

THE CITY OF STREETSBORO, OHIO
FINANCE COMMITTEE MINUTES

Monday, December 28, 2020

This Finance Committee Meeting was called to order on Monday, December 28, 2020 at 7:00 p.m. by Justin Ring, Chairman. Mrs. Field gave an invocation and then Mr. Hannan led the Pledge of Allegiance.

PRESENT: Jon Hannan, Jennifer Wagner, John Ruediger, Julie Field

ABSENT: None.

ALSO PRESENT: Frank Beni, Law Director
[by Zoom video conferencing:]
Justin Ring, Council Member
Chuck Kocisko, Council Member
Mike Lampa, Council Member
Glenn Broska, Mayor
Tricia Wain, Police Chief
Rob Reinholz, Fire Chief
Jenny Esarey, Finance Director
Brian Cooper, Squire Patton Boggs
Bill Miller, Service Director
John Cieszkowski, Planning Director
Patrick O'Malia, Economic Development Director
Greg Mytinger, Parks and Recreation Director
Caroline Kremer, Clerk of Council

Disposition of Minutes

MOTION: TO ACCEPT THE REGULAR FINANCE COMMITTEE MEETING MINUTES OF SEPTEMBER 28, 2020 AS PRESENTED.

Moved by Mr. Lampa, seconded by Mr. Hannan. Upon voice vote, **motion carried.**

Monthly Financial Report

Ms. Esarey said the November financial reports were distributed on December 1, 2020. The salaries and wages still looked good at the end of November. The General Fund expenses were below target at 89%; a lot of it had to do with moving some of the salaries and wages out of the General Fund to the CARES Fund. The Total expenses were also below target at 87%. General Fund revenue was above target at 96% and Total revenues were at 94%. The income tax receipts through December were at 99.63%, so very on target with a deficit of only \$47,000 even with a pandemic going on. She hoped to start seeing some increases in 2021.

Mr. Ring wondered if the City would still have been on budget if it had not used the CARES Fund for some wages and salaries. Ms. Esarey said the City would still have been OK because it was projecting that revenue to come in; it would just help the carryover. Even without the CARES money the City would have been on target for expenses because she had budgeted for the salaries; the City had projected there would be a small deficit. Overall, the budget was on target with both revenues and expenses; the Building Department actually received much more revenues because of the changes in the fee structure, which helped the General Fund.

Old Business

Set Pay for Next Term of At-Large Council Members / T-6967 Amend Section 121.07 Relating to Council Compensation

Mr. Ruediger said legislation had been drafted to set the pay at the same amount for the At-large and Ward Council Members to be effective when each group was sworn in and took office, which was very similar to how it was before Council started changing things a couple of years ago. The legislation would keep the compensation at the same rate until Council changed it. He thought this was what Council had requested.

Mr. Ring said the pay had been changed so the Council Members would earn a full year of service credit for OPERS for a number of years into the future. He was concerned that future Councils may not understand the intention since the Code would no longer have any reference to OPERS. In the future when the pay was no longer sufficient to earn a full year of service credit (maybe 10 years or so into the future), he didn't know if that future Council would understand the intention and make the necessary changes. There was discussion about how to reword the language in the legislation to make that clear so the Council Members would always earn enough to earn at least a full year of OPERS service credit; so that the OPERS minimum rate for service credit would be considered when setting Council compensation. Mr. Beni explained that if this legislation passed, the future Council would always be able to refer back to this legislation and see Council's intention as described in the WHEREAS statements and the prior Code language.

MOTION: TO SEND THIS TO TONIGHT'S REGULAR COUNCIL MEETING FOR FIRST READING.

Moved by Mr. Ruediger, seconded by Mr. Hannan. Upon voice vote, **motion carried.**

Discuss 2021 Proposed Budget / T-6952 Adopt 2021 Appropriations

Ms. Esarey said she had received no phone calls or emails with any questions regarding this proposed budget. She had sent Council an email regarding the Property and Casualty and Cyber Insurance, which was on tonight's agenda, because the renewal cost was a little more than budgeted for 2021, so account #101-81-5521 Comprehensive Insurance needed to be amended by \$3,511 before it was approved by Council.

MOTION: TO AMEND THE 2021 BUDGET TO INCREASE LINE ITEM #101-81-552 BY \$3,511 AS REQUESTED BY MS. ESAREY.

