

THE CITY OF STREETSBORO, OHIO

SPECIAL FINANCE COMMITTEE MINUTES

Monday, September 14, 2020

This Special Finance Committee Meeting was called to order on Monday, September 14, 2020 at 8:48 p.m. by Justin Ring, Chairman.

PRESENT: Mike Lampa, Jon Hannan, Justin Ring, Chuck Kocisko, Jennifer Wagner

ABSENT: Julie Field, John Ruediger [joined at 8:49 p.m.]

ALSO PRESENT: Glenn Broska, Mayor
Frank Beni, Law Director
Rob Reinholz, Fire Chief
Shawna Lockhart-Reese, HR Manager
Caroline Kremer, Clerk of Council
[by Zoom video conferencing:]
Troy Beaver, Interim Police Chief
Sara Fagnilli, Assistant Law Director
Jenny Esarey, Finance Director
Bill Miller, Service Director
Joe Ciuni, City Engineer
John Cieszkowski, Planning Director
Patrick O'Malia, Economic Development Director
Greg Mytinger, Parks and Recreation Director

MOTION: TO EXCUSE MRS. FIELD AND MR. RUEDIGER.

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

Special Business

Discuss Staffing for Planning/Building Departments

[Mr. Ruediger joined the meeting at 8:49 p.m.]

Mayor Broska said Mrs. Lockhart-Reese, the HR Manager, had put together a job description for this position and distributed it to Council. The administration wanted to move forward on filling this position. Mr. Ring thanked Mrs. Lockhart-Reese for providing the job description. He said it covered the issues he had concerns with. The funding for the position was part of tonight's Exhibit "A" of the budget amendment.

Mayor Broska mentioned that the phone receptionists had kept a call log for the last couple of weeks of the incoming calls. He said this record demonstrated the need for an additional clerk. He felt there were too many voicemails and the callers should be able to get to a real person. [No Council action.]

T-6888 Fire Station Owner Contingency

Mr. Ring said at the fire station Thursday morning meeting a few weeks ago, the owner contingency was mentioned. The City, as the owner of the property, had expenses that were not included in the CMR and were not part of the contingency funds that were included in the CMR. Hammond had been using the CMR contingency to pay for some of the owner items that had already come up, but that was not appropriate because they needed that contingency for things that may come up that were not the owner responsibility. The City was expecting additional owner expenses at about \$29,000, so the City needed to establish an owner contingency fund to begin to pay for the owner related items instead of paying them out of the CMR contingency. The owner related items had always existed and the City would have to pay for them, so he wasn't sure why an owner contingency fund had not already been established. It was being requested that a \$75,000 contingency be set up; at least \$29,000 was needed for expected items and the rest would be in place if needed. This was part of tonight's budget amendment.

MOTION: TO AMEND SECTION 1 OF T-6888 TO CORRECT THE ACCOUNT NUMBER FROM 410- TO 401- .

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

Mr. Ring said it had been discussed in earlier meetings to not include the contingency amounts in the bond funding so the City would not have to pay interest on them, but the CMR contingency had been included as part of the total funding. The City was aware of needing an owner contingency, it just had not been established yet.

Mr. Hannan asked if this owner contingency would be used to reimburse what was already spent out of the CMR contingency. Mr. Ring said Ms. Esarey had said the City did not need to do that unless they ran out of money in the CMR contingency. The plan was not to reimburse the CMR contingency fund and just move forward with the owner contingency. The City would have much more control over the spending of the owner contingency (to be authorized by the Mayor and Fire Chief) than the CMR contingency. Ms. Esarey explained that the owner contingency fund was coming from the carry over in the Capital Fund.

Chief Reinholz said Mr. Ring had explained it very well. He appreciated that Council would create this owner contingency fund and they would only spend it if needed, and would report those expenses to City Council. What was not spent would come back to the City. He also appreciated that some Council Members had been able to attend the Thursday morning station update meetings to support transparency of the construction process.

