Canal Winchester

City Hall
Council Chambers
45 East Waterloo Street
Canal Winchester, OH 43110

Meeting Minutes - FINAL

June 5, 2023

5:30 PM

City Council

Chuck Milliken - President
Bob Clark - Vice President
Laurie Amick
Jill Amos
Steve Buskirk
Patrick Shea
Mike Walker

A. Call To Order *Milliken called the meeting to order at 5:30 p.m.*

B. Roll Call *Present 6 – Amick, Buskirk, Clark, Milliken, Shea, Walker*

A motion was made by Clark, seconded by Walker to excuse Mrs. Amos from the Public Hearing meeting. The motion carried with the following vote:
Yes 6 – Clark, Walker, Amick, Buskirk, Milliken, Shea

C. Purpose of Public Hearing

ORD-23-021 AN ORDINANCE APPROVING AND ADOPTING THE 2024 TAX BUDGET

Discussion started at 1:31 on YouTube Channel

Jackson – We are here this evening to talk about the 2024 tax budget. The tax budget is where the county commissioners ask us what we believe we are going to bring in for revenue and what we believe we're going to expend in our next fiscal year. In order for them to set millage, which relates directly to your property taxes and how much property tax a homeowner or business owner pays. The whole purpose of this is related to voted debt. The City of Canal Winchester does not have any voted debt, so our millage does not change. Typically, when you see a school district put a ballot out to issue debt, they are looking to recoup a certain dollar amount every single year for the length of that levy. That dollar amount—let's say it's a million dollars—gets spread out over all the property owners. Each year, property values change, and additional properties come online that are being charged this millage. The millage gets spread out among more and more property owners. That's what this whole process does. For us as a city, this is just an exercise. It's something we're required to do even though we don't have any voted millage. What we'll talk about tonight is going to focus on the general fund because that's really where the bulk of this for us comes from, where our revenue comes in, and where we expend it. We'll touch on a couple of our special revenue funds, the utility funds, but really we're going to spend most of our time talking about the general fund. We're going to talk both about revenues and about appropriations. You're probably going to hear me say this 15 times during this presentation, these are not our final appropriations. This is what we know as of today. A lot can and likely will happen between now and the fall, which means that this budget will change. Bear with us again; this is an exercise that we're required to go through, and we will present final appropriations with a lot more detail come the fall. Most of you have heard me say this before, so I'm not going to dwell too much on some of the basic stuff, but please stop me if you have any questions. In our general fund, this is our largest and least restrictive. By least restrictive, I mean we can use it for pretty much anything that the city is legally allowed to spend money on. This accounts for all the activity of the city, except if we have a revenue source that is restricted by law. We'll talk about those in a little bit. When it's restricted by law, it goes into a separate fund with separate requirements for what it can be expended on. In the general fund, this is where we put our taxes. This is where we're going to put building and development fees, pool revenue, court fines, and state funding. We do still get some funding from the state; things like that are going to go into this fund. This is a county commissioner form that you're looking at here, so under local taxes, we're talking income taxes, which are our single biggest source of revenue in the city. We talk about it all the time. We also have our property taxes and then what they refer to as other local taxes," which in our case is mostly the bed tax money, which we have seen a significant increase over the last few years, as well as our cable TV franchise fees and admission taxes. Let's talk about our income tax, which is again our largest source of revenue. In 2022, you can see that 76% of our revenue in the general fund was income taxes, or three-quarters of our revenue. If something were to happen to that revenue source, what would we do? In our 2024 budget, you'll see that percentage change a little bit. We're a little more dependent on income taxes, but again, that's what we know today. This could, and likely will, change. We typically stay around that 75% in actual revenue each *year. This graph here shows you kind of where we've been over the years; the left-hand column in each year is the actual, and the right-hand column is what we projected. The point of this graph is to show you how conservative we are when we budget for this money. We do not over budget here in the city. We do not expect to get more in than we realistically think is going to happen. 2023, which I have circled there in red, is our actual year to date, and that was as of last Friday. We actually did get another seventy grand in today, but I did not include that in there. We are at six million dollars year to date for our revenue. We did budget, I believe it was for nine million, so let's just say we're going to hit that, you know, regardless of what happens in the next six months, we will hit what we anticipated to get this year. Next year, we are looking at $11 million as our budgeted revenue from income taxes. If you notice, in 2022 we actually took in over eleven million dollars, so we're budgeting less conservatively than we did two years ago at that point. Why are we doing that? I'm not going to keep saying it, but we are very conservative. I don't really know what's happening with the development and its effect on our revenue. We still have a lot of stuff that's under construction. I don't want to overestimate what we're going to get from that construction. Maybe once it's completed, we'll have a little bit of