Moved by Mr. Ruediger, seconded by Mr. Hannan. Upon voice vote, **motion carried.**

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING AS AMENDED.

Moved by Mr. Ruediger, seconded by Mr. Lampa. Upon voice vote, **motion carried.**

New Business

Discuss Bond Legislation

Provide for the Issuance and Sale of Bonds for the Service Garage

Provide for the Issuance and Sale of Bonds for the Fire Station

Brian Cooper, the City's municipal bond advisor, joined the meeting by Zoom. Ms. Esarey had emailed the Council Members a memo regarding this topic. She said on April 15, 2020 the City had gone out for Bond Anticipation Notes for the Service garage and fire station. Those Notes will expire on April 15, 2021, so she and Mr. Cooper thought it would be good to bring these draft ordinances to Council for discussion tonight, not adoption, yet. The Charter required a 30 day referendum, so even though these ordinances were written to be passed as emergency legislation, the City would still have to wait the 30 days, so that's why they were asking to send these to the January 11, 2021 Regular Council Meeting for emergency passage.

She noted that both of these were written with the interest at 6%; like the Bond Anticipation Notes, this was worst case scenario and she wouldn't do it for 6%, but they needed a place holder number. Also, the principal amount was written for the full amounts that the City got for the Bond Anticipation Notes (as a place holder), but the intent was to use the levy proceeds that the City received for 2020 the entire year and then also March of 2021 to pay down the principal so that way the City was bonding out long-term less than what the Bond Anticipation Notes were for.

Mr. Cooper said Ms. Esarey had just given a great explanation. He added that the Notes were coming due on April 15, 2021 so the City would need these bond ordinances to be approved so he could start the documentation rating and underwriting process so they could write and close the Bonds about a week before the 2020 Notes matured. He said the City would authorize a not to exceed Bond amount of about \$6,255,000 which would include the fire station and Service garage. The City intended to use about \$565,000 cash on hand plus some bond premium that would be generated from the sale so the actual bond amount that he currently projected would be around \$5.5 million over 20 years. The not to exceed 6% interest rate would change to the current rate, which on these bonds was sub 2%, but last year there was some volatility so it's all subject to market conditions.

Mr. Ring appreciated that information. He agreed no one could know where the market would be in March 2021, but hopefully it stayed sub 2%.

Mr. Ruediger asked for clarification on the timeline. Mr. Cooper said they were asking for Council approval on January 11, 2021; in February they would schedule a ratings meeting with Standard & Poor. The City's current rating was AA stable, but they still needed to schedule a meeting with the rating agency to walk through the credit with them in February 2021. The City would have the

rating in hand by early March 2021 and they expected to price (set the interest rate on the Bonds) in mid-March with a closing on April 8, 2021, which is about one week before the Notes matured. Ms. Esarey added that the Bond process takes a lot longer than the Bond Anticipation Notes. Since the City was taking it out for 20 years, it definite needed the time to go through it; there was a lot to get done. Ms. Esarey clarified that the Bond Anticipation Notes would expire on April 15 and the money would be due and the City would have two options: 1) pay them off, which the City was looking to do by issuing the Bonds; or 2) roll it over again for another Bond Anticipation Note. Since rates were favorable at this time, this was the better option for the City, to try to lock in the rate for 20 years. They wanted to get everything done in time to pay off the Notes (by issuing the Bonds) the week before they were due.

MOTION: TO MOVE THESE TO THE JANUARY 11, 2021 REGULAR COUNCIL MEETING.

Moved by Mr. Ruediger, seconded by Mrs. Field. Upon voice vote, **motion carried.** Mr. Cooper offered to answer any questions that may arise, he wished everyone a Happy New Year, then left the Zoom meeting.

Discuss Annual CMI Software and Hardware Maintenance Fees

Ms. Esarey said this was the normal annual fee shared by both the Finance Department and the Water Billing Utility. Since the City would be offering on line payments in 2021, the City had to have a \$150 fee set for the authority easy pay, which was new to this annual agreement. This was budgeted as part of the annual budget. Ms. Esarey asked that this be passed as emergency legislation by Council at the January 11, 2021 Council Meeting.

MOTION: TO MOVE THIS TO THE JANUARY 11, 2021 REGULAR COUNCIL MEETING.

