

FINANCE COMMITTEE MINUTES

September 18, 2014

The meeting was called to order by Chairman Berbee at 4:00 p.m.

Members Present: J.R. Rausch-excused, Mark Reams, Henk Berbee

Others Present: Terry Emery, Jenny Chavarria, Tim Aslaner, John Cunningham, Steve Stolte, Tina Knotts, John Morehart, Mayor Gore, Eric Phillips

Approval of Minutes: The minutes for the meeting on August 21, 2014 were approved with the changes that were submitted.

AGENDA:

Economic Development: Eric Phillips gave a presentation about Tourism/Economic Development that contained a review of the current funding and the need for additional funding. Mr. Phillips handed out informational packets (see attached).

Mayor Gore said that you missed a key element when you are talking about economic development, and that is it has to be done by the community because the information or communication vehicles in this community do not get it done, they see what is going on through the community through TV or radio, we do not have that. And if you do not catch it the first time, you may not hear it.

Mr. Phillips said that he agrees that they need to figure out how to get the information out to everyone.

Mr. Phillips said the tourism development program needs to secure a meeting facility to accommodate the needs of our community. Mr. Phillips asked Mayor Gore about the Catholic Community Center. Mr. Berbee said that the cost of upkeep is more than it is used; it is up for review for the Catholic Diocese in Columbus, Ohio.

Mr. Phillips talked about the meeting at Grand Oaks Event & Business Center, LLC that several people visited earlier this summer. Mayor Gore said that we lose a lot of business because we cannot accommodate anything that goes along with the businesses.

Mr. Emery said that something that needs to be taken into consideration is that Dublin is starting to build a conference center as part of the Ohio University Development; it is something that we need to keep in mind. Mr. Phillips said that they are also building another near Bridge Street downtown.

Mr. Phillips said that the request is that the City increases their funding from \$20,000.00 to \$70,000.00 and the County to increase their funding from \$90,000.00 to \$110,000.00 that would be covered by a bed tax that is already be collected currently. In going

forward, that the City would only provide 50% of the bed tax revenues it would use the rest for events and projects. The County would put 75% of its money into tourism efforts.

Mayor Gore said he is here to support the request.

Mr. Emery said we are looking at a \$92,000.00 increase in funding.

Mayor Gore asked Mr. Phillips when he is considering the increase to 50%?

Mr. Phillips said the bed tax will not be collected until December, so you would have to go into arrearages. The City has never named the CBV, its CBV. If the City ups its funding, then it should rename the CBV, and could have a representative on the board. The last page of the Economic Development and Tourism Funding informational handout talks about what the additional funding would allow for additional programs.

Mr. Emery said we want Finance Committee to be informed with what we are being approached with, and we are working on the budget process, and take this into consideration.

Mr. Berbee said we almost have no choice. It is kind of ironic, he had two conversations this week, one with Mr. Hoyt about additional monies coming in. He is in favor of what ever the City could work out in the budget.

Mayor Gore stated he will make sure that Mr. Berbee is well aware of what the City works out in the budget prior to presenting it. He appreciated Mr. Berbee's comments in support of the request.

Mr. Reams said this is the first request we got, and there will be more requests coming in, going from \$10,000.00 to \$20,000.00 and now going from \$20,000.00 to \$70,000.000. Maybe we split that up in a couple of years. We are going to have more requests coming this year, and it is such a big jump. Mr. Reams said the thing that was overlooked was what the City has done to promote these events. We are building the pavilion, and we built community rooms in our facilities to accommodate events.

Mayor Gore said he has mentioned to Mr. Phillips and Ms. Knotts that our Events Coordinator position is available to the chamber for any committee. Mr. Phillips said Mrs. Morris has been great to work with and Ms. Michalak will be good to work with as well. An average couple would spend \$300.00 if they would stay overnight here, why not have them spend it here.