a clear picture, and then we can adjust revenue accordingly. At this point, we've really only seen a little over five months of collection, so we'll see what happens in the next few months before I get to do our final appropriations, and we'll adjust this income tax number based on what we see in the fall. Generally, I'll give it up until about September, because that's really when I start hammering home what we're going to do next year. Where does our income tax come from? This pie chart here shows you that the majority—just over three-quarters of our total—comes from withholdings. About 7% comes from individuals and 16% comes from businesses, so like your net profit taxes, this is very consistent. I think when I was updating all of this information for tonight's presentation, last year it was like 78% withholdings, 6% individuals, so it has stayed very steady over the last few years as to where this money is coming from. We are projecting a significant increase. We kind of talked about why that is—it's still conservative. It's still lower than what we got last year, but as of this point in the year, we are ahead of where we were last year. We're about 10% ahead of where we were. We're on track to exceed what we budgeted for at the beginning of 2023. Again, an important reminder: this is what we know as of right now, and we do have the ability to change it. Real estate taxes: I know I'm probably not telling you anything you don't already know, but ours don't change, and our millage doesn't change. The only reason that a homeowner's amount of property taxes that they pay to the city would change is because of a change in the valuation of their property. As I mentioned, this will change the amount the city receives based on the number of properties within the city and the valuation of those properties. Annexation brings more property into the city, which increases our total value. We are also a little bit affected by the timing of payments. I know all of you are property owners; you get that property tax bill, and depending on if you're in Franklin or Fairfield, your due dates will vary, but we do have delinquent taxpayers, and sometimes that can affect when we get our money in. We get two dumps a year, basically. Our first dump will be a little lower, and then our second dump will be a little higher, or vice versa. It fluctuates a little bit, but not terribly. What I wanted to show you on this slide was the difference in the valuation of our property in one year. It went up by about five and a half percent between 2021 and 2022. The nice thing about this is that it also shows you where it went up, so our residential went up. There was a slight increase in our commercial value, but there was also a significant increase in our agricultural value. What you're seeing in front of you is that we have an in-county and an out-of-county, so you all know we split two counties. The in-county in this case is Franklin County. The out-of-county county is Fairfield County. We should just be concerned about that column. The 2022 valuation is what was used for the property taxes collected in 2023. I do not have this information for 2023; it will likely be available to us once we get into the fall and do the appropriations. Again, we will amend the real estate tax money we expect to receive once that information is available. Moving on to our state revenue, we still get local government funding. All these numbers that are up here right now are very similar to last year because I haven't gotten the information* *from these outside sources that tells us what we should expect in the next year. It's just not available yet. These will all be updated again. It's just that for me, it's better to stick with what we knew for this year and not overestimate for next year. Special assessments: we basically have one special assessment left on the books at this point, and that's Diley Road, where we did an assessment on taxes for the improvements to Diley Road. The last collection on that will be in fiscal year 2028. Our charges for services number is really just the pool and any rental revenue, which include the community center, pool, and our park shelters. Fines, licenses, and permits: $754,000. That's going to be our development revenue, zoning applications, and things along those lines. Miscellaneous: really anything that doesn't fit anywhere else is exactly what it sounds like. You'll see a significant increase in our interest rates; obviously, interest rates have risen. As you've read in my report, we've moved a lot of money and changed where our money is invested to take advantage of those higher interest rates. I'm anticipating higher returns than what we've seen in the past. Lastly, the advance is an annual repayment for our purchase of Hanner's Park, which we did in 2015. We, the city, get paid last, so if something were to come up, that $40,000 may not be transferred. It comes out of the Gender Road TIF fund. It may not come to fruition this year if something comes up. As of right now, we're not anticipating anything else being paid out of that fund. We'll repay ourselves that $40,000. It was supposed to be a $400,000 purchase, repayable over 10 years at $40,000 a year. Our total budgeted revenue in the general fund is $13.6 million. This is pretty high, but still very conservative. Our fund balance at the end of 2022 was $18 million. We're doing just fine, to put it plainly. In the expenditure world, our 2024 tax budget actually has our expenditures equaling our revenues, so we're not dipping into our fund balance. Some of this is just for informational purposes. These groups are what the tax budget requires me to kind of put things into for their purposes, but these are also going to equate to what you see on our financial statements. Also in my written report for council this evening, I mentioned that our 2022 financial statements were filed with the auditor of state's office. The audit