Moved by Mrs. Field, seconded by Mr. Hannan. Upon voice vote, **motion carried.**

T-6953 Property and Casualty and Cyber Insurance

Ms. Esarey said the City had received the 2021 property and casualty and cyber insurance renewal. The budget was a little low, but Council had already amended the proposed 2021 budget to accommodate this renewal. The total for the property and casualty insurance renewal was at \$141,303 and the cyber insurance renewal was at \$8,752. She thought the biggest reason why the cyber insurance cost had increased was because of losses; there were a lot of law enforcement and public official losses, the loss runs for 2013 to 2015 were trending down, which was good, but there was about a 200%-300% increase in claims from 2017 to 2019, which was not good for the renewal. There were some 2020 claims submitted in November for law enforcement and a water tower pipe break, so those negatively impacted the renewal rate by about \$2,500. Also, an effect on the renewal was the City's exposure because the City was adding more than it was taking away, so there was more to insure. Also, the reinsurers were increasing property rate increases due to nationwide fires and hurricanes.

Ms. Esarey noted that the City had looked at other quotes with its broker: some declined to quote,

some of the pricing was not competitive at all, and some of the quotes couldn't be provided to the City for a January 1 renewal. The City didn't have a loss with cyber insurance, but the industry was dealing with extortions and losses nationwide with more people online due to COVID-19, so the cyber insurance overall was going up. She said, although there was an increase, the City definitely wanted to continue the cyber insurance coverage.

Mr. Ring said the cyber insurance increase of 40% was pretty significant, but he understood. He asked for clarification on the law enforcement claims mentioned. Ms. Esarey didn't know the specific situations, but it was lawsuits against the City where someone said they were wrongfully arrested or mistreated while dealing with our officers.

Mr. Lampa commented that from discussions with representatives of Invoice Cloud he understood the City was not on any hook as far as security on credit cards, etc.; he said "that all lies on their end and they take care of that."

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Ruediger, seconded by Mr. Lampa. Upon voice vote, **motion carried.**

Annual Building Department Contracts

T-6954 Contract w/Laconti for Back up Inspection

T-6955 Contract w/CT Consultants for Chief Building Official, Plan Reviews

T-6956 Contract w/Inspection Solutions for Inspection Services

Mayor Broska said the Building Department had provided the information. He was not aware of any increases. The contract with Mr. Laconti was for back up inspections when the City got behind, and the rates were not raised. CT Consultants was the City's CBO and they had done a good job for the City and did all the plan reviews. Mayor Broska had no desire to change, and there were not a lot of people available that did what CT Consultants did. He thought they had not raised their prices either. Inspection Solutions was used for back up when needed.

MOTION: TO MOVE ALL THREE OF THESE TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Ruediger, seconded by Mrs. Field. Upon voice vote, **motion carried.**

T-6957 Authorize Purchase and Upgrade of Taser Units for Police Department

Chief Wain said they had reviewed some of their equipment and determined that some of the tasers were well beyond their expected life span and a couple had begun to malfunction and they were past their extended warranty. There were enough funds left in Capital Equipment in the 2020 budget to purchase 18 new tasers with extended warranties, 26 battery packs, right- and left-hand holsters, and new taser cartridges which would cover about 95% of the uniformed officers. Old taser cartridges could be repurposed for training because they had a limited shelf-life. When the old tasers (5-7 years old) malfunctioned the digital display went out and the officer couldn't tell what was left in the battery life.

Mr. Ring wondered if any officers were at risk in a critical situation with the malfunctioning tasers. Chief Wain said No, if they couldn't count on the equipment to work it didn't go out on the street with the officers. She said it would cost \$1,000 for Taser to repair one, and it cost about \$1,000 to get a new one, so the department chose to not repair the broken one and Taser just kept it instead of returning it. Another one that lost the digital display would be used for training.

After the new tasers arrived, the department would keep some of the old ones for training and check to see if Taser wanted any of the old ones back to be refurbished (they may not because they were so far out of warranty), or see if any other police agency wanted some because some agencies could not afford to buy any.

