

Finance & Judiciary Committee Meeting

MINUTES

May 11th, 2010

6:15 p.m.

Members: Ben Kessler, Chair, Richard Sharp, Rick Weber

Roll Call: All members present.

Others Present: Mayor Brennan, Lou Chodosh, Beecher Hale, Bill Harvey, Matt Lampke, President McClelland, Jed Morison, Gary Qualmann, Chief Rinehart, Rick Weber.

Review of Minutes: April 27th, 2010- **Approved**

Presentation and/or Special Guests: **Joan Fishel, Board of Education** addressed Council to discuss the school's upcoming levy. She stated the school system had not taken an increase to the voters for six years. Historically, the Board of Education had not gone to the ballot at the same time as the City of Bexley. Due to the fact that they were able to stretch out their request from three years to six years now has resulted in similar timing with the City. She appreciates the support from Council not asking for an increase percentage. She said the Board of Education has appreciated the support received from the Executive Administration of Bexley along with City Council members working in conjunction with them on various issues.

Gene Hollins and Tom Hart addressed Council regarding the City's potential levy. Mr. Hollins said that essentially they have rewritten the legislation to request the County Auditor to certify the amount of a 3.4 mil levy. The second piece of legislature is to actually vote on placing it on the ballot. There is a deadline of mid-August.

Originally the 3.4 mil levy in 1975 was passed. This generated \$300,000 of income from assessed value of renewal levies and continues to generate this amount. If this is renewed, it is actually a .6 mil tax to residents based on today's current valuations. Commercial property will be 1.48 mil. The term "renewal" versus "replacement" must be worded according to the requirements. There are very strict guidelines on what type of verbiage can be used.

If you apply this levy to the current market value, it would generate 1.5 mil in funds, which is another option for Council to consider. Thirdly, a new levy could be written to readdress the amount and run the levy at 1 mil and receive \$460,000 in funds. This last option would result in an increase to the residents. "Renewal" is a marketing device because a fraction of a mil is not actually going to equate to 3.4 mil.

Mr. Kessler asked if their intent is not to create any new tax funds, could we do a new levy with the actual point percentage of the mil. Mr. Hollins said the City could run a "renewal" or "replacement" and decrease the mil amount from 3.4 to 2.4. The ballot language is by statute only. President McClelland said Council had discussed that subject and decided they do not want to give any residents an increase.

Mr. Sharp asked if the new development goes into the reduction fraction or is it the total evaluation to create the same amount. His concern is how it will affect abated properties. Mr. Hollins said the TIFF or abated property is exempt and does not get included in those figures. Any increase in the mil would increase the TIFF property. What you TIFF is what their tax bill would have been. A true "new" levy would increase taxes but a "renewal" would not.

The time deadline consists of having the second piece of approved legislation no later than August 4th. Mr. Kessler said the next meeting would be the third reading. President McClelland thanked them for their time.

Meagan Browning addressed Council regarding the proposed bonding issue. Mr. Qualmann said the bonding information pertains to Tabled Ordinance 63-09 which he would like to see passed this evening. Ms. Browning distributed reports regarding the rates and comparison of financial options. She explained that she is recommending a Federal Government Bond, "Build America". She explained that although a possible upgrade with the global rating scale the adjusted Municipal scale actually performs better than a corporate counter part. The bonding would be subject to 35% of the interest as of March 14, 2013 there is a potential for an extension. The underwriting fees have increased with risk factors but these are not associated with the Build America bonds. President McClelland thanked Ms. Browning for her presentation.

Third Readings.

None.

Second Readings.

Ordinance 23-10 to create a special fund designated American Recovery and Reinvestment Act (ARRA) Fund and to appropriate \$1,145,000.00 from this fund for the purpose of recording revenues and expenses related to the ARRA grant, introduced by Mr. Kessler, (Introduced on April 27, 2010) **No Action**

Resolution 08-10 authorizing the Finance Director of the City of Bexley to request a certification and estimate of revenue from the Franklin County Auditor's Office for a ___ mill, ___ year replacement tax levy, introduced by Mr. Kessler, (Introduced on April 27, 2010) **No Action**

Resolution 09-10 to proceed with placing the issue on the ballot for a replacement tax levy for purposes of providing for the current expenses of the City of Bexley, introduced by Mr. Kessler, (Introduced on April 27, 2010) **No action**

New Business: None.

Old Business: None

Adjourned 7:00 p.m.