Meeting Minutes

Monday, February 9, 2015 ~ 7:30 P.M.

Louis J. R. Goorey Worthington Municipal Building
John P. Coleman Council Chamber
6550 North High Street
Worthington, Ohio 43085

City Council

Bonnie D. Michael, President
Robert F. Chosy, President Pro-Tempore
Rachael Dorothy
Scott Myers
David M. Norstrom
Douglas Smith
Michael C. Troper

D. Kay Thress, Clerk of Council
CALL TO ORDER – Roll Call, Pledge of Allegiance

Worthington City Council met in Regular Session on Monday, February 9, 2015, in the John P. Coleman Council Chambers of the Louis J.R. Goorey Worthington Municipal Building, 6550 North High Street, Worthington, Ohio. President Michael called the meeting to order at or about 7:30 P.M.

Ms. Michael appointed Tanya Maria Word as Temporary Clerk of Council for this evening’s meeting.

Members Present: Rachael R. Dorothy, Scott Myers, David Norstrom, Douglas K. Smith, Michael C. Troper, and Bonnie D. Michael

Member(s) Absent: Robert F. Chosy

Also present: Temporary Clerk of Council Tanya Maria Word, City Manager Matthew Greeson, Director of Law Pamela Fox, Assistant City Manager Robyn Stewart, Director of Finance Molly Roberts, Director of Service and Engineering William Watterson, Director of Planning and Building Lee Brown, Director of Parks and Recreation Darren Hurley, Chief of Police James Mosic, and Chief of Fire Scott Highley.

There were 5 visitors present.

President Michael invited those in attendance to stand and join in the recitation of the Pledge of Allegiance.

REPORTS OF CITY OFFICIALS

Discussion Item(s)

1. Request for Considering Old Worthington Business Association (OWBA) Funding Request

Mr. Greeson acknowledged the chair of the OWBA JoAnne Doyle, who introduced the members of the OWBA. Mr. Greeson stated there was a funding request late last year from the Old Worthington Business Association and because of the time and amount, we had some discussion here about not considering it until after the first of the year and then Council also separately said let’s come up with a process by which to consider this request; you also asked that staff later in the year come up with a process that might be utilized to consider other organization’s request that we get. Tonight we are not considering the merits of the funding request at all. At the end of tonight I would like authorization to distribute it and we’ll work with OWBA on a reasonable timeline for its completion and scheduling of a presentation, because at this point this is not a competitive process, I think we can negotiate how much time it will take them to complete the application.
Ms. Michael asked in the future will this application be coming in on the same timeline as the rest of the presentations going into future budget years. Mr. Greeson replied what I think we’ll have to do is take your feedback; there are some organizations where we provide substantial amounts of money to them where this information might be really helpful; there are other organizations where the amount of money we distribute is much smaller and the level of information that we’re talking about in this grant application might be overkill; so we’ll have to determine as we move through the year is where you want to set the bar; do we need to have this level of information for those who distribute funding to on a smaller level, probably not; we might have two different types here, I don’t know, we’ll have to talk through that later.

This application in its present form shouldn’t be new to you; this is structured similar to what we created for the McConnell Arts Center a number of years ago as we entered into an operating grant relationship with the McConnell Arts Center. Is it perfect, no, no application is; it is an attempt to try to anticipate what you might want to see. We need your feedback to make sure it does what you want it do.

Mr. Greeson presented the following PowerPoint presentation followed by discussion of the Funding Request packet.

- Review the proposed application
- Get feedback from the City Council
  – Does it require responses to the questions you want answered?
- Receive authorization to distribute it to OWBA
- Determine, with OWBA, a reasonable timeline for completion and presentation
General Information

- ATTACHMENT I: List of Board Members and Officers of the Not for Profit
- ATTACHMENT II: Ohio Not for Profit documentation
- ATTACHMENT III: Internal Revenue Service Determination Letter for tax exempt status for 501(c)(6) or other documentation supporting federal not for profit status
- ATTACHMENT IV: Federal 990 tax filings
- ATTACHMENT V: Articles of Incorporation and By-Laws for Not for Profit organization
- ATTACHMENT VI: Copy of most recent audit for not-for-profit or predecessor agencies. If the agency did not conduct a Certified Professional Audit, please provide a financial review by a certified Public Accountant (CPA). Please submit the audit or financial review with a letter signed by the organization’s CPA and a current balance statement and income statement
- ATTACHMENT VII: Fiscal Year End financial statements for 2013 and 2014
- ATTACHMENT VIII: Resume of the key administrative personnel
- ATTACHMENT IX: Copies of Not for Profit policies and procedures
- ATTACHMENT X: Organizational Chart, including Committee structure
- ATTACHMENT XI: Document evidencing current status with Heritage Ohio’s Main Street program

Administrative and Financial Ability

- Mission Statement and Description of Goals, pg. 4
- How you propose to use the grant funds. Budgetary breakdown of the proposed use and detailed written description, pg. 5
- Budget of revenues and expenses (adopted budget); 5 year forecast, pg. 6
- Contributed income detail, pg. 7
- Event Revenue breakdown, pg. 8
Questions and Discussion:

Mr. Norstrom commented some not-for-profit organizations don’t audit on an annual basis. You have listed copy of most recent audit, and some of them don’t even have audits, they
have reviews. Mr. Norstrom stated what we’re really doing with this section is just making sure they’re legally responsible. Mr. Greeson added and following some good financial practices in the case of the financial review and the copies of the not-for-profit policies.