Ms. Esarey noted there was an amendment to the 2020 budget included with the appropriation adjustments later in tonight's agenda to accommodate this purchase.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Hannan, seconded by Mr. Ruediger. Upon voice vote, **motion carried.**

T-6958 Authorize Further PD Elevator Repairs

Chief Wain said last month Council had authorized some repairs to the elevator. Gable Elevator had hoped replacing the motherboard would fix the problem, but it did not correct the problem and the elevator was still not working. Gable had said, if they needed to change some software, it could cost \$10,000 to \$12,000, but they had since found a replacement for that and dropped it down to \$4,180 for the software. They hoped the software chip would resolve the issue, but if it did not, they would need to replace the software and the motherboard and that's why the department needed both expenditures prepared.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Ruediger, seconded by Mr. Hannan. Upon voice vote, **motion carried.**

T-6959 Amend Ord. No. 2020-177 Repair Dump Truck #900

Mr. Miller said the ordinance had been approved at a previous meeting and then Cerni started work on the dump/plow truck and found about \$2,500 of more repairs that were needed. He asked that the previous ordinance be amended so Cerni could complete the repairs and get the truck back to the City by Wednesday in case there was more snow.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mrs. Field, seconded by Mr. Lampa. Upon voice vote, **motion carried.**

T-6968 Annual Authorization to Purchase Replacement Waterlines and Repair Parts

Mr. Miller said this was the yearly ordinance to allow the Service/Water Department to purchase pieces that may be needed to repair waterlines, not to exceed \$50,000 in 2021. He said this was not emergency and could go through three readings.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING FOR FIRST READING.

Moved by Mrs. Field, seconded by Mr. Ruediger. Upon voice vote, **motion carried.**

T-6969 Annual Authorization to Purchase Hydrant Replacement and Repair Parts

Mr. Miller said this was also a yearly authorization to purchase hydrant parts as needed throughout the year, not to exceed \$30,000. This also did not need to be emergency legislation and could go through three readings.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING FOR FIRST READING.

Moved by Mrs. Field, seconded by Mr. Ruediger. Upon voice vote, **motion carried.**

T-6970 Authorization for 2021 Asphalt Preservation Program

Mr. Miller said this was the yearly authorization to spend up to \$75,000 out of #401-61-5717 for items necessary for asphalt repairs. This could also go through three readings so it would be done by the time the Service Department needed to start doing pavement repairs.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING FOR FIRST READING.

Moved by Mr. Hannan, seconded by Mr. Ruediger. Upon voice vote, **motion carried.**

T-6960 Authorize Annual Public Defender Contract

Mrs. Kremer explained this was an annual agreement the City had with the County Public Defender Office. If there were any indigent defendants the County would take care of them for us. This contract would charge \$150 per case, but the City got very few of these cases. In 2020 there were none and in 2019 maybe one or two, but the City always had this active. Mr. Beni confirmed this was used when someone was in violation of a City ordinance and claimed indigency if it was a jailable offense. Often, if it was a jailable offense, the police officers usually cited under the state statutes so the City would not be charged the public defender fee.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Lampa, seconded by Mrs. Field. Upon voice vote, **motion carried.**

T-6961 Purchase Fire Department Mattresses and Recliners

Chief Reinholz requested permission to buy 5 mattresses and box springs along with two recliners. He said they usually replaced a few worn mattresses at a time and there were two recliners that were busted. He had enough money in his 2020 Equipment line and asked that this be approved at tonight's Regular Council Meeting. The recliners were comfortable but also durable to last a while in the 24/7/365 station.

Mrs. Field liked that these items were all made in the USA. She asked if this type of purchase was done often because she didn't remember reviewing this in the past. Ms. Esarey noted that in previous years these types of purchases were authorized through Board of Control, so Council would not have reviewed them, but there was no time to wait for a Board of Control Meeting this month, so Council was being asked to authorize these purchases tonight to use money from the 2020 budget. Chief Reinholz said he usually purchased 3 or 4 mattresses at the end of the year if there was money available. This year he would purchase standard mattresses and box springs and the firefighters could add toppers or pads at their own expense if they wanted something different instead of trying to buy something to accommodate everyone's preferences. The station had 10 bunks and he would purchase 5 mattresses this year because he had the funds available. Chief Reinholz noted the delivery would be about 6 weeks out. He had the money available from the 2020 budget and had a need for the items to be used in 2020 so he would make the purchases now and then take these items to the new station when it was ready in April 2021.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Kocisko, seconded by Mrs. Field. Upon voice vote, **motion carried.**

