

THE CITY OF STREETSBORO, OHIO
FINANCE COMMITTEE MINUTES

Monday, March 22, 2021

This Finance Committee Meeting was called to order on Monday, March 22, 2021 at 7:03 p.m. by Justin Ring, Chairman.

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

ABSENT: None.

ALSO PRESENT: Frank Beni, Law Director
Tricia Wain, Police Chief
Rob Reinholz, Fire Chief
Patrick O'Malia, Economic Development Director
Shawna Lockhart-Reese, HR Manager
Caroline Kremer, Clerk of Council
[by Zoom video conferencing:]
Justin Ring, Council Member
Mike Lampa, Council Member
Jenny Esarey, Finance Director
Bill Miller, Service Director
John Cieszkowski, Planning Director
Greg Mytinger, Parks and Recreation Director
Sarah Fagnilli, Assistant Law Director
Melissa Procop, Mayor's Administrative Assistant

Disposition of Minutes

MOTION: TO ACCEPT THE REGULAR FINANCE COMMITTEE MEETING MINUTES OF JANUARY 25, 2021 AS PRESENTED.

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

Monthly Financial Report

Ms. Esarey said the February financial reports had been distributed on March 1, 2021. The wages were still showing a little high for snow plowing, but that should even out over the year, and she would continue to monitor it. The General Fund expenses were a little high at 23% but the Total expenses were on target at 15.99%. The General Fund revenue was below target at 14.32% and the Total revenue was also below target at 11.85% but the property taxes were to be received sometime in March which would help the percentages. Income tax was down a little bit. The March receipts for income tax cut the deficit down a little bit, but the City was still down \$174,000 from this time last

year. The revenue was below budget but getting closer to the target. The City had collected 24.22% for March which was close to the 25% target for the first quarter of the year. She said she was more concerned last month because it was such a large number and was trending, but she felt better after seeing the March receipts. She expected to have this discussion again next month to see how things are going.

Old Business

Discuss AECOM Water Rate Study

Mr. Lampa wanted to make a decision on this issue and not keep pushing this forward. He wasn't clear on where this issue stood. Mr. Ring explained where things stood. He said Council had approved GPD to submit the City's projects for nomination for financing. That won't happen until this summer, but Council was going to need to decide relatively quickly if it wanted to have GPD to start designing the projects and then have to pay for those engineering costs as they did that. He wanted to have GPD representatives present for that discussion so he suggested moving this topic to the April Service Committee Meeting. He expected Mr. Czekaj, the newly appointed City Engineer, would also be involved, but this was probably too large for just one person.

Mrs. Field agreed with Mr. Lampa's desire to move this along. She was 100% onboard with this because she felt it was a necessity in the City.

Ms. Esarey said the City ordinances already had a 2% annual water rate increase. It was being proposed to do a 3% increase for a certain number of years instead of the 2%, so it was really only an additional 1%. This was only to cover the projects that GPD had submitted for revolving loan money with Ordinance No. 2021-31. She said this percentage increase did not cover GPD's design fees or all the other projects that need to be done. Although the City could make multiple adjustments to the water rates, she wondered if the City just wanted to do it once to cover everything. They had talked about getting an additional loan for the design costs that could then roll into something else, but she didn't know if the City wanted to do that and borrow more money to cover the design fees. Mr. Ring said the \$440,000 annually he had asked Ms. Esarey to work on did include these design fees. What they had talked about was that the City would have to pay GPD up front before the financing was in place and the City would have to come up with a vehicle to pay them (the short term loan).

Mr. Lampa asked if the fees could be paid from the Water Fund. Ms. Esarey said the City would pay it, but it would change the spreadsheet in paying it upfront to extrapolate it out. She felt it was important to look at because maybe the City would decide to do 3.25% instead of 3%, especially because there were other projects that would need to get done too. Mr. Ring said these projects as submitted by GPD were critical, but there were other projects as well that would also need to be done later. Mr. Ring summarized that Ms. Esarey was asking if Council wanted to consider a total increase now vs. raising it now and then raise it again in 2-3 years and maybe again in another few years. The Clerk would confirm GPD would attend the next meeting.

MOTION: TO MOVE THIS TO THE APRIL SERVICE COMMITTEE MEETING.

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

New Business
Executive Session

MOTION: TO RECESS INTO EXECUTIVE SESSION TO CONSIDER AN ECONOMIC DEVELOPMENT PACKAGE.

Moved by Mr. Ruediger, seconded by Mr. Hannan. Upon roll call vote, **motion carried and the meeting recessed at 7:14 p.m.**

MOTION: TO RECONVENE FROM EXECUTIVE SESSION.