Mr. Troper asked is there a document that the Attorney General’s office (Certificate of Continued Existence). Ms. Michael replied the Certificate of Continued Existence is under the Secretary of State, it’s a document that states you’re in existence for so long; this form would not be a bad idea for them to submit. Mr. Troper asked can we add that as one of the attachments required.

Ms. Dorothy asked regarding Attachment 11, what kind of evidence and what kind of status would we be requiring of them for Heritage Ohio Main Stream program or do they need to have a current status. Mr. Greeson commented this may end up actually being duplicative of another page that’s further back where we ask them to write about their efforts to achieve “Main Stream” status. I think that’s a policy question, is that something you want them to achieve, if so then you want documentation that they’re pursuing it. Mr. Norstrom responded no, we want to know what they want to use our money for. It may or may not be up to us to say we want to be part of Main Stream; those discussions we have had with the organizations. The general problem I have with what we have is in one sense, we’re trying to set it generic and I understand that, for example this page as Ms. Dorothy has pointed out, except for Attachment 11, is pretty standard, we want a list of your members, how you’re organized, resumes of key Administrative personnel; I’m not sure that’s something that we need, but I’m not going to argue against it. However, when you get down to the last one you’ve moved from the legal aspects of what we’re doing on this page to more programmatic; I think you’re right, but that something later on we want to have. Mr. Greeson responded I think this is duplicative, so if you want to strike it, that’s fine.

Mr. Myers replied I just want to follow up on that, I don’t know about the Main Stream program other than what I’ve read on my own to know whether I’m in support of that or not. But what we are saying by asking for this here or possibly later on in the document, we are making a policy statement that we want you to use our money towards that end. I don’t want that; I want them to tell me what they want to do and if a part of that is that they want to pursue the Main Stream objective, and I disagree with that, then I should vote against the funding; but it ought to come from them, not from me.

Ms. Michael asked on this page, is it the general consensus to remove Attachment 11 and if it’s going to be brought up, have it brought up later. Everyone agreed that is correct. Mr. Myers stated the only thing I would add is that for most of us on Council that at least after the first review this is all going to be kind of noise; this is all compliance stuff. Mr. Greeson commented it’s helpful to staff. Mr. Myers asked that after the first year of submission if it’s a continuing submission that they merely be required to update that had changed from the application before. I want staff to verify that they are in compliance as a non-profit and if their Executive Director does not change from year to year I do not need a second copy of her resume, I know who she is. Mr. Greeson commented we can do this two ways, we can go to page 10 and talk about this Main Stream issue or we can just go section by section. Ms. Michael said let’s just go straight through it.
Ms. Dorothy asked per Attachment 7 can we say for the last two years not 2013 and 2014. Mr. Greeson replied that’s fine.

Mr. Greeson stated we’re starting on page 4 of the document and then I summarize that on the PowerPoint slide; really under Administrative Financial Ability, the first question was a pretty broad one: Provide the Mission Statement for your organization and a description of its Goals; so that was kind of a more open ended question aimed at trying to understand what in particularly over time how the goals of the organization may change. The second question is what one of you stated very clearly is how are you going to use the money; how do you propose to use the grant fund and a budgetary breakdown of the proposed use in addition to a written description. Sometimes the budgetary breakdown doesn’t always bring light to the numbers. Mr. Norstrom commented I think those are two separate sections, one section is why do you want the money and what are you going to do with it; the next section is the budget section which says what we’re asking for and here’s the details; but I want that general description of why they’re asking for the money and what they’re going to do with it.

Mr. Greeson confirmed so you want this separated into two questions. Mr. Norstrom replied yes, those are two very separate issues; one is what are you going to do with it and the second is how much do you want. Mr. Greeson replied what I would suggest on page 5 is a page break with a retitling at the beginning of the second sentence. Sentence 1 – Use of Funds – why are you asking for funding and how will it be used. Sentence #2 Budgetary Breakdown of the proposed use. Mr. Norstrom commented in a computer age, they just start typing.

Mr. Greeson stated going on beyond the information on page 5 more in terms of the financial administrative ability; there’s an effort that’s really two questions: what’s the budget and recognize on most of these things, we’ve say you can accomplish this by attaching something. What’s the budget of revenues and expenses for the organization and what do you look like in terms of a 5-year forecast. The purpose of that that we’ve used in other organizations is that helps you understand what’s the proportion of the request to the overall budget of the organization; how is the organization using their funds, what are their projected revenue and expense growth over time. There is a two-fold affect in doing these, (1) you get to see it, and (2) if they haven’t done it, they have to; they have to put some thought into what their forecast picture looks like over time.

Mr. Greeson said sometimes the revenue and expense budget doesn’t breakdown in sufficient detail the things that are important for not-for-profit which are events, corporate support, private support, what we’ve called in this document contributed income and grant applications sometimes ask for this information so that you can better understand the variety of revenue streams, who the other partners are, where it’s coming from and the degree to which the non-for-profit is using their non-for-profit status to attract this kind of funding in addition to government funding. We ask a similar question with the MAC. I welcome any feedback you may have on this and if you feel it’s important to get.

