



Doug Joseph, President
Vacant, Ward 1
Brett Luzader, Ward 2
Marshall Spalding, Ward 3
Mel Clemens, Ward 4
Barth Cotner, At-Large
Stacie A. Baker, At-Large
Kristin J. Bryant, At-Large

CITY COUNCIL

Committee Meetings Regular Council Meeting

7232 E. Main St
Reynoldsburg, OH 43068
www.ci.reynoldsburg.oh.us

April Beggerow
614-322-6836

Monday, January 8, 2018

Council Chambers

FINANCE AND ADMINISTRATION COMMITTEE MEETING

1. CALL TO ORDER

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

- a. Finance and Administration Committee – Committee Meeting – December 18, 2017

4. NEW LEGISLATION/DISCUSSION ITEMS

- a. Election of Chairman; Appointment of Vice Chairman

5. LEGISLATION FOR THIRD READING

- a. ORDINANCE TO ENACT A CASH POLICY FOR THE CITY. (Second Reading 12/18/2017).
- b. ORDINANCE TO ENACT A CITY DEBT POLICY. (Second Reading 12/18/2017).



**FINANCE COMMITTEE - BARTH COTNER
MONDAY DECEMBER 18, 2017**

COMMITTEE MEETING: 7:40 PM

**PLACE: COUNCIL CHAMBERS
7232 E. MAIN ST, REYNOLDSBURG, OH 43068**

1. Call to Order

PRESENT: Cotner, Long, Skinner, Luzader, Joseph

ABSENT:

2. Approval of Agenda

Agenda stands approved.

3. Approval of Minutes

Minutes stand approved.

4. NEW LEGISLATION/DISCUSSION ITEMS

- a. Motion that Reynoldsburg City Council Does Hereby Confirm Mayoral Appointment of Eli Bowman to Serve on the Planning Commission with a Term Beginning January 1, 2018 and Ending DECEMBER 31, 2018.

RESULT:	REFERRED [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Chris Long, At Large	
AYES:	Cotner, Long, Skinner, Luzader	

- b. Motion that Reynoldsburg City Council Does Hereby Confirm Mayoral Appointment of Steven Hicks to Serve on the Planning Commission with a Term Beginning January 1, 2018 and Ending DECEMBER 31, 2019.

RESULT:	REFERRED [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Brett Luzader, Ward II	
AYES:	Cotner, Long, Skinner, Luzader	

- c. Motion that Reynoldsburg City Council Does Hereby Confirm Mayoral Appointment of Joe Bizjak to Serve on the Planning Commission with a Term Beginning January 1, 2018 and Ending DECEMBER 31, 2019.

Minutes Acceptance: Minutes of Dec 18, 2017 7:33 PM (Approval of Minutes)

RESULT:	REFERRED [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Dan Skinner, At Large	
AYES:	Cotner, Long, Skinner, Luzader	

- d. Motion that Reynoldsburg City Council Does Hereby Confirm Mayoral Appointment of Pat Zollars to Serve on the Planning Commission with a Term Beginning January 1, 2018 and Ending DECEMBER 31, 2020.

RESULT:	REFERRED [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Chris Long, At Large	
AYES:	Cotner, Long, Skinner, Luzader	

- e. Motion that Reynoldsburg City Council Does Hereby Confirm Mayoral Appointment of Tyler Cullinan to Serve on the Planning Commission with a Term Beginning January 1, 2018 and Ending DECEMBER 31, 2020.

RESULT:	REFERRED [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Brett Luzader, Ward II	
AYES:	Cotner, Long, Skinner, Luzader	

- f. Ordinance Authorizing the Mayor to Enter into an Agreement with Bermex Inc., for Meter Reading Services and Declaring an Emergency.

Mr. Sampson: This legislation is for Bermex to continue the cities meter reading consultant for 2018.

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Chris Long, At Large	
AYES:	Cotner, Long, Skinner, Luzader	

- g. Ordinance Repealing and Replacing Ordinance No. 143-17 Passed December 11, 2017 Regarding the Authorizing of a Contract with United of Omaha Life Insurance Company for Employee Life, Accidental Dismemberment & Disability, Short Term Disability and Long Term Disability Beginning January 1, 2018 through December 31, 2018 and Declaring an Emergency.

Ms. Boller: This is just cleaning up the language and the ordinance that we passed last week. It's for 2019. It's a two-year contract. Not a one-year.

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Chris Long, At Large	
AYES:	Cotner, Long, Skinner, Luzader	

5. LEGISLATION FOR EMERGENCY ADOPTION

- a. Ordinance to Make a Final Appropriation for Current Expenses and Other Expenditures of the City of Reynoldsburg, State of Ohio, During the Fiscal Year Ending December 31, 2018.

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Chris Long, At Large	
AYES:	Cotner, Long, Skinner, Luzader	

- b. ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF REYNOLDSBURG, OHIO: Amending Chapter 190 INCOME TAX EFFECTIVE JANUARY 1, 2016; AND DECLARING AN EMERGENCY.

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Brett Luzader, Ward II	
AYES:	Cotner, Long, Skinner, Luzader	

- c. Ordinance Appropriating Funds from Unappropriated CIP Fund (410); and Declaring an Emergency.

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Chris Long, At Large	
AYES:	Cotner, Long, Skinner, Luzader	

- d. ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF REYNOLDSBURG, OHIO: SECTION 160.03 "SALARY SCHEDULE" Subsection (A) Full Time Employees OF CHAPTER 160 EMPLOYEE COMPENSATION; AND DECLARING AN EMERGENCY.