is finishing up, so when you get a copy of that, these are the same categories that you're going to see on those financials. You can kind of see where our departments and the way we talk about them here during council meetings fit into our financials. Salaries and benefits are budgeted to increase by 8%. This includes the cost of living for all of our employees, but it also includes changes and additions to our staffing. As you know, the city administrator was approved, so I have included that in next year's budget. There are some other positions that the council had previously approved that have not yet been filled, but I have included those in next year's budget. Again, things are probably going to change between now and the fall. If we decide we're not going to fill those positions, I will remove them from the final appropriations, and we can put that money elsewhere. I'd rather do it this way so that we know what our salary and benefit numbers are. I guess the worst-case scenario could be if all those positions are filled. We always see an increase in budgets, mostly due to our medical premiums, but you are going to see changes in that because of what we're doing to staffing. More staffing equals more benefits, whether that's your health insurance or PERS contribution as an employer, Medicare, workers compensation, or things along those lines. Anytime you hire somebody, there's more than just their salary that goes along with it. Our total salaries and benefits in the general fund make up about 26%. What you can see at the bottom of this slide is that our actual percentage of salaries and benefits to total expenditures in 2021 and 2022 was 20 and 40%. That 20% is probably a little low; we usually live in the region of 24 to 27%, which is typical across municipalities. That's what you'd like to see: no more than about a quarter of your budget going to your people. One of the huge things that we expend out of the general fund are these contract services. We've talked about the sheriff's department. This is an estimated number. They are required to give me a number for next year. This is taking this year's contract number and giving it a 5% increase. I know they have bargaining agreements that will award their workers an increase, so I built that in. I will get a number from the sheriff's department this fall to use in our budget for our final appropriations. In the pool management company contract, I know what that dollar amount is going to be. The development and construction contracts are an estimate at this point. An* *estimate that could change based on what Mr. Haire or Mr. Sims tell me is going to happen in the development world. The income tax collection fee, we use the regional income tax agency; they take a percentage of our income tax collections as their fee to administer that. That dollar amount is based on our estimated collection of revenue. I do want to note that every year they do a reconciliation of the previous year and how much their actual cost was versus how much they charged us with that 3%, and then give us the difference back. We just got that cash last week; it was just over two hundred thousand dollars. Their actual overhead and costs associated with processing returns equated to just over 1%, but they like to charge 3% just to be sure and then give us it back. I would anticipate we won't hit that $325,000 based on how efficient they are with their services. The Human Services, CWJRD, Destination, Chamber of Commerce, and Historical Society contracts that had previously received city council approval are also a part of this budget. Here are some other large non-capital expenditures that come out of the general fund. We do have income tax sharing agreements. We have one with Violet Township, probably the single largest one. We also have the Diley Ridge MOB agreement that has a couple more years on it, basically where we are reimbursing them their property taxes. That was an agreement done in 2008, I believe. We have legal services, so those would be the services of Frost Brown Todd. Utilities: we've seen a significant increase in the cost of utilities. We've also added some things. We've added electrical services at the parks with cameras and street lights. We have budgeted for an increase in that cost in 2024. Also included in the general fund are our lease purchase payments; we have three of them. We have McGill Park, the McDorman building, and then Moody, which is at 20 South High Street. The years listed next to each of those are the years of our last payment. You have an idea of how far out those go. Our debt transfers come out of the general fund as well. Accounting purposes require that I account for all of our debt payments out of a specific fund; that fund doesn't have a revenue source, so money is transferred from the general fund into our debt fund to pay our debt. In 2024, that $671,000 doesn't include our outstanding bond anticipation notes that we had previously issued. There's $3 million outstanding currently that will come due next May. It is something that we will reassess with the final appropriations and perhaps even after January 1, 2024, to figure out if we can afford to pay it down. The hope is yes, but that $671,000 does include the interest that we know we will have to pay on those bond anticipation notes next year. We have our normal day-to-day supplies that come out of this fund: office supplies, a copier, and things along those lines. We have our capital outlay, and next year we have a very robust street program planned. Mr. Peoples had previously talked to you about some updates to downtown; as of right now, we've sort of fit that into our budget for next year, so hopefully we can come in revenue-wise in 2023 ahead of where we were thinking and we can leave this in the budget. Not only would we do our normal street paving, but we would also do the upgrades that we had discussed for the downtown. Also in the budget