We added a question in here which is if you don’t have any of this type of revenue outlined or any plans or strategies to pursue such money if there are any. Mr. Norstrom commented this
is where it gets complicated because we may or may not be asking the organization what its financial foundation is; an existing organization, anyone coming to us will have an existing organization, the real issue is what do they want our money for, is it just continue their purpose, is it something special and in diverting resources for doing whatever they’re proposing to do; if they ask we just need to continue operations and we need money to do that, that’s one; the other we are expanding, we are stepping up, we are doing something new and different and we want the funds to go in that direction. So the question is if the organization is asking for money to continue doing what it’s doing, then I can understand why we ask this question; if it’s asking it for a new direction or something, I’m not sure how the other part of the organization goes is that important to us. Let me ask are we a generic application or are we trying to structure this for OWBA. Mr. Greeson replied a little bit of both; that particular question may over time be some way in which you can measure success in that arena. Mr. Norstrom stated as you know with non-profits one of things you measure too is volunteer service and inside contributions which is important, but at the same time becomes somewhat funny money and you don’t have that in here.

Mr. Greeson replied I didn’t put a lot of that in here, I put some of it in another question, but you can get into asking them to value donated services; we ask that for instance of the MAC and they put a number to donated services and in-kind contributions and volunteer hours and things like that. Ms. Michael asked does anybody have a problem with the question that is on our page 7. Mr. Norstrom commented I guess the question is we’ve already asked for their financial statement, so what are we asking for that’s different in this question. Ms. Michael replied I think this is talking about what are some of the special events, what are some of the things they are planning on doing. Mr. Greeson commented so if they provided sufficient detail on the previous question to answer this one, they would be able to say see above. Ms. Michael commented and if not and there’s different things that they plan to do, this gives us an opportunity to see what are some of things they are planning on doing. Mr. Norstrom asked why are we asking for the specifics on these if they’ve already going to give us in the financial information what they’re doing and their sources of revenue. Mr. Greeson replied I think in this case this is a more specialized question related to the OWBA, this is where they get their revenue right now; so this would be event revenue breakdown (i.e. Winter Farmer’s Market, Art Festival. Farmer’s Market), I think those are the primary sources of revenue at this point. The previous pages may provide sufficient detail in order to do that and again they can say see above or see attachment. Mr. Myers commented, I’m looking at page 7, 8, 9, it’s all revenue streams and more importantly to me and I think Mr. Norstrom hit on it as a measure of non-profit, their participation levels, that’s what I’m looking for. I think that can all be answer in a very broad question about “tell us where your sources of revenue, whether it be in-kind or monetary come from and what I would to that, where do you anticipate it being next year or the year after and how do you want to grow that. A lot of this to me goes to where the organization is right now; well the organization right now doesn’t need me, they’ve been doing just fine without our money; so there must be some reason why they’re coming here for the money. Mr. Greeson replied because I think we all have a shared goal of having a more robust downtown and program and organization. Mr. Myers said fine, I want to make sure that’s reflected in this application and what my first question would be on the application right after we get through the compliance information, I want an Executive Summary (a one-word question: WHY?)
Mr. Greeson replied we can do that. Mr. Myers commented because that’s what I’m going to ask them when come to the podium. Mr. Greeson stated some people can write a five page response to that, some people can write a one-word response to that which is “Because.” Mr. Myers replied and that’s fine, just give me your best argument. Mr. Norstrom commented if we’ve established that it’s a growing organization which we should have in the earlier information, then the question is “why” why do you want the money. Ms. Michael commented page 8 is probably not needed. Mr. Greeson said it’s not much detail you want; if you assume that this is going to be included in the previous section. Ms. Michael replied again page 8 is probably not needed. Mr. Greeson stated I could collapse it. Mr. Myers commented that’s what I’m thinking; pages 7, 8, 9; again back to my comment earlier, the way I want to see this thing structured, give me your baseline to prove to me that you’re a going concern worth of getting our support, but then give me your best argument about what you’re going to do going forward with the extra money.

Mr. Greeson replied I apologize for being flip, but I think the intent of the questions is to make sure that the answers are provided in a detailed way; so if want to collapse them and let them answer the questions their own way, that’s fine. Mr. Myers commented I just don’t want to lose the forest for the trees.

Ms. Michael reiterated we’re collapsing pages 7, 8, and 9. Mr. Greeson stated I propose collapsing page 8 into page 6; I think page 9 is fairly a simple yes or no question. Ms. Michael commented I think the question of 9 is pretty good to ask what’s going on regarding applying for other outside sources of funding. Mr. Greeson commented we can collapse page 9 into page 7.

Mr. Greeson stated on page 10 this is an opportunity to talk about what I know they’re already doing which is working actively with Main Stream so this gives them an opportunity to talk about what they’re doing, all the things they’ve attended and participated in and I think share with you their interest in pursuit of the Main Stream status. If over time they decide that’s not as important to them as they currently deem, then this would be the vehicle by which they explain why because I think this is part of this.