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

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

Discuss Water Bills

Mr. Ring said he put this on tonight's agenda after seeing a thread on a social media site of people complaining about receiving the delinquent water bills after the due date and being assessed a late fee even though they never received the initial bill. He wanted to see how Council felt about this situation of delayed bills, etc. Mr. Ring had talked with Mayor Broska about this and they agreed that the City had sent the bills out on time but there was an issue with delivery of the bills that was not the City's fault. While it was not the City's fault, Mr. Ring was sympathetic that it was not the residents' fault that they received the bill late. He said Ms. Esarey had provided information about the number of late fees and the amounts over the last few quarters. Mr. Ring wanted to discuss the late fees and see if there was anything City Council could do to remedy some of these late fees.

Mr. Lampa had talked to Ms. Esarey earlier today. Ms. Esarey said those delinquent bills that had just been sent out had an error regarding the printed due date. That date needed to be manually changed before those delinquent bills were printed and that was not done; they ended being printed with the date they were printed as the due date instead of the actual due date, so the customers received the delinquent notices after the printed due date and they were very concerned about being tagged for shut off. So that was a big issue that the City handled with a lot of incoming phone calls and customers at the window.

Although the penalty for the third quarter was a higher dollar amount, it was actually a very normal percentage of the customers and not an outlier for a quarterly billing:

first quarter of 2020	30% of the people were assessed late fees
second quarter of 2020	35% of the people were assessed late fees
third quarter of 2020	34% of the people were assessed late fees

Mr. Lampa said he kind of agreed with Mr. Ring and had asked to review the Water Ordinances regarding late fee charges. He was concerned that the Water Ordinances didn't have a way to waive fees and in the future with online bill pay he thought there should be a way to allow waiving of a fee because it was done everywhere. He suggested amending the ordinances to allow Council to authorize waiving a fee in the event of a City error. He said he had talked with about three people that were new to Streetsboro and this was their first water bill and it was received late or not at all. He understood the City could not control the postal service, but the City should be able to make a one-time exception for the people that genuinely did not get their bill.

Mr. Ring noted that the Water Ordinances Section 925.20 allowed the Water Billing Adjustment Board the authority to waive penalties, but didn't feel everyone that got this late notice should have to attend a Water Billing Adjustment Board meeting to request a waiver of the late fees. Mr. Ring wanted to see some relief for the water customers who genuinely didn't receive their bill, but he didn't know how to do that. He didn't really want to waive every water late fee. He thought there may be a fair way to do it, if it could be determined which customers with a late fee this quarter did not have any late fees the last two quarters, that might indicate those customers that typically pay on time and would probably have paid on time this time had they received the bill on time. He said they did this in his industry (banking) for waiving fees for customers that had a history of paying on time.

Mr. Ruediger explained a recent situation he experienced with getting a memorandum title for a new vehicle he had purchased late in the mail; “there is obviously something going on with the post office.” He said he always planned ahead and scheduled his bill payments, and knew when his bills were due, but other people did not do that and may not have realized they didn’t get this quarterly bill, especially because there were delays with bills earlier this year because of the COVID-19 shutdowns. He was amazed this was an issue for discussion because it had been talked about many times, but the City had still not gone to on-line bill pay, which he still hoped Streetsboro could do.

Mr. Ruediger said because of known problems with the post office and known problems with delayed billing because of COVID-19, this was a rare exception. He said banks could waive late fees for their customers that did not have a history of late fees, so he thought, under the circumstances, the City should be able to figure out a way to waive some late fees too.

Mr. Kocisko asked how many were affected by this issue that brought the issue to the Council agenda. Mr. Ring said there were about 10 or 15 people that complained on Facebook about getting a penalty. Ms. Esarey said there were 852 people (residential and commercial) that did not pay their third quarter 2020 bill on time and were being assessed a 10% late penalty (per Chapter 925), but there were 739 at the first quarter 2020 and 686 at the second quarter 2020.

Mr. Kocisko felt bad for the folks that could not pay their bills because of the COVID-19 shutdowns and economic downturn. Ms. Esarey commented that there were some customers that had not paid their water bills all year; and the City was not doing shut offs for non-payment because of the pandemic. Mr. Kocisko said in the past the City had given people some forgiveness for large water bills due to an unknown water leak. Mayor Broska said there was a formula the Water Billing Adjustment Board could use with an issue like that; it wasn’t an arbitrary deduction. Mr. Kocisko recommended, because of COVID-19, to relax the late fee for non-payment for this past quarter. He was concerned for all the people that were struggling financially at this time.

