



## City of Powell Capital Improvements Committee

MINUTES  
Jan. 12, 2010

### Present

Bryan Bullock (Delaware Gazette), Bonnie Butcher (ThisWeek in Olentangy), Bob Carpenter, Councilman Rich Cline, Tom Coffey, Councilman Tom Counts, Andy DeCocker, Mickey Hawk, Jim Hazen, Terry Hoppmann, Councilman Jim Hrivnak, Trent Huff, Tom Jedlinsky, City Manager Steve Lutz, Powell Finance Director Debra Miller, Ron Minto, Eric Prall, Powell Public Information Officer Jeff Robinson, Frank Semetko.

### Call to Order

Councilman Counts brought the meeting to order at 7 p.m.

### Welcome and Recap of Previous Three Meetings

After Councilman Counts welcomed everyone to the meeting, he turned things over to Councilman Cline, who gave the committee a recap of all that has transpired over the committee's first three meetings. He said during the first meeting, committee members were asked why they liked living in Powell and what inspired them to join the committee. He shared a few of the responses given at that time, which include "This is a great community and I want to keep it that way," "I care about our City and our downtown," "I live and own a business here" and "I've seen the results of a lack of planning, so I support this committee." Councilman Cline said the comments coincide with many of those received during the City's most recent Community Survey, where 94 percent of those surveyed called Powell an "exceptional" or "above average" place to live. Councilman Cline said many of those surveyed attribute their love of the community to the amenities and high level of services, and he added that the City wants to be able to meet that high standard in the area of capital improvements.

Councilman Cline said the second meeting provided committee members with an overview of the City's capital improvements planning document put together by City Council. He said committee members agreed during that meeting that the process the City has used thus far to prioritize capital improvements has been reasonable, and the placeholder of \$30 million for capital improvements is a reasonable placeholder. The second meeting also offered committee members the opportunity to suggest other capital improvements projects not

already mentioned by City Council. Member suggestions included railroad crossing quiet zones, additional downtown parking, adding street lights, extending VillageScape features and completing bikepath connectors.

Reviewing the third meeting, Councilman Cline said the group heard the Finance Committee's options for funding capital improvements, as well as the Finance Committee's recommendation to City Council that an income tax increase (from .75 percent to 2 percent) be used to generate capital improvements funding. Councilman Cline said the third meeting ended with committee members being challenged to think about what kind of community they want Powell to be. He said the City has already set a high bar in several areas:

The City has shown fiscal conservatism by receiving awards in 2006, 2007 and 2008 for its Comprehensive Annual Financial Report; awards in 2008 and 2009 for its budget; the Making Your Dollars Count Award from the Auditor of State in 2006 and 2007; and bond ratings of AA+ from Standard and Poor's and Aa2 from Moody's.

The City's police department received Flagship designation from the Commission on Accreditations for Law Enforcement Agencies, and the Community Survey showed that 96 percent of residents are happy with the police protection provided.

The City's parks and recreation department continues to expand its offerings and the City was named a Tree City USA for the 11<sup>th</sup> consecutive year in 2009. And the public service department works to keep roads maintained in the warmer months and free from snow in the colder months, while dealing with other issues such as street light outages and drainage concerns.

#### Committee Discussion and Feedback on Finance Committee's Recommendation to Council and Communicating with Residents

Councilman Counts asked the committee members if they had any thoughts on what kind of community they want Powell to be. Committee member Ron Minto then passed out a handout that he created showing what portions of the City's proposed capital improvements projects could be completed with a smaller tax increase. Mr. Minto said the City has been run very efficiently, but talked about the added tax burden on residents who would be affected by the increase proposed by the Finance Committee. He said the City should consider "what we can afford and what we can ask people to pay." Councilman Counts suggested taking another approach by asking how to keep Powell a top-notch community and asking if that is a price residents are willing to pay. He asked committee members how they felt about the proposed 2 percent income tax rate.

Mr. Minto said the 2 percent increase would be "a tough sell," particularly since the country is "coming out of the worst recession since the Great Depression." He said he thinks the City can raise sufficient funds for capital improvements without raising the income tax to 2 percent.

Terry Hoppmann said he favored some kind of tax increase because he wanted to see capital improvements projects completed. However, he said he had a problem asking the minority to pay for the majority, referring to the number of Powell residents who would not be affected by the proposed income tax increase.

Resident Andy DeCocker said both he and his wife work in Powell and he has a tough time thinking that the City needs to go from a .75 percent income tax rate to a 2 percent rate. He said it would be more reasonable to go to 1.25 percent or 1.5 percent. Mr. DeCocker said City residents and officials should consider it a "badge of honor" to say "we have a great City for the tax rate that we have." He also said he didn't think a smaller percentage of residents should pay for the capital improvements for everybody.

Councilman Cline provided an alternate point by using the example of a neighbor who lives and works in Powell. "His services are the same as mine," said Councilman Cline, who works in Columbus. "But I've been paying three times his income tax rate. Has he been getting a free ride on my dollar? How does that concern resonate?" Mr. Hoppmann said the concern rang hollow with him, saying he chose to move his business to Powell partly because of the tax rate. For those who work elsewhere, he said "that is their employment decision and this was mine."

After additional discussion, committee members agreed that the proposed income tax increase would be an easier sell to residents if the new rate was less than 2 percent, and if residents were told up front that the dollars would be used for capital improvements. Councilman Counts asked committee members if they thought it would make a difference to have a "phased-in" tax increase; that is, raise it .5 percent one year, another .5 percent the next year, etc. Members said that that would not be favored by residents.

Councilman Counts then asked committee members about the timing of a tax increase. He asked if residents would have a different response to the proposed tax increase if the economy had been better. Most members agreed the response would not be different.

Committee members then discussed the merits of putting the issue on the ballot during a general election, a special election or a primary election. Committee members agreed with resident Mickey Hawk, who said "we've got to do this now and make it palatable for residents." Mr. Hoppmann said the City needs to "go for the half you can get rather than the whole you can't," referring to a reduction in the overall income tax increase. Committee members agreed that an income tax increase from .75 percent to 1.25 or 1.50 percent – marked specifically for capital improvements projects – on the November ballot would be the best option.

City Manager Steve Lutz then asked the committee how the City could communicate the message to their neighbors in all of the City subdivisions. "We've spent a lot of time discussing this, and it's a complicated matter," Mr. Lutz said. Committee members suggested presentations at homeowners' association meetings and special "coffeehouse discussions" would be best. Councilman Cline said residents will want to hear from other residents, not Council members or City staff, about this issue.

#### Wrap-Up/Next Steps

Councilman Cline summarized the comments and recommendations from the committee, saying he was hearing that it makes more sense to go to the voters one time with a single plan to fund capital improvements, and a lower rate of income tax increase would be more palatable. He said mentioning a connection between the tax increase and specific capital improvements projects would be beneficial, and putting it on the November ballot would be best.

The meeting concluded with Councilmen Counts and Cline saying the Finance Committee would review these recommendations before presenting something to City Council for

approval. They would review everything with a November ballot date in mind, and would be in touch with Capital Improvements Committee members when the time comes to educate residents on this proposed income tax increase.

Adjourn

The meeting was adjourned at 8:35 p.m., with all participants thanked for their efforts, hard work and commitment to the community.