

**Minutes of the Meeting of the Finance Committee  
Held in Council Chambers of the Municipal Building  
On Monday, March 7, 2016.**

Committee Members Present:

Chairman, Ward 2 Councilman Dennis McBride

Ward 1 Councilman Bob Butkowski; Councilwoman-at-Large Tammy Holtzmeier

Others in Attendance:

Finance Director Bill Logan; Law Director John Gasior; Mayor Bryan Jensen; City Engineer Ryan Cummins; Council President Craig Witherspoon; Ward 3 Councilwoman Mary Berges; Councilman-at-Large Brian Fischer

Mr. McBride called the meeting to order at 7:00 P.M.

**Pool Rates and Pool Scholarships**

Mayor Jensen stated that, in talking to all of Council, the consensus was to keep the pool rates the same as they were last year, so he was making that proposal, and then at the end of this year, see where we end up, and move forward from that. He said that Mr. Logan was handing out a revised budget and it looks like this year we will be close to, or at break even. So because we gave a discounted rate last year for the shortened season and we also discounted this year's rate, he really would like to see where we finish up and then move forward from there. He said that Mrs. Holtzmeier brought up to him a suggestion of offering financial assistance, in terms of what the YMCA has, and he has given the Committee information on that. He said he thought that is a separate issue from the pool passes so that might be a discussion for another time but he agrees with Mrs. Holtzmeier that it is something that we need to look at so if there is a family in need we have something in place for that.

Mayor Jensen said again that he was requesting that Council leave the pool rates the same and revisit them at the end of the year and we will have a good idea in terms of one full year in operation exactly where there may be some limitations, etc. and then also moving forward, we will have a better idea of who wants to sponsor and other areas where we can generate revenue.

Mrs. Holtzmeier said that she just thinks that it is important to keep pool rates affordable so she does not have a problem with where they are proposed. We want everyone who lives here and works here to be able to use the pool. What she appreciates most from the third budget revision is that we are a little in the black. It gives a little room if we do want to discuss at a later date, at being able to look at a program to provide assistance to people who would need that to be able to come to the pool.

Mr. Butkowski said that there are operational efficiencies that we have not gleaned yet from a full year of operation. He thought that there are some things that we can optimize over the next couple years to figure out what the actual costs are to run the pool. The one line item he would like to see on the budget is a reserve component so we start building these reserves as we go along because there are going to be some significant expenses over time. That would be the only addition he would suggest for this budget.

Mr. Logan stated that the bottom of the first page shows a projected unencumbered balance at the end of the year, so in a way, that \$30,000. is a reserve but it is obviously revenue going into next year.

Mayor Jensen said what we may want to do when we get to the end of the year is to take a portion of what we have in sponsorship and name that as a reserve, and then again, we will know where we are to say where we need to be in pricing.

Mr. McBride stated that they needed to vote on keeping the pool rates the same as they were last year and the vote was all in favor.

**Installaton of Sanitary Sewer on Chester Road and Freeman Drive re: Petiton Signed by Owners of More than 75% of the Property in Question**

Mr. Gasior stated that the Finance Committee last met concerning this issue in December of 2015. At that time we said that we would move this into March and in the interim we would try to have a meeting with the representatives of both sides. There was a meeting on February 3, 2016, and in late January it was decided to do a review of the sanitary sewer master plan for the entire City. The City Engineer, Ryan Cummins, has not begun the study in this particular area in question but he will be shortly getting to this area and at that point, we might have a better analysis of what exactly is going to be needed, how the sewer would be extended, and some preliminary cost figures. He will also be reviewing what is in the ground there already, whether the Chester Road area will be serviceable and several other things which we have to look at only for the cost factor. Mr. Logan has also done some work to put together a bit about our financial situation as a City with some of the projects that we currently have in front of us. Most notably is the Chester Road project and we are also looking at improvements along Nagel Road at some point and then we have another big project, which is the involuntary assessment that will have to be in place for the Joseph/Puth/Elizabeth/Detroit sewers under the EPA order. So there are several big sanitary sewer projects coming up and Mr. Gasior said he did not know if we could even go forward with this project if Council really wanted to. And again, until Mr. Cummins completes his study and we know exactly where things are going and what the costs might be, it could be a little premature yet to go forward with anything. Along those lines, he just wanted to point out that his reading of ORC 727.06 says that when the petition does get filed by over 75% of the owners, it is an option for the City Council to move forward. Once the petition is filed, Council may assess and collect a tax. So as he reads that, it seems to him that simply filing the petition just places the issue before Council. At the end of 2015, he prepared a Resolution declaring the necessity for this project and we have yet to act on that. He would recommend not acting on it until we get the final analysis of the area from Mr. Cummins. Also, he thought that it is going to be difficult to act on it no matter what, based on what Mr. Logan will add tonight.