Monthly Budget Review and Accept August Financials: Ms. Chavarria said that it was emailed to the Committee. Mr. Reams moved to accept the financials. Mr. Berbee seconded it.

Mayor Gore announced Mrs. Morris resignation and said Laura Michalak will be starting Monday, and working a week with Mrs. Morris.

Medic Runs to ORW/OSU: Ms. Chavarria said that according to Chief Riley, as of August 30th, we have had 106 transports from ORW to Memorial. In addition we have had 67 transports from Memorial to OSU, for a total of 173 transports. Based upon an annual estimate of 250 runs, which generate \$248,000 and estimated expenditures are at \$97,000. The revenue over expenditures is approximately \$150,000.00. It is still beneficial to keep that contract. The expenditures is for transport, fuel, estimated overtime and miscellaneous expenses, the only thing not included would be depreciation of the vehicle.

Credit Card Update: Ms. Chavarria said we are getting this program up and running with an implementation date of January, 2015. We need to have our finance software company create a program that is going to be compatible, which will take at least 30 days to create and then for them to test it and make sure there is no problems in the system that will take another four to six weeks. So we are looking at mid-January to implement it. Ms. Chavarria said she still thinks this is the way to go, it is just taking a little longer than they thought. Mr. Reams said that is an understatement. Ms. Chavarria stated that there are three entities, which are taking a lot longer. Mr. Berbee asked what the amounts are that people will be charged? Ms. Chavarria stated she did not have those on hand. Mayor Gore asked if that fee would be based on the type of card they would use? Ms. Chavarria said no it will be based on the amount.

Utility Chargeback Procedures: Ms. Chavarria said everyone is aware that the General Fund charges back a certain percentage to the Enterprise Funds for the services they provide. We have never really had any written procedures, we wanted to create documentation. She did not think it was correct the way it was done in the past. She handed out a sheet showing where the chargeback would come from the percentage of the chargeback. She asked for feedback on whether this is the correct way to handle this. The percentages might change, but overall is the policy something that Finance Committee is ok with. Mr. Reams said he likes the approach and asked how does it compare to what we are doing now? Ms. Chavarria said it is about the same. Mr. Berbee asked should the clerk divide those? Ms. Chavarria said that the clerks are already taken care of.

Utility rates update: The group met last Friday, to discuss the recommendations for the rates for next year. Water does not need an increase for the next two years. The recommendation for wastewater is a 3% increase in 2015 and a 3% increase in 2016. The stormwater the recommendation is for a .50 increase in 2015 and a .50 increase in 2016. An average utility bill with the rate increases for 2015 and 2016 (see attached). Ms. Chavarria's concern with the Sewer Fund is that expenditures have been exceeding revenues for several years; the fund balance has decreased dramatically. In 2010 the Sewer Fund lost almost 2.1 million dollars, and it has been decreasing every year; 2013 was a positive year due to development fees, 2014 we are projecting a 760,000 loss. That fund has seen a dramatic loss in the last few years. The increase is to get the fund balance to where we are not seeing a negative. Still, with the small increase we are projected to see a 400,000 loss in revenue, but in 2016 we would be back up in the positive. We typically like six months reserve. It is such a small increase that it shouldn't burden the

residents, but will get the fund back up to where it needs to be.

Mr. Emery said that under the current circumstances we are just in operating mode of stormwater maintenance; it is not allowing us to address projects that need to be addressed.

Mr. Berbee asked if a 2% increase instead of a 3% increase, would set it back more? Ms. Chavarria said that will not give us the positive in 2016. She said that she would probably recommend a higher increase but she thinks that 3% is good for the residents and council.

Mayor Gore said that he would like for someone to do a presentation on the City's debt, such as the General Fund debt and it is the Enterprise Fund debt that has to generate its own revenues. These things that we are doing out of the General Revenue Fund can be supported. It is the revenues that need to be generated to the Enterprise Fund.

Ms. Chavarria said that if anyone has any questions to email her.

The meeting was adjourned at 5:15pm.