Mr. Myers commented I think we’re still kind of slipping into their policy; let them describe what they’re going to do with the money, if that’s what it is, then we can decide. Ms. Dorothy commented we already have them talking about it on page 9. Mr. Norstrom commented we are asking them why and what this does in one sense is ask them to give us a little background on how you got to where you are. Mr. Greeson replied and this is an opportunity to bring you up to speed on what Main Stream is and why they’re going after it, what it entails. Mr. Myers stated this sounds like we are telling them we want you and I think it should be the other way around; they should be telling us that’s what we want and some of that money is going to be used for that and if they want the money to be used for that, then they’re going to have to convince us what it is and that’s a worthwhile endeavor as oppose to us telling them they should do it.

Ms. Michael remarked this almost like tell us why you’re doing it and if you’re not telling us why, what’s wrong; it’s almost like we’re expecting you to be doing this.
Mr. Greeson asked what do you want this to say. Mr. Scott replied just eliminate the whole page. Ms. Michael commented it would fall in under the other areas. Mr. Greeson commented on to page 11, this is really getting at programs and partnerships. Ms. Michael commented this is good. Mr. Greeson stated you know we always place a priority on collaboration in Worthington; this tries to speak to that. Moving onto page 12, this is public benefit so this public money, taxpayer dollars that we would be granting out so we always feel it’s important to tie it back to outcomes that are beneficial to the money; so you could say in this answer, the question what do you plan to do with money; it may be that it gets down to are you tracking the outcomes that are desirable and are connected to the goals that you see earlier in the document. Mr. Norstrom asked why do we ask that question; you’ve gotten very specific here and I understand why. Mr. Greeson replied because I think you can tie this to public benefit. Mr. Norstrom commented I want them to tell us what the impact is; what you’ve done is provided guidance to them and that’s okay, but I’m not sure the answer to these questions provide public impact such as….. Mr. Greeson asked so you would leave it more open-ended. Mr. Norstrom stated I want to know how they are evaluating their organization’s effectiveness. Ms. Dorothy stated she would want to be able to compare it other organizations; I would want some sort of standard questions they would absolutely have to answer that I could use to compare other organizations with. Mr. Norstrom commented we haven’t asked any other organizations these questions; Matt furnishes these question to us. Ms. Dorothy commented the MAC gives us their estimate and I would like to try to standardize it and this would be one way to start that process. Mr. Greeson commented these are fairly similar to what we ask the MAC that we constructed a number of years ago. Mr. Myers stated we could do in a general question as opposed to a specific question; and as I said before I would like it to be current and future and I think maybe you handle that in the next question. If you served 100,000 people this year, how are you going to get to $125,000 or do you think you can get to $125,000; I just want to make our question(s) also have future looking component to them also.

Mr. Greeson commented I think all of these are measures of participation; we could pull this off and ask a more general question like please outline with data if available the public benefit/participation and any measureable impact being made. Mr. Norstrom stated we want to know what our money is going to do. Mr. Greeson said that’s an additional question (How do any of these numbers change as a result of receiving our money). Mr. Myers commented that’s the future looking component that I’m driving at; and that’s fine. I think in the question give us a baseline of where you are now with data. What is the public benefit of receiving the additional funds from the City of Worthington. Mr. Myers said baseline on page 12 and increase on page 13. Mr. Myers commented page 13 is exactly what I’m looking; page 13 is the is most critical question in the whole packet for me.

Mr. Troper commented I would like to know what would the impact be if you are not funded. Mr. Greeson replied I think you change the question to read: in the space provided state how the City’s funding will be used for increasing public exposure and participation and benefit 2015 and 2016. This is connecting it back to our dollars and arguably that’s how you if that’s achieved. Mr. Troper commented that’s not my question. Ms. Michael remarked I think Mr. Troper is asking for one more question, what would the impact be on the organization if you do not receive funding from the City. Mr. Myers commented the other question I ask the
MAC every year and I don’t know if it needs to be on the application, but I will certainly ask it when they come before Council and stand at the podium: Do you anticipate this funding to be permanent. Mr. Norstrom commented the only thing I would add is “this level of funding.” Mr. Myers replied that’s fine.

Mr. Myers stated this is the Old Worthington Business Association, I’m kind of thinking that one of their principal goals should be to promote business; asked how are they doing that, we haven’t asked that anywhere in this application; and at the end of the day all of this is kind of generated towards quality of life and economic vitality and we haven’t really asked many economic vitality questions and I want to know what they’re doing to help the business community in Worthington. I would hope that comes through on their Mission Statement, I would hope that comes through on their Policy Statement. Mr. Greeson commented I would use the business community and economic vitality of downtown. Mr. Myers said however you want to phrase it, but I want to know how they’re helping their members.

Mr. Greeson stated back to the last question page 13, I want to make sure we have some clarity...is it okay or do want to change it. Ms. Michael said you already changed it. Mr. Greeson said “State the organization’s goals and state how the organization will use the City’s funds to increase public exposure, participation, and benefit in 2015 and 2016. Ms. Michael you could also add the follow-up question Mr. Troper asked after this.

Mr. Greeson commented it’s my intent with those amendments, I will go ahead and distribute this to the OWBA.