are, I guess, parts of phase two of McGill Park, which would be A and C. At a cost of about $950,000. This money will be transferred to a capital improvement fund just for accounting purposes. I will touch on phase 2B in just a minute. We also have street tree money in there. We always have to do some maintenance at the pool. The pool is getting a little older, so there are things there that we need to fix. Our contract with the sheriff's department states that we will purchase them a cruiser, so that is included here at a cost of $75,000. Then every year we do need to replace some of our IT equipment, whether that's computers or the hardware that's in the IT closets. We always budget for that. I don't have an exact dollar amount on that yet, but there is money associated with it in the general fund currently. Our total general fund expenditures are again $13,607,050, which equals our revenue. Again, my little disclaimer down there at the bottom: these aren't final. Just a couple noteworthy items that we did not talk about in the general fund but that we have talked about previously at council meetings: Gender Road Phase 6 project, for which we were awarded $2 million, I believe in safety funding. There is a gap between that $2 million award and the cost of construction. It is not currently included. We're discussing how to fill that gap. These are likely things that we will talk about more when we get to the final appropriations. 20 South High Street remodel: I think we discussed this a little bit when we purchased the* *property. We talked about redoing the outside of it and probably the interior at some point to kind of bring it back to its old historical state and what it looked like. We don't have a budget number for that right now, so it's not included here. This is something that, after speaking with Mr. Haire, we may even look to start later this year, but we don't have enough information today to be able to talk about it too much. McGill Park Phase 2B, which is the baseball fields, is a significant cost. As we previously discussed, the construction of the baseball fields is a significant cost. Internally, we need to have some more discussion about how we think we're going to be able to fund that so we can adequately plan for its construction. I mentioned earlier how we finished 2022 with $18 million in our fund balance. We are predicting that we will finish 2023 at about $17.2 million. We did pay down a good portion of our outstanding bond anticipation notes, which is why you'll see that decrease there, but currently, in our budget for 2024, we won't touch the fund balance. Whatever we end 2023 at, we end 2024 at, which is still a very healthy balance. If you recall, we have a $13 million budget and $17 million in our fund balance. Before I go on, does anyone have any general fund questions? Our special revenue funds: earlier I mentioned that we do have revenue sources that are restricted in what they can be used for, and that's what we consider special revenue funds in the accounting world. This is a list of all of our special funds. I am not going to talk about all of these; some of them have very small dollar amounts coming in and out. It's not really worth our time to discuss it tonight. This is an informational slide. I am going to send you all these slides when we are done today so that you can look back on them, but this tells you the source of revenue for everyone one of those special revenue funds. We're going to talk about the street maintenance fund, which is probably one of the largest or most active special revenue funds that we have. This is funded with motor vehicle license taxes and gasoline taxes. We do pay some of our employees out of here. We also pay for some of our fleet repairs and the fuel for those vehicles. I have a debt payment out of here. You can probably see at the bottom that I put a note that there's a significant increase in the debt payment currently budgeted in 2024 from this fund versus 2023. This fund has actually been paying a portion of the debt that we took out to build the new street department garage back in 2015. This fund has also been building in balance, and so we need to spend some of that. As I mentioned earlier, we have a very robust street program planned for next year, which includes the downtown upgrades, so to give the general fund a little bit of relief and allow us to take on that project. We're going to let these street maintenance funds take on the entire one-year payment for the public service garage rather than splitting it with the general fund. That's why you're going to see a significant increase in this particular fund's expenditures for 2024 versus previous years. We also don't typically spend all of the money in these other categories—maintenance, snow and ice removal, etc.—which is why our fund balance has increased significantly over the past few years. Real quick, some other funds: A state highway fund is also funded with the same funding source as street maintenance. It's just a different division of how much goes into each fund. We can use this fund to make repairs on designated state highways throughout the city. Again, it's not a very large dollar amount. It's just over $48,000, and we don't like to touch this fund because it doesn't have a huge balance, but it is there for vehicle or equipment purchases. Our permissive tax fund: this is a motor vehicle license fee that goes into this. Currently, we are using this for our larger vehicles that we have leased and taking the payments out of it. We do have one in the amount of $29,500 that will be coming out of there next year. The Gender Road TIF: I did touch on this briefly earlier about Hanner's Park and the $40,000 advance into the general fund, but we also have an agreement for the Winchester Boulevard extension. This was done many years ago. 2024 will be payment eight of ten on that agreement, which is also $40,000 a year, with the exception