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Brett Luzader, Ward II	
AYES:	Cotner, Long, Skinner, Luzader	

- e. ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF REYNOLDSBURG, OHIO: Enacting Chapter 175 PURCHASING AND CONTRACTING PROCEDURES; AND DECLARING AN EMERGENCY.

Minutes Acceptance: Minutes of Dec 18, 2017 7:33 PM (Approval of Minutes)

Mr. Cotner: Anyone with questions or comments?

Mr. Hood: Not on this item, but I would ask you not read the next item.

Mr. Cotner: Ok.

Mr. Hood: Before you do, up on the record.

Mr. Cotner: Ok. Thank you sir.

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Chris Long, At Large	
AYES:	Cotner, Long, Skinner, Luzader	

f. Ordinance to Amend the Code of Ordinances of the City of Reynoldsburg, Ohio: Section 121.02 "Compensation" of Chapter 121 Council and Declaring an Emergency

Mr. Hood: As to Item F I'd ask the Vice-Chair to read this because I think you have a conflict.

Mr. Long: Good point.

Mr. Clemens: I've been thinking this over and after discussions and so forth I don't really see this as an emergency at the present time. I think nothing like this should be thought over within the next few years and then if they want to pass that would be fine. I think that we should look into what other cities pay their council and what kind of benefits they get and so forth. That's how I feel.

Mr. Long: Any comments from members of the committee? Any comments from members of council?

Mr. Skinner: Actually, April circulated a list of other communities.

Mr. Clemens: I saw that, but it's just a small one. I want to know what their benefits are and so forth. I don't see any hurry on it that's the problem. Something that can be discussed and changed. I look at it that way.

Mr. Skinner: And so, when we make that, if we were to make that decision, Dick would you mind explaining the ramifications, if that, would relate to those coming in to office January 1 what ramifications, just so the record is clear what that cause PERS.

Mr. Harris: The Ohio Revised Code is very clear that once a term starts there are no in-term raises for anyone. There can be no in-term decreases, but there's also no in-term raises of any kind. If you don't do this then the at-large people will go four years without any kind of raise.

Minutes Acceptance: Minutes of Dec 18, 2017 7:33 PM (Approval of Minutes)

Mr. Skinner: And what impact does that have on their PERS?

Mr. Harris: They will not be getting full-time credit for PERS. They will end up getting somewhere between .75 and .8 for a year. A full-year you need at least 10 years in PERS to get any type of retirement, so it will just extend the period out before you could get or you could draw some kind of retirement from PERS. Its meaningful benefit and that you're now not going to have.

Mr. Skinner: And the difference is just \$400 and something dollars per year?

Mr. Harris: Yes.

Mr. Skinner: So, if these at-large members were to get a raise of \$421 they would get full-time credit? They're missing it by \$421?

Mr. Harris: That's correct.

Mr. Skinner: I think that we should take that to heart guys. What's \$1500 a year for the city for 3 office holders who haven't been given a raise for 12 years. It doesn't apply to me. I won't be here next year, but I would hate for them to lose that benefit on such a short amount of money and I think our community would say, hey for \$421 for an office that hasn't been raised in

Mr. Harris: The last time Council got a raise was 2012. It has not been 12 years.

Mr. Skinner: Excuse me, ok. I think that's such an insignificant amount of money for the benefit that it would give them.... I'm ok with us not increasing to compete with... What were some of the higher dollar amounts? The \$10,000 plus. Grove City, Gahanna. I get that we may not be in the position where we want to start competing with other communities, but to miss it by such a short amount for four years is tough. Especially for folks who represent the entire city because we'll get calls from all of wards, all four of the wards. That is not to short change the ward councilman, but we go to events all over the city and so \$421 I would just beg reconsideration now even if we just met that minimum threshold. Would you reconsider for that short amount?

Mr. Clemens: Would I? No. I didn't run. I'm not here to make the money to be honest with you and I'm sure that these people that are running didn't expect it. I certainly don't like it being passed as an emergency at the last meeting of the year and I don't know of anybody that's going to pat me on the back and say you need another \$400 or maybe you know somebody that would do that. I think that within the time and more cities checked in to it and see what they do pay their city councilman and also if they get the benefits because I think the benefits are important also. I don't see a problem with it to be honest with you. That's how I feel. I'm just telling you how I feel about it. I don't think it hurts anybody to be honest with you. So, anyhow that's my thought.

Mr. Long: Any comments from other members of council? Of the committee?

Mr. Luzader: I know it's hard to treat the ward councilman the same as the at-large councilman. They're all on different election schedules and all. This might be a question more for the city attorney. Mr. Harris might be able to answer it. Would it be possible, since the ward council people will not get this benefit for the next two years, now, to make this raise effective January 1, 2019?

Mr. Hood: I've never heard of that.

Mr. Luzader: I didn't know if we could since it was also something in the ordinance to give a 2% raise each year for the next...

Mr. Hood: That, I think, you can do prior to the term. It's historically how we have done it until that was taken away by Council. I can't remember how many years ago.

Mr. Luzader: I didn't know if this maybe would fall under that same category since we're voting it in now, but it's not effective.