2. **Monthly Financial Reports**

Mrs. Roberts presented the following Powerpoint presentation for 2014 Year and End and January 2015 Monthly Financial Summary:
2014 All Funds Summary

1/1/2014 Beginning Fund Balances: $17,756,146

Total Actual Revenue: $36,928,962

Total Actual Expenditures: $34,661,671

12/31/2014 Year End Fund Balances:

   $20,023,436

2014 Financial Report Summary for All Funds

- Revenues exceeded expenditures by $2,267,290 or 6.5%.
- 2014 revenues were above 2013 revenues by $474,731 or 1.3% and above estimates by $1,853,599 or 5.28%.
- Expenditures tracked at 90.25% of total appropriations and prior year encumbrances.
- Appropriations totaled $37,300,495 with expenditures totaling $34,661,671.
I do want to bring to your attention with our purposeful policy decision, part of general fund balance includes one-time revenue mix of the income tax allocation, the diversion of CIP fund of 6.4% and we funded the operating revenue line for a 5-year period from 2009 – 2013 and slightly over 6 million dollars. Also we have received inheritance taxes in the last eight
years totaling almost 4.5 million dollars which is a revenue stream we will no longer experience.

Mr. Norstrom asked that’s about what we expect. Mrs. Roberts replied correct, just slightly below. Mr. Norstrom asked so when we budget, we basically budget knowing that we’re going to have less expenses every year. Mrs. Roberts replied in the five-year forecast we have a line delineating approximately 2% of annual appropriations that we believe will not be extended. Mr. Norstrom commented so from the perspective of where we were expense wise, we’re basically on budget. Mrs. Roberts replied I believe that’s correct.
Ms. Dorothy asked what was the Income Tax revenue previously like five years ago. Mrs. Roberts replied right off the top, I do not. Ms. Dorothy asked was it greater or less. Mrs. Roberts replied it would have been less.
2014 General Fund Expenditures

<table>
<thead>
<tr>
<th>General Fund Expenditures</th>
<th>Budgeted Expenditures</th>
<th>Actual Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning &amp; Building</td>
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<td>General Government</td>
<td>$9,257,914</td>
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<td>Fire Operations</td>
<td>$5,994,851</td>
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<td>Parks &amp; Recreation</td>
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<td>Service/Engineering Dept.</td>
<td>$1,932,419</td>
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$25,370,595 $23,402,165
January 2015
All Funds Summary

1/1/2015 Beginning Fund Balances: $20,023,436

Total Actual Revenue: $4,170,690

Total Actual Expenditures: $4,845,690

1/31/2015 Month End Fund Balances: $19,348,437
Mr. Norstrom asked should we be concerned with the fact that January 2015 revenues are below 2014 revenues by $59,325 or -1.4% and below estimates by $258,859 or -5.83%. Mrs. Roberts replied I don’t believe so at this time; as I indicated a lot of this month’s expenditures were related to last year’s encumbrances and revenues at this point don’t concern me.
January 2015
General Fund Summary

- General Fund expenditures exceeded revenues by $788,378.
- January expenditures include $315,408 from prior year encumbrance.
- January revenues were above January 2014 revenues by $11,673.
- Revenues were below estimates by $169,086.
- Expenditures tracked at 88.50% of appropriations.

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January 2015
General Fund Revenue

<table>
<thead>
<tr>
<th>General Fund Revenue</th>
<th>Year to Date Budgeted Revenue</th>
<th>Actual Collections</th>
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<tbody>
<tr>
<td>Municipal Income Tax</td>
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<td>Property Tax</td>
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<td>Local Government</td>
<td>$ 41,667</td>
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<td>Inheritance Tax</td>
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<td>Interest Income</td>
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<td>Fines &amp; Forfeitures</td>
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<td>Township Fire Service</td>
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<td>EMS Transport</td>
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<td>All Other Revenue</td>
<td>$ 103,313</td>
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$ 1,870,370 $ 1,701,284
To Ms. Dorothy’s point, Income Tax Revenues for January totaled almost 81% which is a significant increase from the 73% that we finished 2014 with. Ms. Dorothy commented which is still high compared to previous years. Mrs. Roberts replied it is much higher compared to previous years. It does indicate that is definitely our primary revenue source, it is also a very volatile revenue source so we need to be cognizant of that.
January 2015
General Fund Expenditures

<table>
<thead>
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<th>Actual Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning &amp; Building</td>
<td>$56,307</td>
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<td>Parks &amp; Recreation</td>
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<td>Service/Engineering Department</td>
<td>$203,332</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$2,456,825</strong></td>
<td><strong>$2,174,254</strong></td>
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January 2015
General Fund Expenditures

[Pie chart showing expenditure distribution across different departments]
Ms. Dorothy commented I would appreciate if we do have these Cash Position going forward, that we get percentage of what that ending balance is in regards to like percentage
of budget or expenditures; something makes sense because we also have the percentage that we wanted to maintain too.