of the last payment, which will just be the balance. I believe it's a little under $40,000—somewhere in the $38,000 to $39,000 range. We're getting close to being done with that agreement. The water and sewer connections fund advanced money into the Gender Road TIF Fund to complete the Bixby Road utility extension that we did a couple years ago. As money comes into the Gender Road TIF Fund, we are slowly repaying that money to the Water and Sewer Connections Fund. I do have money budgeted in there to make repayments to both of those funds next year. Again, the city gets* *paid last, so if something comes up that we need to use a Gender Road TIF Fund from those repayments, that may not happen or the dollar amounts may be smaller. It is there depending on how much revenue comes in and what we anticipate happening out of that fund next year. The Bed Tax Fund: This has obviously grown significantly over the last several years due to the addition of hotels. Currently, we have it budgeted, with half of it going to the destination as required. The bed tax grant is set at $25,000. Council had previously passed an allocation to several community organizations, so that's where that $112,000 comes from. That is all based on the anticipated revenue that we will bring in in 2024. The Bixby Road TIF Fund: This is a newer fund; 2023 was actually the first year of collection in this fund. I just wanted to point it out because it is new, so if you're trying to compare last year to this year, you're not going to see it. It is a very minimal expenditure right now. We have to account for what the county charges us to collect and administer property taxes; that's the only expense you'll see out of there for next year. All the other special revenue funds that were listed on that first page are really nothing significant or worth talking about tonight. They all have very minimal expenditures budgeted. Does anyone have any special revenue fund questions? General Obligation Fund: This is where we pay for our debt. Anything that is not specifically related to utilities. Utility debt is paid out of utility funds. Our general obligation debt is paid out of the general fund or debt service fund transferred from the general fund to the debt fund. We don't have a ton of outstanding debt, to be quite honest with you. As I mentioned, we don't have any voted debt, but this page shows you exactly what we have outstanding in the general obligation world, which is not much. This will all be paid off by 2042. Obviously, we're probably going to take on more debt, but between now and 2042, it is not going to tax our city by any means by taking on additional debt because our debt is so low. Utility funds: we do have the water, sewer, and storm water funds, which are all funded through user charges, so when you pay your utility bill. We also have the water and sewer connections fund, which means that when somebody wants to tap into our lines, they have to pay a connection fee. I did want to point out two newer funds that fall into this category. The Canal Pointe Industrial Public Water System Fund and the Pickerington Water Capacity Fee Fund were approved by council in late 2022. The establishment of them will allow actual revenue to start flowing into them in 2023. These are not new funding sources; we are merely redirecting funding that used to be going into the regular water and water connections fund to these other funds to help us account for the fact that, in the eyes of the EPA, we have two water systems. We tried to separate them out for reporting purposes to make it easier for our water department to file all their required reports. The Pickerington Water Capacity Fee Fund is actually what we consider an agency fund, meaning that I don't need to budget it because those funds are not ours. We are collecting them on behalf of the City of Pickerington and then remitting them to the City of Pickerington. We used to do that through our own water connection fund, but again, we established this to make it a lot cleaner and more easily identifiable between what belongs to Pickerington and what belongs to Canal Winchester. The revenue estimates in the water and sewer funds are based on our number of users, what our average usage is, and what our rates are. In 2022, the city council passed a rate ordinance where we will have an increase effective in 2024, so that's taken into account in our revenue estimates for these numbers. On the expenditure side, both the water and sewer do contribute a portion of the city administrator's salary and benefits. The city administrator is tasked with overseeing everything in the city, so it's only fair that the water and sewer funds bear a little bit of the cost of having that position. Then also, there's the same increase in salaries and benefits for those employees that we talked about in general: cost of living, health insurance, premium increases, and things like that. Chemicals and utilities continue to increase, so we're anticipating increases again. Then the debt payments: the water does not have a ton of debt outstanding. They have about $1.7 million currently. We do have a project that we are undertaking this year that will come online. I don't have enough information right now to include that, but in the fall I will have more information to include that debt payment in our budget. The sewer fund is even in better shape, so 2024 will be the last year on two of the three outstanding sewer debt that we have. They're going to go away after next year, which will leave* *one outstanding, which has about a half million dollars or so left on it, but that takes us to the bottom of this next slide about the headworks project. At this point, they're still in the detailed design phase. I don't have enough information to include anything in the presentation in regards to that and its effects on 2024. We will likely have more information in the fall when we do the appropriations.*