Mr. Hood: This is a difficult proposition. That's why we should have discussed it weeks ago to try to find a solution. It's tough to do this at the end of the year. As far as the overlap. The overlapping terms, we've been dealing with this for a long time. It's never going to match up amongst the at-large and the ward seats because of that differing elections cycle. I don't know what you'd do to try to make that equal. I think you made an argument that they ought not to be equal because the at-large technically represent a larger segment of the city. This is one of the reasons why it takes more than one meeting to figure this stuff out.

Mr. Luzader: Thank you sir.

Mr. Hood: And I've had *inaudible discussion with other council members since this was brought up.

Mr. Clemens: But I think there's one thing that's wrong. I represent the whole city. You're always talking about, you know, I hope you represent the whole city. Don't give me that bit about the at-large is much better, do much more work. We may be *inaudible, but also we represent everything we do. We vote for everything for the city, so we represent the city also, completely. Now, I have nothing *inaudible, if council feels they want to do it, do it. And also there's a 2% increase every year and I think that increases everything right on up there. I think it's something that takes a little more thought. If we did it a month ago or something like that, had more time to think about it, I might change my opinion. As of now, I don't, so that's just me. So, that's the way it is.

Mr. Skinner: Mel, I want to clarify, I know that you, the ward council members, represent the whole city too and there's no difference in votes. What I mean is the things like, for example, campaigning. You know, ours is citywide campaigning. We spend...

Mr. Clemens: That's bringing politics into it. Campaign, so let's forget about that.

Mr. Skinner: Well...

Mr. Clemens: That's just something else.

Mr. Skinner: We're spending, we're going to events throughout the, you know, there is a difference Mel. There's a difference. We're spending...

Mr. Long: Mr. Skinner, I would have to agree with Mr. Clemens. You're out of bounds bringing that item up here in these chambers.

Mr. Skinner: Well, I disagree, but \$421 on a *inaudible that's not been adjusted in that long doesn't make sense to me guys.

Mr. Luzader: Just one other question. This is for Mr. Harris. Exactly when were you made aware of this?

Mr. Harris: It was right back before the election we got the notice from PERS and then I passed it on to Mr. Joseph and the council people and the council clerk at that time.

Mr. Luzader: It would have been hard to fathom these 6-months ago to vote on it then. They don't raise this every year?

Mr. Harris: No. They went for 30 some years and didn't raise it and now they've raised it twice in the last 4-years. What they're going to do in the future? Your guess is as good as mine. The other thing I did want to bring up is the benefit. The major benefit that council's getting is their PERS time and that's mandated under the Ohio Revised Code. They'll all get that. Now if they're making more then they're going to get full-time credit. The things on top of that like medical insurance, I don't know where they're at with medical insurance, but as far as PERS everybody gets that. It's mandated by the Ohio Revised Code that you pay PERS on people.

Mr. Joseph: I don't think the fact that there's a dollar figure attached. The important fact to remember is that is the minimum amount so the at-larges can participate in the PERS program fully. If the amount were smaller, if it were \$100, the request would be \$100, not \$421. That's why it's a weird number. To exclude them for a whole 4-years for participating for that minimal amount of money, were talking less than \$1500 in a city with over a ten-million dollar budget and we're talking less than \$1500 just so the at-larges can participate in the program. That's all were talking about. I know there's suggested 2% increases after that. That could be excluded completely. We could simply look at this in the context of bringing up the absolute minimum so they can participate in the retirement system. Council gets no health insurance. That was zeroed out years ago, but this is the one thing that they cannot do on their own. Everyone can get insurance in other ways and that's what happened, but they cannot participate in the PERS program completely unless Council decides to increase it by \$421. That's my point. It's a minimal amount. Obviously, if Council doesn't want to do it, they don't have to do it, but this is the only time we'll be able to make this adjustment for the

at-larges until after the 2021 election. Thank you.

Mr. Long: I think enough has been said about this, so I'm going to make a motion that we send this on to Council with a recommendation of adoption as an emergency.

Ms. Beggerow: You need to do roll-call.

Mr. Long: Yes, let's do a roll-call. We'll do the \$421. We will abstain or leave out the 2%.

Mr. Hood: Could you re-do the motion. I just want to be clear on the... If you're going to amend the ordinance before you.

Mr. Long: There isn't an ordinance. That's just it. We're kind of crafting it now as we go. There was something that was suggested.

Mr. Joseph: Mr. Long, this is the document and it only talks about the \$421. There's no 2% in that. So nothing has to be amended.

Mr. Long: There was a separate sheet.

Mr. Joseph: It's just suggested, but that's not included in that.

Mr. Long: Alright. Item 5F ordinance to amend the code of ordinances of the City of Reynoldsburg, Ohio Section 121.02 "Compensation" of Chapter 121 Council and Declaring an Emergency. I'll make the motion. We send this on to Council with a recommendation per adoption as an emergency, increasing the at-larges effective January 1, 2018 to \$7,920 per year and effective January 1, 2020 the salary for members of Council and ward representatives shall increase to \$7,920. Seconded by Mr. Skinner.

Mr. Hood: *inaudible (away from microphone)

Mr. Long: It's included in the ordinance as it was submitted. Advise.

Mr. Hood: *inaudible (away from microphone)

Mr. Joseph: Mr. Hood, when Council proved, last voted to increase the at-large and ward amounts, Council was permitted to vote on it. How in the world can Council vote on something if it's conflict of interest? I disagree that voting's increased...