Mrs. Stewart presented the following presentation on Existing and Future Debt and CIP Fund.
Existing Debt

Bond Anticipation Note Renewal Issued 01/21/2015 (Ladder Truck Purchase, Davis Estates Waterline Improvement and Community Center Window Replacement Projects) Maturing 01/20/2016

- Current Issuance: $1,660,000 at 1.01% interest
- Interest Payment Due in 2015: $16,766
- Principal Payment: $100,000

OPWC 0% Loan Approved in 2013 – Kenyonbrook Sanitary Sewer Improvements

- Estimated Original Issuance $ 565,395
- Estimated Start Date for Principal Payments: 7/1/2015
- Estimated Annual Payments: $20,000

Future Debt


- Northbrook Relief Sewer - $460,000
- Central District Sanitary Sewer Repairs - $250,000
- Basin 6 & 8 Sanitary Sewer Repairs - $150,000
- Central District Sanitary Sewer Improvements - $500,000
- Kenyonbrook Sewer Trunk - $1,180,000
- North Districts Sanitary Sewer Improvements - $500,000


- Huntley/Wilson Bridge/Worthington Galena Intersection - $2,491,278
- Wilson Bridge Road Corridor Enhancements - $850,000

Outside CIP, Beyond 2019:

- North District Sanitary Sewer Repairs & Lining - $750,000
- West & Industrial District Sanitary Sewer Repairs - $250,000
- West & Industrial District Sanitary Sewer Improvements - $500,000
Percent of CIP Revenue Allocated to Debt Payments

Reduced debt payments projection reflects $2,000,000 allocated to debt reduction.
Mr. Greeson stated to answer Councilmember Dorothy’s question from earlier; I apologize we didn’t have the requested information embedded in the presentation or right at hand; but the answer to your question about the fund balance is we track that two ways: total fund balances is the percentage of previous year expenditures is 43.4%; total fund balances percent of previous year revenues is 37.7%; so we’re exceeding our fund balance goals.

Mr. Myers asked this $2 million dollars set aside would come from the general fund balance. Mr. Greeson replied yes and from a practical standpoint it’s really not set aside, it’s for forecasting purposes; we would be saying we’re going to anticipate that we’re going to use this for debt reduction and we’re going to modify our cash flow forecast; that’s the kind of guiding policy document that we use for operations and then obviously you’re budgeting. Mr. Myers commented I would look at this as we’re paying back the extra 6% we took. Mr. Greeson replied I know and I wish Dr. Chosy were here to hear me say this, we would be looking at providing Council some flexibility in the outer years of the CIP that you may not have. Mr. Myers stated when I look at it, we are only reducing our debt by 2%. Ms. Dorothy commented what I’m concerned about is are we taking consideration what interest rates will be in the future. Mr. Greeson commented I think one of the reasons why we’re not saying we’re not giving you specific proposals to how to do this is that we want some time to evaluate it, not only because we’re early in the fiscal year, but because we got to get in to that question “if we did this, what’s the best debt to either get rid of or restructure.” Mr. Myers said but it not be debt elimination, it might be debt avoidance. Mr. Greeson replied true; it may be deciding to pay cash for things that we’re currently projecting we’re going to bond. Our highest debt interest rate right now is the Community Center and Police Station debt at 3.7, I think we can call that at the this year.
Mr. Troper asked so we have a principal payment due of $655,000 interest payment debt, certainly we’re making 1% now, why wouldn’t we just pay that off now; what is the downside to paying that off now other than not having cash right now. Mr. Greeson replied probably the size of that amount of cash payment; we would have to evaluate that. Mr. Troper stated I’m sorry, I was just looking at the amount in 2015; that would make sense for them to pay that off the quickest; we’re making 1% or less elsewhere. Mr. Myers commented but if the next time we bond, we bond at 5% those interest rates go up; that’s still better to keep it at that and pay cash instead of bond at 5%. Mr. Troper replied I’m just saying we pick some time frame where before we’re going to go bond, pay it off now; if I have xxx dollars in the bank and I’m earning 1% and I have another loan I owe 3% on, I’m going to pay that 3% off loan.

Mr. Norstrom commented as Ms. Dorothy pointed out earlier interest rates are historically low right now, they’re not going to stay there and so the cost of money for us in future years is going to be more expensive. I disagree with Mr. Troper, I understand the logic but at the same time if I’m getting money that costs 3% now and in 3 years it’s going to cost 5%, I don’t want to pay off 3% money; I would rather spend the money in the future. Mr. Troper said when we anticipate going out to bond, let’s say it’s in two years right, we should pay off the principal and the interest that we have on the higher rate notes for the next two years because we have the money now; we’re not doing anything else with that money except earning 1% interest. Mr. Norstrom replied I totally disagree because the money is going to cost us so much more in the future; I guess the questions that we’re looking at are what are the risks and what are the potential payoffs.

Mr. Greeson commented if you decided for instance (this is a little like the conversation we had when we decided to say okay we’re going to 6.4% and set aside for building the fund balance); now we’re having a conversation about we’ve been successful in that, that’s one of the things that helped us get our AAA bond rating.

Mr. Myers asked how is all of this going to be reflected in our budget documents; in other words, it’s your anticipation that we are going to carve out 2 million dollars from our fund balance as opposed to try and cut 2 million from our general fund expenditures. Mr. Greeson replied we work off a document that this Council is very familiar with and use this as our five year forecast and we use this as a guiding policy document in terms of shaping budget recommendations to you and monitoring expenditures and everything, we would allocate in that projection an allowance for debt service obligations. Mr. Myers asked that would come straight out of the fund balance, it would be a new line item added as opposed to a 2 million dollar cushion built into our current budget.

