

THE CITY OF STREETSBORO, OHIO
FINANCE COMMITTEE MINUTES

Monday, July 25, 2022

This Finance Committee Meeting was called to order on Monday, July 25, 2022 at 7:06 p.m. by Justin Ring, Chairman.

PRESENT: Justin Ring, Mike Lampa, Anthony Lombardo, Jon Hannan, Jennifer Wagner

ABSENT: Julie Field, Steve Michniak [joined at 7:40 p.m.]

ALSO PRESENT: Glenn Broska, Mayor
Frank Beni, Law Director
Patricia Wain, Police Chief
Robert Reinholz, Fire Chief
Matt Miller, Finance Director
Bill Miller, Service Director
Justin Czekaj, Municipal Engineer
John Cieszkowski, Planning Director
Patrick O'Malia, Economic Development Director
Shawna Lockhart-Reese, HR Manager
Tom Bellish, Buckeye Energy Brokers
Dan D'Agostino, Residential Building Official [joined at 7:25 p.m.]
Caroline Kremer, Clerk of Council

MOTION: TO EXCUSE MRS. FIELD.

Moved by Mr. Hannan, seconded by Ms. Wagner. Mr. Michniak was on his way. Upon voice vote, **motion carried.**

MOTION: TO RECESS THIS MEETING TO GO TO TONIGHT'S REGULAR COUNCIL MEETING FOR MAYORAL APPOINTMENTS.

Moved by Mr. Hannan, seconded by Mr. Lampa. Upon voice vote, **motion carried and this meeting recessed at 7:06 p.m.**

MOTION: TO RECONVENE THE FINANCE COMMITTEE MEETING.

Moved by Mr. Hannan, seconded by Mr. Lampa. Upon voice vote, **motion carried and this meeting reconvened at 7:09 p.m.**

Disposition of Minutes

MOTION: TO ACCEPT THE SPECIAL FINANCE COMMITTEE MEETING MINUTES OF JULY 11, 2022 AS WRITTEN.

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

Monthly Financial Report

- Quarterly Credit Card Report

Matt Miller said the only thing that had changed on the quarterly credit card report was that the credit line had been increased to \$20,000, which was discussed at the last quarterly credit card report, and the City got a second credit card for travel so employees could take one if they had to go out of town, and keep one in house. The same rules applied regarding getting a Purchase Order, etc.

The City was at the mid-point of the year (13 payrolls done, 13 payrolls to go) so the Finance Department reviewed the line items to see if any adjustments were needed. He said the income tax revenue (YTD withholding, net profit, and individual) was up by about \$1.29 million and the General Fund allocation was up by \$888,000. The other tax lines were also up, except for liquor permit revenue. Parks had already collected about ¾ of their expected revenue for the year.

Old Business

Discuss City Hall and Parks and Senior Community Center Complex

Mayor Broska said the department directors had been putting in a lot of time into this issue and were looking at options that would probably be ready to present at the August 22, 2022 Finance Committee meeting. There had been a survey done for 525 Frost Road and the report was due soon. He said the administration was building a five-year plan format of information. He said the #1 priority was to get the Community Center and the Senior Center built. After that, there were a variety of options the administration wanted to discuss with Council because it would be up to Council to determine what direction to go.

The City revenues were increasing and things seemed to be going well, so he thought there were some viable options to discuss with Council, hopefully at the August 22, 2022 meeting night. Council Members were interested to see the numbers and analysis on the various projects.

MOTION: TO ADD THIS TOPIC FOR DISCUSSION AT THE AUGUST 22, 2022 FINANCE COMMITTEE MEETING.

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

New Business

Discuss Gas Aggregation Rates

Mr. Lampa said the current contract for natural gas would expire on October 5, 2022. The contracted rate was currently \$2.78/mcf. The aggregate program bought gas in the future and gas prices were going up. Mr. Bellish had a couple options. Mr. Ring said he and Mr. Lampa had been watching the rates and today it was \$8.58/mcf for October. Mr. Lampa said buying the gas for the future was kind of like gambling. The City could lock a price in for four years, but what if the gas rate price went back down in a couple of years. The residents could opt out, but the purpose of the program was to get the best price for the Streetsboro residents for as long as possible and have as many people as possible join the aggregate.

Mr. Bellish, Buckeye Energy Brokers, said the last thing the City did with the natural gas was set a price request from Constellation at \$4.99/mcf. That number did not strike and that price request expires August 1, 2022. So he was here today to do the next step. He had prepared a letter for Council [see attached]. Mr. Bellish explained there were some limitations on the program: it needed to be between one year and four years. With that in mind he listed some different options on his letter: to lock in for 12 months to 48 months OR go 6 months variable and then lock in for 30 to 42 months. I seemed this current high market price would only be around for about six months or so, hopefully less, so he recommended going variable for six months and then locking in when the prices were lower. He said pricing was not local any more, it was a world market and Streetsboro was competing with liquified natural gas being sent to Europe and around the world. Gas used to be locally produced and locally used, but now it was global competition and world-wide pricing. He said the 6 months variable and lock in for 42 months at \$5.35/mcf was the lowest price in the world. Most markets were about \$12/mcf, Europe's was about \$30/mcf. He said Streetsboro needed to have something finalized by sometime next month to do a mailing around Labor Day so it would be in time to give the 21 day opt out period. This would be for the October flow, November bill.