Mr. Hood: First off, I didn't say there was a conflict of interest. I said we need to think about that for just one moment.

Mr. Joseph: Ok.

Mr. Hood: And I don't know that the general statement that Council got to vote. I think conflicts are individualized, ok, and the purpose of the prohibition is to make sure you are not

benefiting some way by your vote. Just like Mr. Cotner has abstained from the discussion this evening because for the at-large members, which he is, and going to commence another term next year, he would benefit from this, so he's been abstained.

Mr. Joseph: True.

Mr. Hood: I didn't realize that the ward seats were also included in this because they're not the type.

Mr. Joseph: Let's say for arguments sake that the wards were excluded until next year as far as considering an adjustment after the next cycle.

Mr. Hood: As long as...

Mr. Joseph: How could these four members vote if they shouldn't vote based on the idea that they would benefit from the legislation? You'd only have 3 at-large it's a *inaudible vote to pass something that's *inaudible to pass anything.

Mr. Hood: What I was going to say is that, as long as the proposed increase is not going to take effect until the next term the ward members shall be allowed to vote.

Mr. Joseph: I believe the ordinance...

*inaudible (multiple people speaking at once)

Mr. Long: January 1, 2020

Mr. Hood: Ok. As long as that's clear to the ordinance...

Mr. Long: Yes it is.

Mr. Hood: The ward members can vote.

Unknown: That was my only question.

Mr. Hood: Because we do some of these things real quickly without talking about it, discussing it, I have to stand up here and say, hey, wait a minute, let's think about it for just one moment.

Mr. Long: We appreciate it.

Mr. Hood: I wasn't disagreeing with you and I wasn't arguing with you. I just hope that we're not going to make a mistake. I'd like to at least think about it.

Mr. Joseph: My concern was we were creating a precedent that you couldn't vote for a pay raise that you benefited from it because we had seven members vote for it in 2005 and it was

no indication from then that the attorney that that was an issue.

Mr. Hood: To be clear, that is true. You can't vote for something that gives you a direct benefit, but I think we're too quick to think well, that's Brett's council seat, well, it's not Brett's council seat, it's the ward council seat. He may be sitting there, he may not be, but as long as he commences a vote today before the next term it does not affect him.

Mr. Joseph: Ok.

Mr. Hood: Is everyone clear on that?

Mr. Joseph: And that's what the legislation says?

Mr. Hood: Sure. I just want to be clear.

Mr. Luzader: And I think that's where the conflict may come in and I think that's part of what Mel Clemens is getting at. The elections have already taken place and now we're making this decision because I think he would feel much better if we'd had done this back in June or July. We didn't know who was going to be sitting in these. Same thing now for the ward council members. If we pass this now we don't know who is going to be sitting in these seats. Could be me, could be somebody else. I can't tell. So, therefore, I can agree there is no conflict that way.

Mr. Hood: I chose you not for you. It's just the way of an example. It had nothing to do with you. It puts us in a precarious position, especially now with the changes of PERS it almost forces your hand to act in this short manner. Are there any other questions?

Mr. Joseph: I'd like to point out there is no adjustment to the President of Council in this legislation, none. Because the President of Council is still above that floor. The President of Council is not affected one way or the other. That's why *inaudible was wondering why if that was not addressed here. It's simply to assure that whomever's coming in on the next term, whether it be next year or two years will be able to participate in PERS fully.

RESULT:	REFERRED TO COUNCIL [3 TO 0]	Next: 12/18/2017 7:45 PM
MOVER:	Chris Long, At Large	
SECONDER:	Dan Skinner, At Large	
AYES:	Long, Skinner, Luzader	
ABSTAIN:	Cotner	

g. Ordinance to Amend the Code of Ordinances of the City of Reynoldsburg, Ohio: Section 143.01 "Compensation" of Chapter 143 Department of City Auditor and Declaring an Emergency

Mr. Cotner: We're right back to the discussion about benefits and pay and where's your thoughts on this? So, this is the one that would adjust the auditor's pay. As we talked last week, the city auditor's department is substantially lower than most communities in similar positions. It did seem as a reasonable request that we consider this and again it's not an issue

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that might become a priority, but it's something that we could certainly talk about and again if we're going to do something it needs to happen before the term starts.

Mr. Clemens: There comes when you do have people that's under paid we've always talked about the auditor who has been underpaid. I don't care who won or who lost or whatever. For that position it should be increased to be comparable to other cities and also here to our other elected officials and we've never did. Raise a little bit, a little bit, so I don't really have a problem with that because it's a job that's really there's a lot of work to it and there's a lot of benefit to the city if you do a good job. Like our present auditor did a wonderful job. We did give him an increase awhile back, but it wasn't big enough. I have no problem with this.

Mr. Cotner: I think we gave our auditor the raise that we felt we could manage at that time and I think that there's a reasonable request that we can, that again, we can still manage. I would agree with you on that.

Mr. Luzader: Just to clarify, this one does have a 2% added each year, doesn't it?

Mr. Long: I believe the ordinance does.

Mr. Harris: What was passed four years ago was 6% the first year and then 2, 2, and 2. Does that answer your question?

Mr. Luzader: Well, I think there's a dollar figure or is it just 2% each year?

Mr. Joseph: I think it factors in, the amount is the 2%. That's the end result of that 2% per year.

Ms. Beggerow: The initial dollar figure is the 2% increase.

Mr. Joseph: It is?