Mr. Myers asked where did the $500,000 which is really $200,000 for the Kilbourne Building come from. Mr. Greeson replied the unappropriated (now appropriated cash balance of the CIP), so while Mrs. Stewart outlined that we didn’t project using debtedness, we ended up using cash that otherwise would have been debt. Mr. Myers remarked so in a way we’ve already implemented this strategy; we’ve decided to make cash as oppose to bonding at least the first part of the Kilbourne. Mr. Greeson replied in part, driven by the fact that we have OPM (other people’s money). Mr. Myers commented it’s only February and we’re spending
money like it’s going out of style. Mr. Greeson replied thus why we’re having this conversation now because I think we felt it important that if we were going to hone in on this and make this kind of decision, we needed to plant the flag sooner rather than later and say not wait til the next budget cycle to have this conversation, but say yes we’re in a healthy fund balance situation, but we think the long-term financials for the city are stronger if we reduce some debt and we’re going to make that decision now rather than the next budget cycle recognizing you have a lot on your plate. Ms. Michael stated we have a healthy budget cycle and healthy budget cycle people will look and say look at all the money the City has, well here are all the different it can be used…cha ching, cha ching, cha ching. Mr. Greeson commented they don’t look at your long term debt. Ms. Michael commented if we have something set aside as a line item for paying off long-term debt, it’s not appropriated until we actually appropriate it, but it’s set aside for long term debt; but it’s also not in the bottom line of look at all the extra money the City has.

Mr. Greeson replied it is proactively saying that the City Council has made a policy judgment that that is important and you’re reserving (for a lack of a better term) that in your financial forecasting for debt reduction rather than direct expenditures for new program. Mr. Smith asked does the bond rating become negatively impact on our current debt service plan potentially. Mrs. Roberts replied if we were to reduce our fund balances significantly that would have an impact on our bond rating. Mr. Smith asked would it be a positive impact. Mrs. Roberts replied it would be a negative impact, if our fund balances were reduced dramatically that would a negative impact on our bond rating. Mr. Myers asked does the bond rating become negatively impact on our current debt service plan potentially. Mrs. Roberts replied if we were to reduce our fund balances significantly that would have an impact on our bond rating. Mr. Smith asked would it be a positive impact. Mrs. Roberts replied it would be a negative impact, if our fund balances were reduced dramatically that would a negative impact on our bond rating. Mr. Myers asked do you consider dropping from 34% to 25% dramatic; Mr. Greeson remarked 43% to 33%. Mr. Myers asked do you consider that to be dramatic. Mrs. Roberts replied not given our current cash position. Mr. Myers asked remind me (I don’t have the five-year projection in front of me), what are we projecting our fund balance to be this year compared to year-end 2014. I thought we entered into a flat period here. Mrs. Roberts replied relatively similar. Mr. Myers asked so we’re not going to be adding to fund balances this year. Mrs. Roberts replied not substantially. Mr. Myers stated again we need to be very careful with what we spend so that we still have the $2 million dollars if we’re going to go down the path; I’m all in favor of exploring debt reduction as policy, but I think we need to be very diligent with our current expenditures so that we have the fund balance at the end of the year. I don’t want of all a sudden just because we have some money to go wild; last time we did that we built a community center, a senior center and then the market crashed and we saw that little dabble of $1.6 million in our fund balance. I don’t ever want to get there and I don’t want to have to get to the point where we’re not doing Wilson Bridge Road because we don’t want to bond it.

Mr. Greeson replied I don’t this anticipates eliminating anything in the CIP, in fact, it is really looking out a little bit into the future by saying we know our ability to do some things in those out years can get a little tighter and this may give us some flexibility. Ms. Michael asked do we want staff to be looking in this direction. Ms. Dorothy replied yes look at all the possible options. Mr. Troper asked is there any option to re-issue our debt at a lower rate of net savings. Mrs. Roberts replied a big part of the evaluation we can’t do anything with our largest debt obligation right now until the end of this year; the bonds aren’t able to be called the end of 2015. Ms. Michael commented I believe the general consensus us fir staff to explore all possible options. Mr. Norstrom asked if we were to issue bonds right now, do we
know what rate we might get. Mrs. Roberts replied they’ve been running in 2½ - 3% range. Mr. Norstrom commented so if were to get bonds at 2½% equivalent to what we now have at 3.7% that would be a positive financial position. Mrs. Roberts replied yes. Mr. Norstrom asked is that something staff will be looking at too. Mrs. Roberts replied yes it is.

Mr. Greeson stated I think it would be helpful to have a motion to have the five-year forecast reflect an allowance for debt service obligations in 2015 of $2 million dollars and to have the staff explore debt reduction strategies that we bring back to you later in the year. Ms. Michael asked so at this point we’re just holding money aside while there is research being done. Mr. Myers commented I think we should create a special reserve fund of $2 million dollars that we build up to, just like we did before it got everybody really confused as to what it was. Mr. Norstrom commented I would like to make the motion more general and not identify $2 million at this point until staff has indicated it could be more or it could be less and given the question I just asked, I would be more focused on restructuring our debt now; if we could save 1% - 2% on our interest rates by paying off some of the higher price, that seems like a no-brainer. Mr. Greeson commented we can’t do it until the end of the year. Mr. Norstrom replied we can’t do it until the end of the year, but we can issue the bonds now to do that; because right now we can get the bonds at 2% - 2½% interest rate. Ms. Michael stated so we’re looking for staff to look at restricting debt. Mr. Myers asked why the $2 million dollars, I tend to agree with Mr. Norstrom that I would rather wait for your recommendation and at that point we can a dollar amount to set aside. Is there some reason why you want the $2 million up front.