Moved by Mr. Ruediger, seconded by Mr. Kocisko. Upon voice vote, **motion carried and the meeting reconvened at 7:30 p.m.**

T-7012 Accept EMS Grant

Chief Reinholz said this was a State grant that the Fire Department applied for every year. This year the department was awarded \$2,994.90. It would go toward the EMS supplies and disposables.

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

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

T-7013 Police Elevator Repair

Chief Wain explained that at the end of 2020 the elevator went out of service. She had gotten an original PO to cover the motherboard, which did not resolve the issue, so there was a second PO to get the software chip, which also did not resolve the issue. Gable had to come back and put the motherboard in with the chip and then reconfigure the whole system to get it back into operation. She had not realized the wording in the invoices which had the labor as separate for the installation of the chip and reinstallation of the motherboard. The team spent 7.5 hours to do the installation and reconfiguration on February 24, 2021 for a labor bill of \$2,700, so she asked for emergency authorization for that additional amount out of #101-11-5431 Building Contractual so she could pay Gable for their work. Chief Wain also mentioned that the invoices attached to the packet didn't include the invoice with the labor, which she could provide.

Mr. Lampa asked if the elevator was working now. Chief Wain explained that it stopped working again over the weekend. There was a maintenance agreement that covered basic maintenance as long as no parts had to be ordered. Gable came out again today, but the technician was running into overtime, so the Police Department sent him away to come back on Tuesday (not on overtime). If no parts had to be ordered it should be fixed for no charge, if parts had to be ordered, she would report back to Council. They thought it might be a door slide sensor.

Mr. Lampa summarized the motherboard was \$3,582, the chip was \$4,180, the labor was \$2,700, so the total cost so far was \$10,462. Mr. Lampa wondered if it might be more cost effective to get a

whole brand new elevator instead of trying to keep repairing this 22 year old equipment. Mr. Ruediger and Chief Wain said a new elevator was hundreds of thousands of dollars. Chief Wain confirmed the elevator was used often to move things because the evidence storage, gun locker/armory, fitness room, and supplies for the cleaning crew were all downstairs, plus the building needed to be ADA compliant.

Mr. Ruediger worried that this potential door slide sensor may have been the problem the whole time and the City had already spent over \$10,000. He wondered if the Police Department had gotten a second opinion. Chief Wain said there was a 5 year contract created with Gable in 2019 or 2020, so she had not gotten a second opinion. The Schindler Company had been used in the past but tended to be more expensive for any of the standard maintenance issues. She did not think the prior issues with the elevator were the same things happening currently. Chief Wain clarified there was a maintenance contract arranged because the City had to have State required periodic inspections.

Mr. Ring wondered, if the contract was for standard maintenance and inspections, could the City go elsewhere for quotes for major repair work? Mr. Beni said he'd have to read the contract, but he doubted there would be an "out clause" for major repair, unless Gable could not perform the work for some reason. Chief Wain also noted that it was a very limited field of companies able to do the work, and the labor rate provided was a discounted rate; it was a very specialized field.

Mrs. Fagnilli agreed she would have to read the contract to know if the City could get other quotes. She added that elevators were regulated and licensed by the State of Ohio, and everywhere that she had worked there was always a maintenance contract for the elevators because they always needed something and had to be certified. Mr. Kocisko encouraged checking the contract for future issues, but urged approving this request tonight to pay the invoices and get the elevator working again.

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

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

T-7014 Pay GPD for Engineering Services for 2021 ODOT Projects

Ms. Esarey said she had talked with the Law Director last year and it was determined that moving forward the ODOT projects for GPD would be brought in a separate ordinance because they did not follow the same pay guidelines as the annual engineering. The City had been doing the engineering for these ODOT projects where the City paid its local share and then submitted it to ODOT and then ODOT paid them their share, usually a 90%/10% split. Mr. Beni had suggested that these be presented as a separate ordinance to pay these on an annual basis.

Mr. Ruediger wondered what amount the City was actually paying. Ms. Esarey said the ODOT contracts were authorized in prior ordinances and those contracts mapped out what the City would be paying vs. what ODOT would be paying, but this gave the City the ability to use 2021 monies to pay them for the three projects listed (City-wide signalization, SR 14, and SR 43). Ms. Esarey wasn't sure of the amount that would be paid in 2021. The City-wide signalization project was finishing up, the SR 43 project was ongoing so it may be a little more this year, and SR 14 was just paid so she didn't

expect a lot but it would be some fees; it all depended on what work was done and approved per the original ODOT contracts. The City's share at 10% was very low.