Ms. Beggerow: Yes.

Mr. Cotner: I think that leaves us probably lower than other communities, but I think we're at least getting at least in the right direction and hopefully attracting the right people for the important rolls in our city.

Mr. Clemens: I think over the next few years it will give us a chance to increase. Look at the Mayor and look at the City Auditor compared to what they do and what they make in other cities. I mean, some of these cities are paying \$120,000 and we're bigger than them cities and so forth. I think with our city growing and all the things that's going to be coming about that would give us a chance next time before the election of our Mayor and City Attorney to look into it and put it ahead of time so whoever wants to run knows what they're running for. That's the big thing, but I think those are things that should really be looked into and we'll get the opportunity this next year to do it.

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Brett Luzader, Ward II	
AYES:	Cotner, Long, Skinner, Luzader	

6. LEGISLATION FOR SECOND READING

a. Ordinance to ENACT a Cash Policy for the City

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Chris Long, At Large	
AYES:	Cotner, Long, Skinner, Luzader	

b. Ordinance to Enact a City Debt Policy

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Brett Luzader, Ward II	
AYES:	Cotner, Long, Skinner, Luzader	

c. Ordinance Authorizing City Auditor to Remove Equipment from the City's Fixed Asset List.

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Chris Long, At Large	
AYES:	Cotner, Long, Skinner, Luzader	

7. LEGISLATION FOR THIRD READING

a. Ordinance Authorizing Mayor to Enter into an Intergovernmental Working Agreement with the Mid-Ohio Regional Planning Commission. (Regional Corridor Analysis).

RESULT:	REFERRED TO COUNCIL [UNANIMOUS]	Next: 12/18/2017 7:45 PM
MOVER:	Barth R. Cotner, At Large	
SECONDER:	Dan Skinner, At Large	
AYES:	Cotner, Long, Skinner, Luzader	

b. Ordinance Authorizing Mayor to Enter into an Intergovernmental Working Agreement with the Mid-Ohio Regional Planning Commission. (Cooperative Transportation Planning Process).

RESULT: REFERRED TO COUNCIL [UNANIMOUS] Next: 12/18/2017 7:45 PM
MOVER: Barth R. Cotner, At Large
SECONDER: Brett Luzader, Ward II
AYES: Cotner, Long, Skinner, Luzader

Minutes Acceptance: Minutes of Dec 18, 2017 7:33 PM (Approval of Minutes)

City Council**Doug Joseph****7232 E. Main Street****Reynoldsburg OH 43068****Phone****MOTION REQUEST**

DATE: January 8, 2018**TO: Finance and Administration Committee****RE: Election of Chairman; Appointment of Vice Chairman**

Approval:

Brad McCloud

Jed Hood

Stephen Cicak

City Auditor's Office**Jennifer Clemens****7232 E. Main Street****Reynoldsburg OHIO 43068****Phone****ORDINANCE REQUEST**

DATE: **January 8, 2018**

TO: **Finance and Administration Committee**

RE: ORDINANCE TO ENACT A CASH POLICY FOR THE CITY

Approval:

Completed Brad McCloud	Completed Jed Hood	Stephen Cicak
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Request Council Pass the attached Cash Reserve Policy

City of Reynoldsburg, Ohio
Cash Reserve Policy (Fall 2017)

PURPOSE

A minimum fund balance policy assists the City of Reynoldsburg, Ohio (the “City”) in maintaining the security of major operating funds and contributes to the financial stability of the City by maintaining adequate financial reserves. The minimum fund balance shall provide financial resources for the City in the event of an emergency or the loss or reduction of a major revenue source. The minimum fund balance policy will allow the Administration and City Council to recognize and react to warning indicators of financial stress and set guidelines for proactive measures.

POLICY

At the time of budget preparation, annual appropriations shall be adjusted to ensure that the projected beginning fund balances are greater than or equal to the Minimum Fund Balance as described in this policy.

DEFINITIONS

- “Projected Beginning Fund Balance” means the projected unencumbered fund balance for the beginning of the fiscal year. The projected beginning fund balance is calculated at the time the budget is prepared.
- "Anticipated Revenue" means the amount of revenue the City expects to receive in the upcoming fiscal year to fund annual appropriations.
- "Anticipated Fund Balance" means an amount equal to the Projected Beginning Fund Balance; less Total Appropriations including transfers and debt service payments; plus Anticipated Revenue.

GENERAL FUND

The minimum unencumbered cash balance in the General Fund will be an amount equal to 25% of General Fund operating expenditures. This amount does not include any amounts on deposit in the contingency reserve fund.

MONITORING

Fund balances will be monitored on a month-to-month basis. Monitoring projections will be based upon trend data. The fund balances may drop temporarily below the minimum level due to current operations or emergencies. Additional monitoring and reports will be done per the Financial Action Plan when required.

COMPLIANCE

Once it is determined that the City cannot meet the requirements of this policy, the Mayor will include a concise statement in the annual appropriations ordinance explaining the decision to waive the policy. The statement should include the present financial status of the City, a specified timetable for returning to the policy, and reason(s) given for overriding the policy. Should it be determined that the City will not be able to fall within conformance within one year, the Financial Action Plan will be implemented.

