sometimes necessary for development, and they do not want to give the indication they are critical of them. He thinks Council needs to be mindful of how often they are using them, the level of funding the city is providing and the return.



Mr. Unalan said there needs to be a proactive plan for Lane Avenue, Macy's, Arlington Boulevard and Henderson Road. He added the city also needs to engage the business community.

Mr. Kirby advised in his experience at Hamilton Capital, their most recent incentive with the city was a long and arduous task. He stated retaining businesses is just as important as new development.

Mr. Rule related a TIF capitalizes the increased taxes on the building, so it is a pretty safe economic development tool. The policy question is when a TIF needs to be used. He added TIFs are not a tool that can be used to keep a business, it is for new development. He questioned if the city is exploring incentives to keep existing businesses.

Mr. Unalan said thinking big picture, if the city has a vision, when something happens the city can be proactive instead of reactive.

Mr. Keen suggested Upper Arlington work together with similar cities to advocate for a change in state law for how the municipal income tax works.

Chair Gabriel suggested in writing the report, to move the discussion of economic development to the areas for additional study.

Mr. Unalan remarked when discussing specifics about audits, the Committee discussed doing a stress test.

Mr. Kirby questioned which section of the report will discuss the bond levy. Chair Gabriel stated if the Committee recommends to replace it, there needs to be a specific indication of what it will be used for.

Mr. Kirby stated it was helpful to be able to understand the specific wishes of neighborhoods, similar to the RiverRidge/Kingsdale Study. He would recommend a rolling survey of different neighborhoods.

4. Public Comment

In response to Chair Gabriel's invitation to speak: Jim Becker came forward.

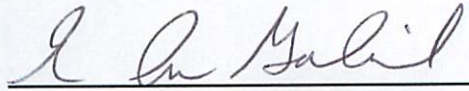
Mr. Becker said in regards to Mr. Keen's suggestion of a coalition/advocacy group on municipal income tax, he does not want the committee to call it an income tax, because it really is a gross receipts tax. Income tax is graduated because there are deductions. This is a 2.5 percent gross receipt tax. If the group could get that out more, it would take out some luster. He stated he thinks Mr. Keen has a good suggestion, but wants them to call it what it really is.

The next meeting will be June 20th at 8:15 a.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 9:43 a.m.



Chairperson

ATTEST: 

City Clerk

