



**MINUTES REGULAR MEETING
REYNOLDSBURG ETNA-REYNOLDSBURG JOINT ECONOMIC DEVELOPMENT
DISTRICT #2
February 16, 2024**

CALL TO ORDER

Chair Washington called the meeting to order at 11:35am.

ROLL CALL

Board Present: John Carlisle, Jackie Cotugno, Rozland McKee, Shanette Strickland, and Necol Washington

Others: Lori Gischel, Sean McCarter, Darren Leist, Morgan Syck, and Mollie Prasher

APPROVAL OF MINUTES

Regular Meeting Minutes from November 2023

Treasurer Strickland moved to approve the meeting minutes of November 17, 2023, as submitted. Second by Board member Carlisle.

NEW BUSINESS

There was no New Business.

OLD BUSINESS

City of Reynoldsburg Clerk Services Agreement

As a discussion of the Clerk's service agreement was held during the JEDD #1 meeting with no further discussion of the issue during this meeting, a copy of that discussion will be included in these minutes.

The Board was presented with a resolution passed by the City of Reynoldsburg regarding an agreement with the JEDD Board and the City for clerk services. The City has approved providing the Clerk of Council for the City as the clerk for (JEDD #2) at a cost of \$1,000 per year. This issue was discussed by the Board in 2023.

Attorney McCarter, Albers & Albers, stated that Etna Township Trustees did not

need to be a party to this agreement. They would just need to approve the agreement, but need not be a signatory to the agreement. Attorney McCarter suggested that the City amend the resolution to remove Etna Township from the legislation. Attorney Leist, City of Reynoldsburg, commented that removing Etna Township could be problematic as the Township had an obligation to consent to the agreement even without being a party to the agreement.

Board member Carlisle questioned whether the Board was contracting with the Township. He asked Attorney McCarter if he was recommending that the agreement be revised. Was the change necessary? Attorney McCarter explained that any agreement certainly needed to be approved by the Township, but the Trustees did not need to be a party to this agreement as it should just be between the JEDD Board and the City. However, Attorney McCarter stated that Attorney Albers indicated that the agreement would have been cleaner without including Etna Township as a signatory, but changing the agreement was not absolutely necessary. Attorney McCarter suggested that the agreement be amended to include the Etna Township Trustee's approval as to form only. Attorney McCarter thought the Board had already approved making the revision in November.

Board member Carlisle moved to approve the clerk agreement as submitted.

Second by Board member McKee. Roll call vote: Carlisle - Yes; Cotugno - Yes; McKee - Yes; Strickland - Yes; Washington - Yes. Motion carried 5-0.

TREASURER'S REPORT

Discussion of Negative Balance in JEDD #2 Fund

Ms. Gischel explained that this JEDD fund reflects a negative balance. Tax refunds issued during the fourth quarter of 2023 resulted in a negative net collection. Consequently, the JEDD entities did not receive a fourth quarter distribution. Specifically, a large estimated tax payments of \$660,000 were made and distributed by RITA to the City (mid-2023), then subsequently disbursed to the JEDD entities. Normally, when large payments are received and refunded, the next distribution is offset by any overpayment. However, JEDD #2 did not receive enough revenue in the next payment to offset this overpayment. A second large payment of \$320,000 was received, but that payment was held by the City and not distributed. In November 2023, refund requests of \$515,357 were received. ORC 718 requires a refund be issued within 90 days. On January 25, 2024, the City of Reynoldsburg informed the JEDD entities of the situation and that \$320,000 was still subject to a refund. (A copy of that letter sent was included in the Board's packet.) Normally, negative amounts will be offset by future payments; however,

this negative balance is so large that it might not be offset during the fiscal year of 2024. If the balance remains negative, the City may request the JEDD Board consider granting the City permission to invoice the entities for previously distributed funds.

Attorney McCarter explained that it would take a couple of years for the JEDD tax collection to replenish the account. The JEDD fund cannot remain in a deficit.

Ms. Gischel advised that ORC 718.83 allows the state of Ohio to request net profits back that were previously distributed. Our JEDDs do not have that language, but the Board could establish such a policy.

The Board discussed how to proceed. It was decided to approve the proposed action and request the City of Reynoldsburg to invoice the entities to request distributed funds be returned. Ms. Gischel discussed the amount that would be due from each entity, but indicated that the amounts did not include the 3% deducted for the City of Reynoldsburg administrative tax fee.