FINANCIAL ACTION PLAN

Once it is determined that the General Fund will not be able to meet the required reserve, the financial action plan shall be implemented in various stages:

General Fund:

- A. Step I - Projected reserves drop between 20% and 25%.
 - 1. If the reserves drop in this range because of a one-time capital purchase, no action will be needed on the assumption that the reserves will be met within one year.
 - 2. If the reserves fall into this range due to operational expenses, city officials shall during the budget process, reduce all possible appropriations. If this process brings the budget within the required 25% reserve, no further action is required.

- B. Step 2 - Projected reserves drop between 15% and 20%.
 - 1. If the reserves drop into this range, the City must take additional measures to limit expenditures and increase revenues.
 - 2. The Mayor and his/her designees shall review all charges and fees and seek additional revenue sources.
 - 3. City Council shall meet and consider the necessary suggestions for revenue enhancements.
 - 4. City officials shall work to make every effort to raise revenues to bolster their reserves and limit expenditures.
 - 5. The use of contractual employees and/or consultants will be closely scrutinized and discouraged.
 - 6. Purchase of capital items shall only be made if absolutely necessary, provided that those purchases do not increase future operating costs.
 - 7. The City will enact a hiring freeze for any additional personnel who are funded through this fund, unless there is a revenue generating program to pay for the individual(s).
 - 8. All nonunion wages may be frozen; a request for wage concessions from its union employees will be made.

- C. Step 3 - Projected reserves drop below 15%.
 - 1. Discuss revenue enhancements, tax levies, and reductions in personnel.
 - 2. All nonessential expenditures shall cease.
 - 3. The Administration shall prepare a two-year budget projection to determine the long-term financial plan for recovery in the form of a proposed action plan.
 - 4. City Council as a whole will evaluate the proposed action plan and approve the action plan once finalized.

City Auditor's Office**Richard Harris****7232 E. Main Street****Reynoldsburg OHIO 43068****Phone****ORDINANCE REQUEST**

DATE: **January 8, 2018**

TO: **Finance and Administration Committee**

RE: Ordinance to Enact a City Debt Policy

Approval:

Skipped Brad McCloud	Completed Jed Hood	Stephen Cicak
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Request Council approve the attached Debt Policy

City of Reynoldsburg, Ohio
Debt Policy
December 1, 2017

The purpose of this debt policy (the “Debt Policy”) is to establish parameters and provide guidance governing the issuance, management, evaluation, and reporting on all debt obligations of the City of Reynoldsburg, Ohio (the “City”). Implementation of this policy will provide a framework for the decision-making process and demonstrate the City’s commitment to long-term fiscal sustainability and sound financial planning. Adherence to a debt policy helps to ensure that a government maintains a sound debt position and that its long term credit quality is protected.

The Debt Policy is not intended to unduly restrict the debt program of the City. It is intended to guide the City and provide both City Council and Administration a framework for making debt related decisions. From time to time, debt proposals with characteristics that deviate from the parameters described below may be advantageous to the City. If such proposals are brought to City Council, it shall be fully disclosed as to the extent to which the proposals comply with this policy. In instances where proposals are not in compliance with the policy, those aspects of the proposals shall be disclosed and a rationale for deviating from the policy will be provided.

Inventory possible financing options: This Debt Policy identifies the City Auditor (the “Auditor”) as chief debt officer of the City. The Auditor shall use the following inventory of possible financing options as a guide when developing a plan of finance for any given capital project.

Cash Financing from Available Sources: The City has historically paid for a significant portion of its capital budget on a cash basis. The City expects to use cash to pay for capital expenditures that recur on a routine basis or when reserves are available that are not expected to be needed for other purposes in the foreseeable future.

Before the issuance of debt, the Auditor shall confirm that the project or acquisition cannot first be accomplished with the use of cash on hand or it would be more advantageous to finance the project. Available cash may come from several sources including general fund cash, capital projects funds, grant proceeds, donations, proceeds from the sale of assets, or any other legally available funds.

Types of projects where cash funding is appropriate and encouraged fall under the following categories:

- The purchase of assets whose lives are shorter than five years.
- Recurring maintenance expenditures (i.e. street repair vs. street reconstruction).
- When market conditions are unstable or present difficulties in achieving acceptable borrowing rates.

Lease Agreements and Alternative Financing Sources: The City will actively seek alternative sources of financing including lease agreements, grants or low interest loans. Leasing arrangements may be offered by banks or leasing companies and grants and low interest rate loans may be offered through federal, state, or local programs as an alternative to entering the capital markets. Such grant and loan programs might include, OWDA or OPWC loans and State Infrastructure Bank Loans. All reasonable sources of low cost capital will be considered prior to recommending bond or note financing to City Council.

The goal in seeking such alternatives is to (i) reduce the cost of capital and (ii) preserve the debt capacity of the City and its various enterprises. Such programs often offer non-callable loan programs for a period of up to 30 years. These non-callable financing options should normally be considered (i) during periods of low interest rates and (ii) when it is clear that the use of such programs has the least impact on future rate increases (in the case of utility projects), if applicable.

The Auditor in consultation with administration and City Council shall determine if the use of these programs meets the financing goals and objectives of the City. To the extent such a program or loan satisfies the goals and objectives above, the Auditor will recommend to City Council to use the program or loan to finance the project or acquisition. The Auditor will advise City Council if there are other overriding considerations, which make using such program impractical. Such instances may include timing concerns, program limitations and environmental requirements.

