

Finance & Judiciary Committee Meeting

MINUTES
January 27, 2009
6:00 p.m.

Members: Robyn Jones, Chairwoman, Jeff McClelland, Mark Masser

Meeting Called to Order: 6:04 p.m.

Roll Call: All Present

Others Present: Mayor Brennan, Lou Chodosh, Beecher Hale, Bill Harvey, Larry Heiser, Bruce Langner, President Lampke, Jed Morison, Chief Rinehart and Rick Weber.

Review of Minutes: January 13, 2009 were approved.

Presentation and/or Special Guests: Julie Portman and Richard Han from St. Louis, MO; Edward Jones corporate office.

Ms. Portman and Mr. Han provided a presentation to Council for the opportunity to work with the City. Mr. David Baker, Bexley, Ohio was also present. Mr. Han stated that Edward and Jones consist of the largest sales force west of the Mississippi and they are an employee owned company. They currently have 13 billion dollars worth of business in bonds and handle 250 managed underwritings through the country.

They stated the investment would be offered to the local community. They also offer a seven (7) year opt out compared to our current (10) year option.

Edward Jones supplied copies of their presentation including investments done on the same date as our current company. Edward Jones showed a higher rate of return in their example.

Ordinances & Resolutions –

Third Readings.

Amended Ordinance 117-08 to authorize the Mayor of Bexley, Ohio to grant to William Harvey, Service Director, fifteen (15) additional vacation days, introduced by Ms. Jones, (Introduced on December 16, 2008)

Ms. Jones confirmed the change from 16 days to 15 days of vacation. She requested that the wording “vacation days not to be accrued and not eligible for cash reimbursement” be added as an Amendment. Ms. Jones called for a motion to recommend the Ordinance, Mr. McClelland seconded. **Vote was 3-0 to recommend.**

Second Readings.

Ordinance 05-09 to appropriate an additional \$9,000 from the unencumbered General Fund for the purpose of paying cost incurred in 2008 for the Recreation Brochure, introduced by Ms. Jones, (Introduced on January 13, 2009)

Mr. Heiser explained this is a bill that Mr. Price had brought to our attention after he was appointed Interim Parks Director. The brochures had already been printed. Ms. Jones pointed out that since this is a debt already incurred, we don't much of an option. The Mayor stated that the brochure is now available online and any future events or changes can be done by using a tri-fold inserted in the water bill.

The committee agreed that this Ordinance needs to be recommend to Council for passage and Mr. Masser made a motion to recommend the Ordinance for passage. Mr. McClelland seconded the motion. **Vote was 3-0 to recommend.**

Ordinance 06-09 to enact Section 232.09 of the Administrative Code establishing an Estate Tax Debt Service Fund, introduced by Ms. Jones, (Introduced on January 13, 2009)

Mr. Masser asked what the purpose of a “debt” fund is and does that mean the funds can only be used for debts. Mr. Morison asked what the down side to either a debt or capital fund would be. Mr. Heiser said that this has been a pet peeve of his that we did not have a separate fund for the excess estate taxes. Mr. Heiser stated that it would be set up for the excess estate tax funds received and could be used to help reduce the City's current debt. Mr. Masser stated that he had some concerns with the term “debt” fund because if we need to use those funds for a capital project or to pay employee salaries, we wouldn't be able to do so. He said that he thinks the operating fund is still the most important. He asked if the funds could flow both ways. Mr. Heiser answered no. Mr. Heiser said that we would not be able to move money from this fund to the general fund but we could call it the debt/capital improvement funds or we could dissolve the fund if Council decided to use the money for other purposes. President Lampke stated that you can abolish the estate fund. Mr. Heiser stated that the whole purpose is to get the funds away from the operating funds. He stated that Upper Arlington has one for future capital needs. He said Bexley can label it as capital projects fund and use it for new or old projects.

Mr. Weber stated that he thought a debt fund would accomplish a better job to allocate services. He said when Council had 2, 3 or 4 million in the capital fund; it was easier to approve new projects. We have all become more cautious but it still makes it easier to rationalize spending if we have the funds in the general operating fund. Mr. Masser stated that his fear is that we will run out of operating expense and need to use these funds for operating expenses.

Mr. Heiser said in 2006, funds were transferred into the capital fund and it since has been used. The goal is to get the money out of the operation fund. Mr. Kessler stated that he thinks this is an attempt to stabilize the budget. Mr. Masser said that you can't have "stability" when it comes to the estate taxes.

Ms. Jones compared this to her 401K in that it is money that she does not see because it goes directly into a fund. If those funds were put into my regular account, I would view it as money to spend. She stated Council has looked at the balance of the general account in the past and that is how the funds were handled. Mr. Masser suggested that we consider a different name in order to be able to use the funds in an emergency for another use. There was no resolution on this Ordinance and the Finance Committee will discuss it further.

First Readings.

Ordinance 07-09 –to increase the salary of the Interim Park and Recreation Director to \$52,000 effective January 8, 2009, introduced by Ms. Jones, (Introduced on January 27, 2009) **No Action.**

Resolutions –

Resolution 01-09 appointing two members of City Council to the Bexley Housing Council established under the provisions of the Community Reinvestment Area tax abatement ordinances, introduced by Ms. Jones, (Introduced on January 27, 2009) **No Action.**

Resolution 02-09 confirming the Mayor's appointment of two members to the Tax Incentive Review Council established under the provisions of the Community Reinvestment Area tax abatement ordinances, introduced by Ms. Jones, (Introduced on January 27, 2009) **No Action.**

Resolution 03-09 confirming the Mayor's appointment of two individuals to the Bexley Housing Council established under the provisions of the Community Reinvestment Area tax abatement ordinances, introduced by Ms. Jones, (Introduced on January 27, 2009) **No Action.**

New Business:

Old Business:

Adjourned