Chair Washington suggested that the Board should find a new strategy to deal with this issue moving forward.

Attorney McCarter advised that the entities were not parties to the JEDD agreement. They were parties to the DCA, which was their only standing. That agreement does not explicitly speak to the issue of being able to "claw" money back. However, he indicated that the JEDD Board had the right to request the funds be returned. He suggested that any request cite the definition of gross revenue and ask for all the \$515,000 back.

Board member Carlisle moved that the JEDD Board recognized the deficit of JEDD #2 and directed the Board to do its fiduciary duty to correct the overpayment by asking the City of Reynoldsburg to request repayment of the \$515,000. Second by Board member McKee. Roll call vote: Carlisle - Yes; Cotugno - Yes; McKee - Yes; Strickland - Yes; and Washington - Yes. Motion carried 5-0.

Attorney McCarter recommended that the Board consider a policy to provide that "the City shall, if it receives an abnormally large tax payment, that it reasonably has concerns about and subject to refund, contact the JEDD Chair, or if not available the Vice Chair, to request the right to not distribute the funds as Gross Revenue, but instead to hold the funds subject to refund. If the Chair or Vice Chair finds that holding the funds subject to refund is warranted, they shall consent to holding the funds. Following this, the matter shall be brought before the JEDD Board at its next regularly scheduled meeting for consideration and a determination of whether the funds should continue to be held as funds subject to refund, and if so, for how

long."

Ms. Gischel added that RITA can hold money, but the City of Reynoldsburg cannot.

Board member Carlisle moved to allow Ms. Gischel, the City of Reynoldsburg Tax Administrator, to take actions necessary to hold funds based on the gross revenue as presented by Attorney McCarter. Second by Board member McKee. Roll call vote: Carlisle - Yes; Cotugno - Yes; McKee - Yes; Strickland - Yes; and Washington - Yes. Motion carried 5-0.

Chair Washington suggested that this issue be added to the agendas of JEDDs #1, #3, #4, and #7 at the next Board meeting.

Finance and Distribution Report

Ms. Gischel reviewed the fiscal information and Treasurer's Report information provided to the Board. She provided an income tax revenue comparison report for JEDD #2 and the final TPA distribution summary for 2023 by entity. The total income tax revenue distributed during calendar year 2023 was \$777,600.68. The total distributed for January 31, 2024, for the fourth quarter, was \$0.

Board member Carlisle moved to approve the Treasurer's Report. Second by Board member Strickland. Roll call vote: Carlisle - Yes; Cotugno - Yes; McKee - Yes; Strickland - Yes; and Washington - Yes. Motion carried 5-0.

Appropriations/Budget

Ms. Gischel advised the Board that money market or CD options would not be available for JEDD #2 yet. As soon as there were sufficient revenue numbers in the BIA account, she would recommend investing funds in either a Money Market or a CD. Ms. Gischel provided a hand-out to the Board regarding the percentage rates for the Heartland Money Market and Heartland CDs. She recommended that either of these options would be a good short term investment for the Board. The Money Market had a rate of 4% for 12 months with a minimum deposit of \$25,000. Heartland offered two CD rates of 5% for 12 months with a \$5,000 minimum and 4.5% for 6 months with a \$5,000 minimum.

Ms. Gischel explained that JEDD #2 was on a rotation for an audit during 2024 for fiscal years ending 2022 and 2023. She suggested that the Board give consideration to giving Treasurer Strickland approval to sign a letter of engagement with the auditor's office to begin the audit process. That service would cost an



estimated \$1,000.

Board member Carlisle moved to approve treasurer Strickland to sign a letter of engagement for the audit process. Second by Treasurer Strickland. Roll call vote: Carlisle - Yes; Cotugno - Yes; McKee - Yes; Strickland - Yes; and Washington - Yes. Motion carried 5-0.

Payment of Outstanding Invoices

During this reporting period, there were invoices amounting to \$1,040.00 for Professional/Paralegal services.

ATTORNEY'S REPORT

There was no Attorney Report submitted.

BOARD MEMBER COMMENTS

As there was no further business, Chair Washington adjourned the meeting at 12:17pm.

Necol Washington, Board Chair

Mollie Prasher, Clerk