Use of General Obligation Debt: The City intends to use general obligation debt for non-enterprise capital improvements which the City considers to be part of its long term capital improvement program. To the extent that the City has sufficient general obligation capacity under the direct and indirect statutory debt limits the City will consider issuing general obligation bonds for its enterprise related (i.e. water, sewer, and storm water) capital improvements as well.

Debt Limits: All debt issued by the City shall conform to State law including constitutional and statutory debt limitation and Ohio's Uniform Bond Law related to the issuance of voted and un-voted general obligation bonds and notes and revenue obligations. The City shall structure all transactions to avoid exceeding such debt limitations. The Auditor shall use his/her best effort to preserve the City's direct un-voted general obligation capacity of at least 10% to address any future, unforeseen or extraordinary events which may require an immediate infusion of capital into the City's infrastructure, facilities or equipment. Such minimum capacities will be reviewed by the Auditor from time to time and are subject to change as needed and recommended by the Auditor. A pledge of the City's income tax may be utilized to exempt un-voted general obligation bonds from the City's direct debt limit in order to meet the goals of this policy.

Direct Debt Limits: The City's Direct Debt Limits are outlined in the attached Addendum.

Indirect Debt Limit: The City's Indirect Debt Limit is outlined in the attached Addendum.

Integration with Capital Improvement Program: Issuance of debt shall generally be related to and integrated with the City's long term capital improvement program. The City has a comprehensive rolling 5-year capital improvement program which is updated annually by the Auditor in cooperation with the Administration and presented to City Council for review and approval.

Source of Repayment: The Auditor shall identify and make recommendations to City Council regarding the specific revenue source(s) to be used to repay the proposed debt obligations, along with expected impacts on the operating budget, rates, or user fees prior to the issuance of the debt. Such revenue should be adequate to cover debt service charges for the full term of the repayment period. When such revenue streams are also used for operations (such as income tax revenues) the debt obligations should be structured so as not to burden the City's general fund or ongoing operations.

Cash Flow Borrowing: The City has no intention of borrowing for cash flow purposes. Borrowing will be limited to long term capital expenses only.

General Terms of Debt Issuance: The maximum term of any debt issuance by the City shall be limited to the useful life of the assets(s) being financed. The City has the option to issue debt for a shorter period of time if it is deemed appropriate by the Auditor. Generally, any debt taken on by the City shall have a level repayment schedule avoiding any balloon or bullet maturities. With respect to long term fixed rate debt issuances the City shall use its best efforts to utilize optional redemption features that give the City maximum flexibility with respect to refinancing and restructuring debt in the future.

Short-Term Debt Guidelines: The City shall consider the use of short term notes (i.e. notes with final maturities of five years or less) as a source of permanent financing for projects that have a short anticipated repayment period (five years or less) or an accelerated amortization period (i.e. repayment of a 20 year asset over 5 years). Additionally, notes may be used as a temporary funding source prior to and in anticipation of a bond sale. The City may also consider notes when there is an immediate need for financing less than \$5 million. Short-term notes are suitable as long term financing tools designed to manage interest costs. If short term notes are being utilized for long-term financing, the City shall schedule annual principal payments similar to a fixed rate bond issue.

Long-Term Debt Guidelines: Long-term bonds are recommended for projects having useful lives of ten years or longer and for amounts of \$5 million or greater.

Criteria for issuance of advance refunding and current refunding bonds: Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit of at least 3%-5% of the amount refunded or if the refunding is essential in order to modernize covenants to thereby improve operations and management.

Economic Development: From time to time, the City is asked to support economic development projects through the creation of tax increment financing (TIF) districts. The City will be guided by the following policies in determining the level of support that it will provide to TIF projects.

- **General Obligation Support:** The City will consider placing its general obligation support behind an issuance of TIF supported bonds if the proceeds are being used to construct capital improvements already part of the City's long term capital plan. As a general rule, the City will not lend general obligation support for developer driven projects where the improvements would not be consistent with the City's long-term economic development objectives.
- **Development Risk:** The City will use its best efforts to avoid assuming "development risk" – the risk that a project will be completed on a timely basis and generate the assessed valuation projected by the developer. The City will seek meaningful guarantees from the developer to insulate the City against development risk. Tools available to reduce the City's exposure to development risk include personal or corporate guarantees from the developer, letters of credit provided by the developer, guaranteed minimum TIF payments, and the issuance of TIF revenue bonds directly to the developer.

Selection of Finance Professionals: As chief debt officer of the City, the Auditor shall have the authority to make decisions related to the use of financing instruments with approval from City Council so long as such decisions are made in accordance with this Debt Policy. The Auditor shall seek the advice and guidance of the appropriate financial consultants when evaluating the use of any financing instrument including forgivable and zero percent loans offered by Federal, State, or other agencies. Those financial consultants can include but are not limited to municipal advisors, public finance investment bankers, bond counsel, accounting firms, State of Ohio Auditor's office, County Auditor's office, and the City's law director. The Auditor shall have the authority to determine which consultants to seek advice and guidance from on a case by case basis. The Auditor may retain the services of any qualified financial professional to assist the research and execution of a financing instrument on any basis that the Auditor and administration deems appropriate and most beneficial to the City pursuant to the goals and objectives contained herein. The terms of any agreement with financial or legal professionals shall be determined by the Auditor based on his or her best efforts to retain the greatest possible representation and expertise for the City at a cost that is commensurate with the value of the successful financing initiative(s), subject to approval by City Council. The Auditor shall maintain the authority to change the City's financial consultants at any time.