Mr. Ring supported waiving the late fee for people that did not pay on time for this past quarter but had paid on time the first or second quarter, but he felt Mr. Kocisko was suggesting to waive the late fees for everyone this past quarter even if the water customer had paid late for the last quarter as long as they had paid their bill. Mr. Ring said it had also been suggested to him that there be a moratorium on future late fees during the pandemic State of Emergency, which could be discussed. Mr. Ring said the City should do something for this quarter’s late fees because of COVID-19 and because of the issues with the mail system.

Mr. Ruediger suggested any late fees incurred for the third quarter that were already paid be credited back to their accounts. Mr. Hannan thought it might be too labor intensive to sort through all 852 accounts to see who wasn’t late the first two quarters and who was late the third quarter, so he was in favor of waiving all the late fees. Ms. Esarey said she had to go through all the accounts to determine how many people were assessed a late fee each quarter this year to produce the requested chart for Council prior to this meeting [see attached] so a lot of that was already done. Even so, Mr. Hannan thought if there were problems with the mail and people would end up with late fees anyway, then the City should just waive all the late fees.

Mr. Ring asked Mr. Beni if there was any legal issue with waiving fees this quarter specifically just for people with no late fees the last two quarters; he was concerned it might be considered “arbitrary.” Mr. Beni responded that Council had no authority to do what they were discussing. Mr. Ring thought Council could create an ordinance to give itself the authority. Mr. Beni said the ordinance would be for the future, not retroactive. But, he said it could be done through the Water Billing Adjustment Board which had the authority to do it. Mr. Ring said it would be a credit on the next billing statement and not sending checks to customers.

Mr. Hannan wondered how this would be communicated to the individual customers, especially since there were problems with getting mail to them; he thought it might be a nightmare to manage. Mr. Ring said it would have to be calculated and applied manually.

Mr. Lampa wondered how the Mayor stood on this; if this should go through the Water Billing Adjustment Board or should Council create an ordinance to give itself the authority to do it, and would the Water Billing Adjustment board support it. Mayor Broska supported having the Water Billing Adjustment Board review it. He said the Water Billing Adjustment Board would have the data Ms. Esarey prepared to show the people that were only late during this third quarter. He said this was an anomaly and the City was working to put safeguards in place. The City website would post the dates the meters were read, the dates the bills were mailed, and the dates the payments were due. They would also post those dates on all the social media sites and indicate that if customers don’t get their bill within 7-9 days, they should contact the Water Department. Mayor Broska said the Water Billing Adjustment Board could adopt a resolution to allow the customers that got a late fee in only the third quarter get a credit in their next bill. He hoped the problem would be corrected going forward.

Mr. Lampa agreed with Mr. Kocisko regarding the hardships COVID-19 had caused a lot of people, but he couldn’t support waiving almost \$10,000 by waiving everyone’s late fees; that was a lot of money. Mr. Ring noted that there was usually close to \$8,000 in late fees each quarter, although this quarter was a little more probably due to COVID-19 and the mailing issue. He supported the idea of crediting the late fees of people who had displayed on-time payments prior to this third quarter.

Mr. Ruediger commented that when COVID-19 hit, his personal transportation business dropped to \$0 income and he appreciated that his banks all had a forbearance on all of his payments or he might be homeless now. He said the Water Department should do the same for \$10,000 of extra money from these late fees.

Ms. Wagner felt it was appropriate to waive these fees because the longer COVID-19 went on the harder it was for some people; the hardships were not getting better they were getting worse, especially since there were no additional stimulus checks with unemployment. Mr. Ring commented that some banks were ending their forbearance programs, so that would add to the hardships/stress for some people. Also, the electric and gas companies were starting to shut off for non-payment. Mr. Ring suggested extending the moratorium for water shut offs for non-payment. He felt the City needed to do something for the customers, even if it was not for everyone with a late fee this quarter.