Mr. Ring wondered if a shorter term of 6 months variable, 6 months fixed would be available. Mr. Bellish said yes, but the lock in rate was up into the \$6 range. Mr. Ring wanted the shorter terms, so if the rate went back down to the \$4 range in 12-18 months as projected, the City could lock in again in at the \$4 range at a longer term for a much lower price and not be stuck at the \$5.35/mcf for 42 months. He understood the prices could change at any point but he feared locking in for a long period of time. Mr. Bellish confirmed for Mr. Ring that the residents had the ability to opt out at any time at no charge. The point of the aggregate was not to have people come in and out but have them stay in. Mr. Bellish had priced out the 6 month variable and 6 month lock in, but the prices were so high it wasn't worth it because the supplier would not have the customers guaranteed for the winter. There was some more discussion on the options and terms. Mr. Ring asked to see the rates for all the options. Mr. Ring said this winter would be a high rate anyway and a high rate of the \$6 range in the summer didn't matter because people didn't use much gas in the summer, and revisit this again next year when the rates were projected to be much lower.

Mr. Bellish said there wasn't a lot of trading out in 2024 or 2025 and the prices were \$8.50/mcf today; if you could buy at \$5.35 for this winter, would the City buy that? He thought that was good and as time went on and there was more trading the prices would change. He said most contracts were at a year, sometimes 6 months; he thought it was an opportunity to lock in at \$5.35/mcf for 42 months which was a much lower rate than prices around the world. Mr. Ring said the rates could change; it was all a gamble. Mr. Lampa said the program was to benefit the residents, so Council wanted to make the best choice.

Mr. Ring and Mr. Lampa were not ready to make a choice today and wanted Mr. Bellish to bring the prices for more options (6 months variable, six months fixed; six months variable, 12 month fixed; 6 months variable, 18 months fixed) to the next Finance Committee meeting where Council could make a decision by emergency legislation.

Mayor Broska asked, if the City locked in at \$5.35/mcf and in a year or two the rate dropped down

to \$3.50/mcf or \$4.00/mcf, would the supplier entertain a modification for the lower rate if the City extended the agreement. Mr. Bellish said he had done that before to blend and extend the agreement at the average of the locked in rate and the new rate for an additional year on the agreement.

Mr. Lampa thanked Mr. Bellish for all his work on this and for responding to his many emails. Mr. Ring mentioned that he was locked in for life with Knox Energy and they were at \$10.50/mcf for right now.

MOTION: TO SEND THIS TO THE AUGUST 22, 2022 FINANCE COMMITTEE MEETING.

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

T-7268 Accept DARE Grant

Chief Wain said this was an annual grant the Police Department applied for and then used the money for DARE/SRO supplies. This year the City was awarded \$3,089.76 and the deadline to accept the grant was tomorrow.

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

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

T-7269 Purchase a New Fire Engine

Chief Reinholz said this was discussed at the July 11, 2022 Safety Committee Meeting. There were four options and in the best option the cost of the fire engine was \$706,000. The money saved so far in the 402- Fire Vehicle Capital Fund was not enough, so money was going to be advanced from the 101- General Fund to the 402- Fund to pay for it now. The City would save \$60,000 by buying it now and not waiting a few more months for the additional money to be saved up in the 402- Fund. The ambulance billing would contribute enough to the 402- Fund so the 402- Fund could pay back the General Fund advance in a few months.

Mr. Ring worried this purchase now might hinder some other planned purchase for next year if the 402- Fund was depleted this way. Chief Reinholz said his 10-year vehicle purchase plan did not have any vehicle planned until 2024 (a squad to be refurbished at about \$220,000) and since the 402- Fund accumulated about \$250,000 per year and there were no planned purchases in 2023, it would be lean, but this should all work out.

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

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

T-7270 Amend Ord. No. 2022-56 Library Improvements

Mayor Broska explained that Mr. Mytinger had a certain amount approved for the scheduled library gutters and siding improvements, but as they were doing the work, they realized there was significantly more damage than thought. They did the necessary work for an additional \$240, which

needed included in the previous ordinance to pay the final invoice.

MOTION: TO MOVE THIS TO TONIGHT’S REGULAR COUNCIL MEETING TO MAKE THE AMENDMENT.

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

T-7271 Purchase and Install a Replacement A/C Unit at the Library

Mayor Broska said one unit had failed and needed replaced and the other unit would be repaired. Matt Miller said the cost of the replaced unit would come out of the 401- Capital Improvement budget and the cost for the repaired unit would require some appropriation adjustment to cover the costs. The City was obligated to do all the maintenance work at the Library.