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

Moved by Mr. Lampa, seconded by Mr. Hannan. Upon voice vote, **motion carried with Mr. Ruediger opposing the motion.**

T-7015 Appoint Municipal Engineer

Mrs. Lockhart-Reese said the Mayor, who was absent tonight, wanted to appoint Justin A. Czekaj as Municipal Engineer for the City of Streetsboro. An ordinance had been prepared. Mr. Czekaj was present tonight. He said he had given Council a brief overview of his history at a previous Executive Session but could answer any questions Council may have tonight. There were no questions.

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

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

T-7016 Contracts to Purchase Materials and Supplies for Municipal Engineer

Mrs. Lockhart-Reese said this was a request to purchase materials, supplies and equipment for the new Municipal Engineer. These things (desk, chair, file cabinets, file folders, etc.) were needed before the Engineer started and there wouldn't be a Board of Control meeting until next month. She mentioned the need to add an account line to the ordinance to cover Equipment and Supplies.

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

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

T-7017 Amend Lease for 555 Frost Road

Mr. Beni said the administration thought it would be in the City's best interest to enter into a lease for a certain period of time vs. the month-to-month situation City Hall was currently in. If Geis, the building owner, decided to sell the building, he would only have to give us 30-days notice and City Hall would have to move rather quickly. The administration negotiated a two-year lease with Geis with a one-year option to renew because the administration felt there wouldn't be a City Hall built within the next two years. He asked that this be moved to Regular Council for a vote tonight.

Mr. Ring said he didn't know if a City Hall wouldn't be built in the next two years; there were discussions happening. Mr. Ruediger said even so, the engineering work, the bidding, construction, packing and moving would probably put it out beyond two years.

Mr. Hannan noticed there was a lot split mentioned. Mr. Beni said that was for the vacant property in the back. Mr. Hannan asked about the Common Area Maintenance (CAM) charges beyond the base rent charges. Mrs. Procop explained the current rent was about \$6,100/month and the CAM (up until this year) was \$1,900/month. The increased CAM in the most recent bill was \$2,400/month. The City

owed \$3,900 for a CAM readjustment which was based on repairs etc. from the previous year, and then the \$2,400/month moving forward until 2022. She said the City also paid \$150/month for HVAC and also paid for water and sewer. Mr. Beni said the CAM costs were the renters proportional share (based on square footage rented) of the taxes, snow plowing, landscaping, insurances, etc.

Mr. Lampa noted the previous lease had expired in February 2019 and the City had been month-to-month since then at \$6,100 + \$1,900 CAM per month, but the new 2-year lease was more than that at \$8,900 per month (about \$106,000-\$108,000 per year). Mr. Beni said the City would be paying for the security of being locked in to a lease; with a month-to-month lease the City could be asked to leave with 30-days notice. The CAM cost could change each year; it had increased each year the City had been at 555 Frost Road.

Mr. Kocisko stated the City would not have a new City Hall within two years, so he asked for the lease to be a three-year lease agreement with a 1-year renewal option (which probably wouldn't be used). Mr. Beni said the administration had determined to go with a 2-year lease with a 1-year renewal option because the City may make progress toward a new City Hall by then and didn't want to lock it up for too long and have a City Hall and a lease. Mr. Beni said the landlord was very unlikely to give a three-year lease at the same 2-year price as Mr. Kocisko was suggesting. Mr. Ring and Mr. Ruediger supported the 2-year lease with a 1-year renewal option because they felt the City may have a new City Hall built in two years.

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

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

T-7018 Accept Amounts and Rates for 2021

Ms. Esarey said this was to accept the 2021 tax rates per the 2021 tax budget. When she was working on the 2020 audit materials, she realized that this had not been done yet and the County Auditor confirmed they had not mailed it out to us. She said the millage was the same: 1.9 mills for the General Fund, 0.7 mills for the Bond Retirement Fund, and 0.3 for Police Pension so inside mills was 2.9; the outside mills was 0.8 mills for the Fire Station and Service Garage Levy. The numbers provided in the ordinance were from Portage County. This legislation was a housekeeping item, but it needed to be passed for the 2021 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-7011 Amend 2021 Annual Appropriations [#3]

Ms. Esarey said this was ins and outs. There was \$172 for the local coronavirus relief fund because the State had asked to get everything wrapped up and all the POs had been closed and this was the final number with \$0.01 of interest each month.

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

Moved by Mr. Ruediger, seconded by Mr. Lampa. 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 Mr. Hannan, this meeting adjourned at 8:00 p.m.

ATTEST:

Caroline L. Kremer, Clerk of Council

Justin Ring, Chairman