Mr. Logan stated that we have authorized notes to be issued for the projects that Mr. Gasior mentioned and we have issued some of the notes for the Chester Road project but we still have a big piece coming up, which is awarding the bid for what we are calling Project K, the five lanes on Chester Road. So once we issue those notes, our debt capacity is even smaller than it is now, meaning that we do not have a lot of room to add more debt right now. The EPA mandated Joseph/Puth/Elizabeth project, whether that is this year or next year, is going to eat into some of the debt capacity as well even though it will end up being an assessment; when it is bonded out, we still have to borrow the debt, it still goes as general obligation debt on the City's books. The more room we can leave there for unexpected things, the better.

Mr. Gasior stated, that is pretty much the City's picture. Again, we need the report from Mr. Cummins concerning this area; we need to know what is actually going on there from an engineering standpoint, and then of course as Mr. Logan pointed out, we still have to analyze the financial situation even once

Mr. Cummins completes his report. Also, it is an unprecedented move for the most part for the City to involve itself in a voluntary assessment of this nature. We are involved on Chester Road with Jacobs Group, we have been involved with them in the area of I-90, and those are voluntary assessment situations but again, on Chester Road, that is primarily because the City would like to see five lanes instead of three.

Mr. Gasior said, so there is a lot happening in the City and he thought that first of all, we need to study the master sanitary sewer plan, we need to look at and be conscientious about how we are spending money and where and then it is a matter of prioritizing these projects. We cannot overlook the fact that Joseph, Puth, and Elizabeth are under an EPA order to be sewered, and that unlike these, would be an involuntary assessment which would carry a greater financial burden onto the City.

A Chester Road resident asked when the Engineer's sewer study for this area would be completed and Mr. Cummins responded that he was looking at somewhere between 6 and 12 months to do the entire study. The resident asked if there was an opportunity to prioritize this area and complete it sooner than that? Mr. Cummins said that it was possible but they have not had that discussion; there are issues in other areas of town that are pressing as well and that is the reason that we chose those first. The resident said that he understood that it is a matter of priorities and he was asking the Committee to determine those priorities. Mr. McBride said that we can look at moving the area up on the list but obviously not in front of the Joseph/Puth/Elizabeth project. The resident said that he understood that completely but would just like some assistance in moving this portion up.

Mr. McBride asked Richard Batt why, as the developer, he would not be doing the sewers because that is normally how it has always been done. Mr. Batt responded that really what we are talking about here is running offsite improvements to this site with a significant cost in relationship to the value and the size of the land involved. Typically when he does a development there are sewers right there or sewers 500 ft. down the street and it makes economic sense to take those improvements to his site in the context of what he would pay for land and the rest of his costs. In this situation the magnitude of the improvements that need to be completed are far beyond what makes economic sense.

Mr. McBride asked Mr. Batt what type of development he was proposing and Mr. Batt said townhouses. Mr. McBride said, so it is residential and you are not going to get the rate of return that you would on other commercial development. He asked Mr. Batt if he had any thought of doing a commercial development, because that would really make a lot of the issues go away. Mr. Batt said that first of all, the property is zoned multi-family residential and secondly, there is a lot of commercial property currently in the area. And he would be at a cost disadvantage with that because he would be doing his own improvements and the City has assisted in improvements down the street.