Clark – But, it's significant?

Jackson – It is very significant, yes, but the point of the previous slide was to show you that there's not much happening debt-wise in the sewer fund, which is fantastic and going to allow us to take on that debt. I wanted to touch on the storm water fund: the city council did approve again, with that rate ordinance in 2022, an increase in the storm water rate. That is taken into consideration in the revenue projection on the expenditure side. This fund is slowly building. We know we're going to have some large equipment needs related to storm water in 2024 or maybe 2025 if we can ride it out a little bit. We're definitely going to need that increase in revenue that the city council passed. The biggest thing we're talking about is a new street sweeper. I don't know if any of you have seen the one we have—I shouldn't say seen, but heard the one we have. It's something we've been talking about for several years. We've had to put a lot of money into it repair-wise, so we're going to try and fit that into a budget here, hopefully next year or the year after, to get that replaced. The water and sewer connection funds again I touched on where that revenue source comes from. We've seen a lot of activity in the last several years because of this development. These funds are really used for emergency repairs and things along those lines. We do use them for larger projects, so we have the large waterline project. We have the headworks project. We will be using some of these funds for those projects, but we also include budgeted revenues for emergencies out of both of these funds. Just a real quick recap about this tax budget: it's not the final budget. Revenues can and likely will change between now and the end of the year, and that's okay. The final appropriations I will bring to you in the fall. Out of all the city's funds, we have two next year where our expenditures exceed revenues. The street maintenance fund, we talked about taking on one full year of debt payments to allow the general fund to have extra money for the street program. The Canal Pointe Industrial Public Water System Fund: the only reason that expenditures exceed revenues in this one is a timing thing. We bill bi-monthly, which means we also collect money over the course of two months. Pickerington does theirs monthly, so there's always a little timing issue there. This is just to account for that. All the other funds that were mentioned tonight and not mentioned have a balanced budget for 2024 as of today. I'd be happy to answer any questions you may have.