T-6962 Authorize GPD Engineering Services for 2021

Mayor Broska said the wording of this ordinance reflected the wants and needs of the administration to get an in-house City Engineer and referenced the use of GPD Engineering Services on an as needed basis. Because the 2021 budget authorizing salary expenditure for a City Engineer had not been passed yet, the Mayor could not start the hiring process until that was done, so this agreement was to be put in place for an acting City Engineer until the City could hire its own City Engineer. GPD Group did not raise their 2021 prices from last year.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Ruediger, seconded by Mrs. Field. Upon voice vote, **motion carried.**

T-6963 Agreement w/Bowman Appraisal Services for SR 43N land acquisition

T-6964 Agreement w/O.R. Colan Associate for SR 43N land acquisition

Ms. Esarey said these were with regard to the SR 43N center turn lane ODOT project. The Bowman agreement was for appraisal services and O.R. Colan would deal with the right of way purchases with the property owners along SR 43 with regard to the right of way acquisitions. She noted that the pricing listed in the ordinances matched with the prices in the agreements, but she had written confirmation from ODOT that ODOT had encumbered the 90% for both of these and the City would only have to pay 10% of both of these. ODOT would be invoiced and pay the 90% directly to these companies so the City would save money in the 2021 budget. The acquisition purchases would come later and be handled separately.

MOTION: TO MOVE T-6963 TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Ruediger, seconded by Mr. Lampa. Upon voice vote, **motion carried.** Mr. Lampa

asked if GPD would handle the right of way acquisition for the project. Mayor Broska told him No, O.R. Colan would handle the acquisition and then another agency (not GPD) would check to make sure it was done the right way; it was a standard ODOT thing. That's why the appraisal was done by Bowman separately.

MOTION: TO MOVE T-6964 TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Lampa, seconded by Mrs. Field. Upon voice vote, **motion carried.**

T-6965 Final ODOT Legislation for SR 14 Widening to Diagonal Road

Mayor Broska said this was the final legislation; the City had received the final estimate from ODOT and it fell within expectations and now this needed to be authorized and a check sent to them by January 15, 2021. The next City Council meeting was not scheduled until January 11, 2021, that's why this was being requested as emergency legislation tonight, but the \$982,154.20 would be a 2021 expenditure. This was for construction and then the construction administration expenses through ODOT.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Ruediger, seconded by Mrs. Field. Upon voice vote, **motion carried.**

T-6966 Authorize 2020 Fund Transfers

Ms. Esarey said this was an annual requirement that Council approve all the fund transfers that occurred during the year. Exhibit "A" listed them: some of them had to do with unclaimed monies; some of them were from the General Fund to the Capital Fund since all the municipal income tax receipts were going into the General Fund to afford everything in the Capital Fund; there was the normal transfer for the bond payment for the water tower; and also for the Health Reimbursement Account. The unclaimed monies had to do with checks the City issued that were never cashed after multiple requests and had been held for five years. This was a normal annual request for approval that was needed for the audit review.

Mr. Ring thought this was redundant because Council had approved these transfers when they occurred during the year. Ms. Esarey agreed, but after an audit a few years ago one of the management letter recommendations said that although Streetsboro was line item budget a separate ordinance was still required, and there had not been a problem since the City started doing this although it may be redundant.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Ruediger, seconded by Mrs. Field. Upon voice vote, **motion carried.**

T-6951 Amend 2020 Annual Appropriations [#16]

Ms. Esarey explained the "on behalf payments." The City was required to book on our financial books both cash and accrual that the City was receiving the federal funds for the ODOT payments; these were for the City-wide signalization project, the SR 14 project, and the SR 43 project. The

City had been paying its 10% or 20%, the federal government was paying the remaining 90% or 80%, so the City had to book those, but it was a net \$0 effect to the City's financials. It was \$487,739 on this appropriation adjustment exhibit with revenue offsetting the expense. Everything else on this adjustment was an in and an out. This exhibit was accommodating the Tasers, the extra repairs for the PD elevator, and also the dump truck #900 that had been discussed tonight and this final appropriation adjustment for the year would make the budget whole for 2020.

MOTION: TO SEND THIS TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Ruediger, seconded by Mrs. Field. Upon voice vote, **motion carried.**

Citizens' Comments

None.

Announcements

A Regular Council Meeting will immediately follow this meeting.

There being no further business to come before this Finance Committee, and upon motion by Mr. Ruediger, seconded by Mrs. Field, this meeting adjourned at 7:59 p.m.

ATTEST:

Caroline L. Kremer, Clerk of Council

Justin Ring, Chairman