Mayor Jensen felt that the distance for the sewers from Freeman Drive to the Taddeo property was not insurmountable. Mr. Batt stated that it is roughly a \$1.6 million dollar project. There is a bigger thing at issue here. Those sewers have to go all the way to connect pretty much over to the ditch and then they have to go out to Chester Road and go east and west on both sides of Chester Road to fill the entire gap. There are sewers that come from the east, from S.R. 83, to just before the Taddeo/Benjamin properties and then there are sewers that come from the west basically to Timber Lakes, so there is a gap for these properties in the middle. The sewers on both sides of the properties do not have the capacity or depth to service them. In order to service the gap you have to come over from Freeman Drive, stub out the adjoining properties further to the east and then bring those sewers back out to Chester Road and go

east and west on Chester Road. So it is not just 500 ft. – it is 500 ft., plus, plus, plus – to bring the cost up to roughly \$1.6 million.

Mr. Butkowski said, so you are asking the City to basically sewer that entire development where you know that in previous developments, you have tapped in right at the edge of the development and then brought that sewer throughout, and other developers in the community have done that, too, at their own expense. Mr. Batt answered that Mr. Butkowski was correct. Within the confines of a development, he typically would sewer but in this situation, he is having to run this much larger main sewer line to service the properties to the east and then be going east and west on Chester Road which is an additional thing. He said they have analyzed this thoroughly and thought they could we make some contribution by ruling out this or that, but it does not resolve the whole issue.

Mrs. Holtzmeier stated that this body has learned from working with another recent situation, to get all the information in place before they act. She would not want to direct Mr. Cummins to study something that is not necessarily part of his original specs in an order, although she is sensitive to the timing that the residents are asking for. She thought that they have learned to say we need to take this as the timing should fit.

Mr. McBride stated that they have a request from the residents and they are going to try to honor that if they can. The study for this area may not go to the top of the list but it will probably be bumped up a little bit.

Mr. Cummins noted a couple points of fact: He did measure the distance and it is just over 2,000 ft. from Moore Road to the western edge of the Taddeo property and in regard to the Chester Road sewer, that Chester Road is higher in elevation. The land falls toward Freeman Drive so that is probably why some of the decisions were made in the past and why the sewers are the way they are along Chester. Mr. Piazza added that the master plan in 1996 was drawn up that way. It was so flat as it flows to the north that it originally was going to be a forced main but that was dropped when we realized the expense .

Jim Kopp, Chester Road, said that he just wanted to make it known that they are not developers; they are just people who want to sell their property and retire. There is a correction here that has to be made. Do they have to wait for the report from the sewer survey? Are they just going to back it off for awhile? Is that what the Committee is saying? Mr. Gasior responded, correct, we are not ready to make a determination. Mr. Kopp said he just wanted to know the ground rules. There was a bad mistake made down here on Chester Road and for that sewer to be so shallow at the west end of their property, is wrong. It is so deep at Moore Road and then it goes up? There is something wrong and it has to be remedied.

Mr. McBride stated, at this point, they need to wait for the study. It is up to the Mayor, but he thought that they should ask that that area be moved up the priority list if they can. Mayor Jensen said that they can sit down with Mr. Cummins and see how he has it set up.

Mr. Butkowski said that he had to defer to Mr. Cummins' expertise as far as what is involved to do that but he does not have a problem in asking him to move that up in priority. Mayor Jensen said that in the next two weeks, they will have Mr. Cummins look it over and come back with a time frame. They could then get emails out to the residents to let them know exactly where it is on the list.

Mrs. Holtzmeier asked Mr. Cummins if he had any ideas as to where that could come on the list and Mr. Cummins responded that he will certainly talk with the Mayor but he thought it could be moved up to the top third. Mrs. Holtzmeier said, so she would also defer to our Engineer on that

**Adjourn**

The meeting was adjourned by Mr. McBride.

Transcribed by Gail Hayden, Assistant Clerk of Council