Mr. Ruediger asked when the Water Billing Adjustment Board would meet again. He was told the Board could meet when needed. Mr. Ruediger noted City Council could not force the 4 member Water Billing Adjustment Board to take any specific action. Mayor Broska was pretty confident that the wishes of Council would be relayed to the Water Billing Adjustment Board because he, Ms. Esarey and Mr. Miller were Board Members.

Mr. Kocisko asked Mr. Beni to give this situation some thought and find a way to create a resolution for “an escape clause” for the future. He agreed \$10,000 was a lot of money to the City, but \$20 or \$30 was a whole lot of money to a person not working and not collecting unemployment; the City needed to do something at this time for these people.

MOTION: FOR A RESOLUTION TO RECOMMEND TO THE WATER BILLING ADJUSTMENT BOARD THAT THE CITY ISSUE A CREDIT FOR ALL (RESIDENTIAL, BUSINESS AND COMMERCIAL) WATER BILL LATE FEES CHARGED IN THE THIRD QUARTER 2020 ON THE FOURTH QUARTER 2020 WATER BILLING CYCLE.

Moved by Mr. Ruediger, seconded by Mr. Hannan. Upon roll call vote, **motion carried 6-0**. Mr. Beni would look into legislation to allow Council authorization for waiving fees in the future.

T-6889 Authorize CRA Agreement w/Simplay3

Mr. O’Malia said Simplay 3 was a rotational plastic molder of children’s toys, housewares and mailboxes. It has been headquartered in Streetsboro since its founding in 2016. This was the third venture by its CEO, Mr. Tom Murdough, who founded Little Tikes and Step2, the City’s largest employer. Simplay3 currently had 47 FT jobs and a payroll of about \$2.5 million, but with the expansion with the CRA they plan to double the existing square footage, and create as many as 50 new jobs. The total project cost was estimated to be \$6.125 million. The City was offering them a 40% tax abatement for 5 years. As part of this deal they had agreed to contribute \$2,000 to the Streetsboro bicentennial, and there was language within the CRA to make sure there was proper shielding between industrial and residential uses in the abutting neighborhoods.

Mr. Ring commented, because there had been some communication from the neighbors in Hickory Ridge, that he wanted to understand that all the stipulations agreed to by the owner (additional mounding, adding trees for a sound barrier and buffer, etc.) and put in place at the Planning Commission Meeting were still in place because it wasn’t actually written in the amended plan. Mayor Broska explained that it was in the motion made by the Planning Commissioners, so the owner would have to do it as a condition of approval and the City would hold him to it.

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

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

T-6878 Amend 2020 Appropriations [#11]

Ms. Esarey explained the exhibits. Exhibit “A” dealt with the hiring of a full-time Building Department clerk. The amendment was a zero effect to the budget because it was being offset by the building permits. Exhibit “B” was mostly ins and outs, but there was \$75,000 for the owner contingency for the new fire station. The City-wide signalization project was getting money moved because the City did not move forward with the sidewalks so that money was being taken from there to cover the change orders 1-8 and the pre-emptive opticoms. There was to be a survey about sidewalks, but because of COVID-19 this year, that survey was put on hold. There was also an appropriation for sand volleyball courts that Mr. Mytinger would present at the next meeting.

Mr. Ring suggested removing the \$30,000 appropriation adjustment for sand volleyball courts from this exhibit until all of Council could discuss the issue; and then appropriate the funds when Council decides if they want to proceed with it at the next meeting. The appropriation adjustment had been included here to avoid having to do another budget amendment at the next meeting, but the sand volleyball courts topic had not been included on this agenda because the Chair felt this Special Finance Committee agenda was already long and that topic could wait until the Regular Finance Committee Meeting. The sand volleyball courts topic and a budget amendment would both be on the next Regular Finance Committee Meeting agenda.

MOTION: TO REMOVE LINES 401-32-5714 AND 401-32-5745 FOR \$30,000 FROM EXHIBIT “B.”

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 AS EMERGENCY LEGISLATION.

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

Announcements

The Regular Council Meeting will immediately follow this meeting.

There being no further business to come before this Special Finance Committee, and upon motion by Mr. Ruediger, seconded by Mr. Lampa, this meeting adjourned at 9:54 p.m.

ATTEST:

Caroline L. Kremer, Clerk of Council

Justin Ring, Chairman