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

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

T-7272 Contract for Tree Removal at City Park

Mayor Broska said this item also required an appropriation adjustment. There would be some dead or dying trees near the playground removed and some young replacement trees planted at City Park. [Mr. Michniak joined the meeting at 7:40 p.m.]

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

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

Discuss Modifying CRA Abatement Terms

Mr. O’Malia had sent an email to City Council earlier. He thought they may want to consider amending some aspects of the Community Reinvestment Area (CRA). When the CRA was originally written in 2016 it was incredibly complex and he tried to make it much simpler and streamlined in 2021. However, some of the things done for residential tax abatement may no longer be in accordance with this Council’s wishes. Mr. Ring said there was a section in the CRA that allowed for an automatic 15-year tax abatement on new home construction, which to him was not the purpose of a CRA. He thought the CRA was meant to help increase an area’s property value, or help homeowners increase the functionality or aesthetics of their home, not build a new home and get 15 years free of taxes, which would impact the Schools. Mr. Ring wanted to look at removing that section from the CRA and amending the CRA. Any changes would need to be resubmitted to the State of Ohio Department of Development.

Mr. O’Malia noted that the first time the City looked to amend the CRA in 2021, he had done a study of home sale prices from January 1, 2021 to February 11, 2021. The homes within the CRA sold for between \$71,000 and \$164,000. Those that were not within the CRA boundaries sold for \$159,000 to \$427,000. It was obvious the housing values within the CRA were much lower than the rest of the City. He pointed out, there may be cases where it was still useful (although it may be rare and infrequent), like the home on Gaynelle that was a total loss from a fire, because it was hard

to find someone that wanted to develop one lot as opposed to an entire development. Mr. Ring didn't think there was a lot of opportunity for building a single lot in our CRA, unless it was some kind of tragedy like that fire. He wasn't too concerned about there being an overwhelming need for that situation and the City not being able to provide it; he would rather protect from other scenarios that would have an adverse impact on the City. Mr. O'Malia said there was a resident on Stewart Avenue who took advantage of the CRA by making a significant addition to his house, which was more in line with what the 2021 City Council (who was in place when the amended CRA was approved) intended the CRA would be used for, as opposed to entirely new construction. Mr. O'Malia and Mr. Beni would work on revising the CRA.

MOTION: TO MOVE THIS TO THE AUGUST 22, 2022 FINANCE COMMITTEE MEETING FOR FURTHER INFORMATION.

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

T-7273 Authorize 5-year Management Agreement w/NDS for RLFs

Mr. O'Malia said the previous management contract with Neighborhood Development Service (NDS) had expired in April 2022. Changes were needed and it was now ready for Council's approval. The Revolving Loan Fund (RLF) was used to assist businesses in town grow and improve. An example was Heidi Grubaugh who used the RLF money to fix up the old Dairy Queen building for her hair salon.

There were actually three separate RLFs. One was economic development, which was used for Heidi Grubaugh. The others were one funded by the Community Development Block Grant, and one funded by a federal program called HOME that were used for low to moderate income residents to improve fixed assets for their homes (windows, roofs, etc.)

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

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

T-7274 Authorize Annual CT Consultants Contract

Mr. D'Agostino said this was an annual contract with CT Consultants to do all the plan reviews for commercial projects. Mayor Broska added that CT Consultants signed off on the occupancy permits. The City did not have a commercial plan reviewer, so the City contracted out for that service and CT Consultants had been doing it for the City for quite a while and did a good job, so the Mayor would like to have their contract renewed. The Clerk clarified that this contract was for 2022. Usually the agreement was approved earlier in the year, but it somehow got lost this year and showed up again in July, so this was for 2022. She mentioned that the City did not pay anything for this service, the customers paid CT Consultants.

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

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

T-7267 Amend 2022 Annual Appropriations [#9]

Matt Miller said these were the adjustments needed for this month. The biggest item was the adjustments needed to budget for the fire engine so a purchase order could be issued and a contract signed. Mr. Mytinger had asked for an additional appropriation increase for the Tree/Bench Memorial Program. The family of the oldest person in Streetsboro was buying a memorial bench and he needed this adjustment to get it ordered as soon as possible.

Mr. Ring asked if an appropriation adjustment was needed with each tree/bench donation/purchase. Matt Miller said not quite enough was budgeted for the year, but money had to be in the line to process a PO. The residents paid the City for the bench and that money was put into revenue and the City expended it out of the City funds. Mr. Mytinger was out of town so Matt Miller couldn't confirm if the revenue line also needed adjusted. It seemed the cost of the benches had increased, and Mr. Lombardo wondered if the City was charging enough to cover the costs. Matt Miller said he would check with Mr. Mytinger when he was back in town and have him send Council an email to be sure the City was not supplementing these memorial benches with taxpayer dollars.

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

Moved by Mr. Lampa, seconded by Ms. Wagner. 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. Lampa, seconded by Mr. Lombardo, this meeting adjourned at 7:56 p.m.

ATTEST:

Caroline L. Kremer, Clerk of Council

Justin Ring, Chairman