Investment of Proceeds: The Auditor will invest project proceeds subject to the City's Investment Policy, as adopted by City Council, in a timely manner. If a Trust Indenture is created, then the specific language of that indenture will be followed if it is more limiting than the City's Investment Policy.

Use of Credit Ratings: The City currently maintains a "Aa2" general obligation rating with Moody's Investor Service. The City will use its best efforts to maintain its rating over time and will provide updated City financial information (such as audited and unaudited financial statements) on an annual basis and any additional requested information in a timely fashion upon request from the rating agency. Rating requests related to the issuance of securities shall be made by the Auditor on a case by case basis. Rating surveillance and rating requests shall be given full attention in an effort to maximize the rating outcome. When engaging with a rating agency on a formal basis, presentations should include but not be limited to full and complete economic, management and financial updates, a detailed review of financial and managerial policies and procedures, economic development updates and any other key factors considered in the then current rating criteria published by the rating agency.

Market Disclosure Practices: The City will report on an annual basis all financial information to the Municipal Securities Rulemaking Board through EMMA as required by all applicable continuing disclosure agreements and laws. This

information will include the City's audited financial statements. The City maintains a Post Issuance Compliance Policy and acknowledges the City's responsibilities with respect to the provision of annual continuing disclosure requirements and pledges to make all reasonable efforts to assist in complying with SEC (Securities and Exchange Commission) Rules and MSRB (Municipal Securities Rulemaking Board) Rules.

Derivative Products: The City does not currently expect to entertain the use of derivative products including swaps, swaptions or other long term interest rate management contractual relationships. It will not entertain purchasing such products until such time as such issues as counterparty risk, collateral requirements, termination risk and other risk factors have been formally incorporated into the City's debt policy and shared with the rating agencies.

Other Directives: Annually, the Auditor shall prepare and present to City Council an executive summary of the City's current debt profile. The debt summary shall include the following items:

- 1) Current outstanding General Obligation Debt by issue
- 2) Current outstanding Revenue Debt by issue
- 3) General Obligation Debt Capacity (Unvoted)
- 4) General Obligation Debt Capacity (Voted)
- 5) Revenue Bond capacity
- 6) Existing loans through OWDA, SIB, etc. by loan
- 7) Existing leases by purpose
- 8) The most current rating agency report

The Auditor may include any additional information he or she feels effectively communicates the City's overall debt position.

Addendum As of December 1, 2017

This Addendum to the Debt Policy outlines the City’s current Direct and Indirect Debt Limits as of the date of this Addendum. This Addendum may be updated from time to time as needed, or as determined by the Auditor.

Direct Debt Limits: The statutory General Obligation debt limits of the City are 10.5% of its Assessed Value for voted debt and 5.5% of its Assessed Value for unvoted debt. Certain issuances of General Obligation debt are exempt from the Direct Debt Limit Calculations such as “self-supporting” enterprise debt. Below is a table outlining the City’s Direct Debt Limits, outstanding general obligation debt and balance of unvoted general obligation debt remaining:

Direct Debt Limit	
City's Assessed Value 2016	\$675,558,865.00
Voted - Maximum Allowable (10.5%)	\$70,933,680.83
Unvoted - Maximum Allowable (5.5%)	\$37,155,737.58
Outstanding Voted GO Debt	\$0.00
Outstanding Unvoted GO Debt	\$13,040,500.00
Unvoted GO Debt Exempt from Limit	\$13,040,500.00
Unvoted GO Debt Subject to Limit	\$0.00
Balance of Unvoted GO Debt Limit	\$37,155,737.58
10% of Unvoted Debt Limit	\$3,715,573.76

As stated in the Debt Policy, the Auditor shall use his or her best efforts to preserve the City’s direct un-voted general obligation capacity of at least ten percent. Ten percent of the City’s current direct un-voted debt limit is \$3,715,573.76.

Indirect Debt Limit: The indirect debt limit, often referred to as the “ten-mill limitation” is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions within the County without a vote of the electors. The City boundaries fall into three counties including Franklin, Licking and Fairfield and are subject to the ten-mill limitation in each of the three counties. Below is a table outlining the current 10 mill requirements for the City and its overlapping subdivisions in Licking County which currently has the lowest balance available millage under the 10 mill requirements:

Overlapping Subdivisions	Tax Valuation	Estimated Debt Service	Required Mills
Licking County	\$3,949,450,499.00	\$2,267,517.00	0.57413
Reynoldsburg City	\$675,558,865.00	\$2,147,910.05	3.17946
Etna Township	\$362,987,100.00	\$153,353.00	0.42248
Southwest Licking Local School District	\$620,249,103.00	\$1,053,325.00	1.69823
C-TEC JVSD	\$4,086,170,645.00	\$339,138.00	0.08300
Solid Waste Authority of Central Ohio	\$28,381,615,010.00	\$11,227,378.00	0.39559
Total Required Mills			6.35288
Balance of Limitation			3.64712

As of December 1, 2017, approximately 3.64712 mills remain within the ten-mill limitation which has yet to be allocated to debt charges and which is available to the City and overlapping subdivisions in connection with the issuance of additional un-voted general obligation debt. In no case will the City issue general obligation debt for capital improvements that could be financed through the issuance of revenue bonds if such issuance would reduce the available millage under the constitutional ten mill limit to below 2 mills.

Attachment: Final Debt Policy (11-29-2017) (City Debt Policy)