Mr. Greeson replied I think that’s what we think is the maximum we could use and feel comfortable using for this overall strategy. Mr. Myers stated I have no problem setting money aside; I would just kind of like to wait until you have a more concrete recommendation; asked is that a problem if we go with the way Mr. Norstrom has phrased it. Mr. Myers replied we’re going to wait for the recommendation until we do the set aside and he would like to also within that impact on potential restructuring of the debt which may not happen until the end of year; I don’t know if there is a pre-payment penalty on that. Mrs. Roberts commented we will explore all available options.

MOTION Councilmember Norstrom made a motion directing staff to explore options to restructuring our debt. Councilmember Smith seconded the motion.

The motion carried unanimously by a voice vote.

MOTION Councilmember Troper made a motion to accept the year end and monthly financial reports as presented this evening. The motion was seconded by Councilmember Dorothy.

The motion carried unanimously by a voice vote.
138 W. Clearview Avenue

Ms. Michael asked do we need to do anything with 138 W. Clearview Avenue. Mrs. Fox replied you all have received some information from me on that. There is another meeting this week and you don’t have to make a decision tonight if you want to take a look at that information, you can call me with any questions, probably next week is an appropriate time. The hearing just has to be held before March 16th.

Ms. Michael stated we should put it on the March 16th agenda as a discussion item. Mrs. Fox replied you can put it on as a discussion item; at that point you need to decide whether you’re going to hear the appeal or not hear the appeal and the information I provided you with is to help you with that decision. Mr. Myers asked you’re going to do that at the next meeting because I will not be at the next meeting; and I don’t think there is an appeal because they have set forth I can see in the appeal two (2) items (1) the lot split, that is not an MPC decision, that’s a Council decision, and they have exceed the time they had and you can’t appeal a Council decision to Council; (2) they have appealed an ARB decision which will be vacated on Thursday; the applicant and asked that it be reconsidered; so there is no basis for this appeal in my mind.

Mrs. Fox commented there is no stated reason in the appeals that would lead Council to understand exactly what she’s appealing other than the variances or the sub-division of the property. We don’t have any other information that she’s appealing; in her appeal notice she did not state any other reason. Mr. Myers stated the new application in front of MPC will eliminate the variances.

COTA

Mrs. Stewart stated COTA held a public meeting at the end of January. They have been talking with Dublin for quite a while about some service changes related to Dublin; I’m mentioning this tonight because one piece of this does impact Worthington. The conversation started with Dublin because Dublin wants to relocate the Dale Drive Park & Ride, it’s tied into the Bridge Street plans that they have and so COTA is proposing a new Park & Ride at Bright Road & Emerald Parkway and as part of that they also plan to realign routes 58 and 59 in Dublin, but they have also proposed to eliminate route 30 as an express route that comes up Sawmill Road north of Hard Road, to Summit view, to Smokey Row, to Snouffer, to Linworth, and to 315 at Henderson. Park & Rides are at St. Andre, St. Peters, and at Olentangy & Bethel. Stops in Worthington occur along Snouffer and Linworth.

There is an opportunity for people to provide comments to COTA and likely if it is rolled into the September changes there will be some more public meetings. There are a lot of residents speaking with Paul Feldman; Paul reached out to me to see if I might be willing to meet with some residents. I’m not clear as to how many are City of Worthington residents, since there are a lot of people that use the Park & Ride up on Smoky Row that were very concerned about this closure. COTA was thinking they would be directed over to the new Park & Ride, but the residents along Smoky Row felt like it was pretty far away to be going to. So I just wanted to alert you to that in case you hear anything.
REPORTS OF COUNCIL MEMBERS

Dorothy – Ms. Dorothy stated I want to invite everyone to Boy Scout Troup 365’s Fundraiser Saturday, February 21st at United Methodist Church, 4:30 P.M. – 7:30 P.M. The menu is: Spaghetti dinner served with garlic bread, apple sauce or salad. I believe tickets are $8.00.

OTHER

EXECUTIVE SESSION

MOTION Councilmember Myers made a motion to meet in Executive Session to discuss Economic Development, Land Acquisition and Personnel. The motion was seconded by Councilmember Dorothy.

The motion carried by the following voice vote:

Yes  6  Troper, Dorothy, Myers, Norstrom, Smith, and Michael

No  0

The motion carried unanimously by a voice vote.

Council recessed at 9:00 P.M. from the Regular meeting session.

MOTION Councilmember Dorothy made a motion to return to open session at 9:57 P.M. The motion was seconded by Councilmember Troper.

The motion carried unanimously by a voice vote.
ADJOURNMENT

MOTION Councilmember Smith made a motion to adjourn. The motion was seconded by Councilmember Norstrom.

The motion carried unanimously by a voice vote.
President Michael declared the meeting adjourned at 9:58 P.M.

/s/ Tanya M. Word
Temporary Clerk of Council

APPROVED by the City Council, this 16th day of March 2015

/s/ Bonnie D. Michael
Council President