Clark – Mrs. Amick and I were talking, and we saw that the city is roughly $500,000 up on revenue. Do you have any indication if that is an increased number of jobs that are in the city or is that from people that were collecting more due to working at home?

Jackson – That is a very difficult question for me to answer, and I'll tell you why. Back when people started shifting to working from home, I had many discussions with the regional income tax agency about how to capture the change. The problem is they can't because all that changed was on the employer's side, not RITA's. When an employer is withholding funds from their workers, all they did was change from, let's say, downtown Columbus to Canal Winchester, but when they remit that to RITA, they don't have it flagged any differently. They can't tell me that anything changed with that money to show me that it's a resident tax versus a workplace tax. They've tried everything; the system just isn't sophisticated enough to provide that information. Unfortunately, I can't answer that, Mr. Clark.

Clark – Do they tell you where their employer is?

Jackson – What I can do is pull up every single business that remits withholdings and get all their filings and all that, but it does not give you that detail. It'll just say, "Here are all the municipalities we withheld income tax for; here is where it was a workplace; here's where it was a resident." Now most of the businesses in Canal Winchester are large enough that they're required to do that every two weeks, which means over the course of the year there are 26 filings that I would have to go through for a specific business in order to determine that. It's a lot of work. Unfortunately, there's no easy way for me to answer that.

Amick – Do we have a rough order of magnitude as to how many net new jobs would have gone against that number?

Jackson – I don't know if Mr. Haire might be better off telling you that with the development. For me, they don't give me employment numbers. I'm not sure if he can answer that or not.

Shea – Do they do a count on the social security numbers that they're collecting from a year-to-year comparison?

Jackson – They might be able to. I do not have access to that information. I don't know if they have it in an easy format for them to calculate that. I truly just don't know.

Amick – I would imagine we're not the only city asking them for that too.

Shea – On the estimated encumbrances, if I remember from your lessons last year, an encumbrance is money that was previously budgeted and is committed to an item or expense that isn't actually spent and carries over.

Jackson – Correct. The encumbrance would be an open purchase order. In order for anyone in the city to spend money, they have to open a purchase order. If that purchase order has not been closed or completely expended by the end of the fiscal year, it is carried over. That is what an encumbrance is, so in this case, when we're talking about 2023 and 2024, a carryover purchase order would be taking the 2023 budgeted revenue and adding it to the 2024 budget. Does that make sense?

Shea – Yes.

Jackson – So, we're not using 2024 money for 2023 expenses.

Amick – What does PITIE stand for? It's under special services; it's something for Diley Road.

Jackson – Payment in Tax Increment Equivalent.

Amick – The amount was sort of large.

Jackson – It's a TIF, or tax increment financing, which is what Mr. Boggs is saying: a TIE, or tax increment equivalent. It's the redirection of property tax money into a special fund, and all those agreements had to have been previously approved by city council.

Amick – Why is that a special service?

Jackson – When the city council approves a TIF, the funds that are generated from that TIF can only be used for public improvements in that TIF area, which then restricts them.

Buskirk – Thank you for breaking that down, being so thorough, and explaining it in such a way that it's easy to understand.

Jackson – You're very welcome. The tax budget is on for three readings, so if at any point over the next three meetings you have more questions, please let me know.

Milliken – I just want to note that there's nobody here available for public comments, so at this time, if there's no further council discussion, I'd ask for a motion to adjourn.

D. Staff Report

E. Public Comments - Five Minute Limit Per Person

F. Council Discussion and Recommendation

G. Adjournment @ 6:14 p.m.

A motion was made by Shea, seconded by Buskirk to adjourn. The motion carried with the following vote:
Yes 6 – Shea, Buskirk, Clark, Milliken, Walker, Amick