#### MINUTES OF A FINANCE COMMITTEE MEETING July 23, 2012

The June 23, 2012 Ravenna City Finance Committee meeting was called to order at 7:37 P.M. by Council President Pro Tem, Frank Seman. The following members were present: **Fred Berry**, **Bruce Ribelin, Scott Rainone, Sharon Spencer, Frank Seman, Amy Michael and Jack Ferguson.** Also attending the meeting were: Finance Director, Kim Cecora; City Engineer, Bob Finney; Nick Dudek of 328 North Prospect Street, Ravenna and Keith Jones of 611 South Diamond Street, Ravenna.

President Pro Tem Seman said Item No. 1 is the approval of minutes from the Finance Committee meeting of June 18, 2012.

There being no questions, comments, deletions or modifications, a motion was made by Mr. Ribelin, seconded by Mr. Berry to approve the minutes. **Voice Vote: All Ayes.** 

President Pro Tem Seman said Item No. 2 is a request to authorize the mayor to sign a lease agreement for a large format printer for the Engineering Department.

Mr. Finney said they were going to purchase a scanner only to add to their wide format printer. When they received the purchase order from Finance, the company said they made a mistake and the cost is twice that much. Somehow they didn't get all of the electronics included. They dropped that deal. Started looking for another deal. On state purchasing, they found a Canon which is a similar machine. It comes with a scanner so it is a printer and a scanner. It's basically what they were looking for except now they get a printer with it. They solicited state purchasing price and three other companies. In the end, the fourth company had the least cost in outright purchase but they are also willing to let them lease it for 48 months. They are going to supply 20 lb. bond paper, black ink cartridges as part of the monthly charge. Also, their service, parts and travel are based on a square footage usage. They are also going to give a trade-in value of the existing machine and they are allowed to keep the machine itself. Nobody wants it. The only thing they are asking for at this time is to enter into a lease agreement and no additional appropriations.

Mr. Cecora said they have enough money in the existing appropriation to almost carry them almost three years. To buy it, \$6,300.00 was appropriated. The lease is \$2,100.00 per year. What they will do is encumber the money and roll it forward then patch it up toward the end of the lease. There is a shortfall at the end of the lease but it beats \$12,000.00 which was the adjusted purchase price from the original vendor.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that an ordinance would be prepared.

## Finance Committee Meeting Minutes July 23, 2012 Page Two (2).

President Pro Tem Seman said Item No. 3 is a request to appropriate \$1,300.00 for the purchase, installation and warranties of sound equipment at the RAC.

Mr. Rainone explained that the sound equipment at the RAC is inoperable. In order to have music and class instruction, some of the equipment will need to be replaced.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that an ordinance would be prepared.

President Pro Tem Seman said Item No. 4 is a request to appropriate \$3,200.00 to purchase handheld radios for the Parks & Recreation Department.

Mr. Rainone explained that during a recent safety drill, the Parks & Recreation Department found that the radios are not up to standard and could cause problems during emergencies. They are requesting \$3,200.00 to replace those radios.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that an ordinance would be prepared.

President Pro Tem Seman said Item No. 5 is a request to certify to the County Auditor delinquent property maintenance bills.

Mr. Ferguson said that there are probably a several thousand dollars worth of delinquent bills for mowing. This is to move forward to get it put on the property taxes.

Mr. Berry asked what is the cost for the city to put a lien on someone.

Mr. Cecora responded there is a cost but he doesn't know the number off the top of his head. It is a percentage of whatever is collected. He will find out.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that an ordinance would be prepared.

President Pro Tem Seman said Item No. 6 is a request to waive the lien for a delinquent bill set up for the property at 811 Mill Road.

Mr. Cecora said the lien needs to be removed from the Mill Road property. It is currently certified with the County Auditor and it needs to be removed. The property is now owned by a different person.

Mr. Seman said that the property was sold and the lien went against the new owner who did not owe the money.

Finance Committee Meeting Minutes July 23, 2012 Page Three (3).

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that an ordinance would be prepared.

President Pro Tem Seman said Item No. 7 is a request for appropriation reductions and additions in the Street Department.

Mr. Cecora said Mr. Dowdy looked at his capital budget and decided to take off a few things and add a few things back. The top appropriation reductions on the exhibit show what is being reduced. It explains the scenario with the salt shed and how that's going to work with a large thanks to ODOT, they are reducing the 65-74 fund and storm fund by \$125,000.00 each. The sidewalk tractors coming out of 65-74 and over in the far right column in the recycling side, the bodies for the leaf machine are being eliminated. The additions are going to be a pair of one-ton Ford trucks; one out of 65-74 and one out of recycling. They are going to split the \$10,000.00 cost of a salt loader scale between 65-74 and storm. They talked about a joint venture with Kent for an mobile asphalt plant. They are going to be able to make their own hot mix. That's \$45,000.00 on the 65-74 side. In effect, what they have done is reduce 65-74 by \$140,000.00 but added back \$117,000.00; lost \$125,000.00 in storm only added back \$5,000.00. However, recycling was reduced by \$50,000.00 but added back \$67,000.00 because of the bearings on the truck cost. The trucks will have interchangeable beds. They are multipurpose trucks.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that an ordinance would be prepared.

President Pro Tem Seman said Item No. 8 is a request to authorize the mayor to enter into the lease agreement for safety vehicles and appropriate the funds necessary.

Mr. Ribelin explained that this was discussed in the budget commission about leasing the vehicles. They already did lease one vehicle. This would lease three police cars and an ambulance as opposed to buying them outright. Also a truck for the police department. He said in the committee meeting, he would sure like to see how the lease agreement works out after four years so they can re-evaluate it and see if has been a money saver or not.

Mr. Cecora said the depository bank is First Merit. He wanted to give First Merit leasing an opportunity to quote it. He got some pretty good rates from a leasing corporation out of Buffalo. They came in under 3%. He got emailed the lease documents. All the paperwork will be in a day or so. The idea with the pickup truck is that it's going to replace the Explorer. They thought they would get better function out of a pickup truck than a sport utility vehicle.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

## Finance Committee Meeting Minutes July 23, 2012 Page Four (4).

President Pro Tem Seman said Item No. 9 is a request to authorize the mayor to enter into an agreement with Portage County Health Department to participate in a community health assessment, record estimated revenues of \$13,500.00 for the county's prorated share of the study.

Mr. Ribelin said when this whole discussion started on the health assessment, the offer by Kent State came in at a rather high figure. There were members of council who asked if they could involve other communities in this study. Portage County and Kent are now going to be involved in this study. They will pay their fair share. They will be getting a general assessment for the county from that but Ravenna will also get an individual assessment for City of Ravenna.

Mr. Cecora said that the studies are overdue. They've compartmentalized it so that each subdivision within this study will have its own specific results. The city's share will be about \$8,400.00. The city of Kent will pay \$3,200.00. The county will pay \$13,500.00.

Ms. Michael said this will open them up for more data that they don't currently have but her concern is that she would hope they won't be closing the health department without giving this study a fair chance.

Mr. Cecora said he is sure how they move forward in the future, much of it will be predicated from this study.

Mr. Ribelin said he would like to give Kelly Engelhart, Joe Fisher and Mayor Bica credit for coming up with this proposal. He thinks it is a good compromise.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said Item No. 10 is to authorize the mayor to enter into an agreement with Kent and record the estimated revenues of \$3,240.00.

Mr. Ribelin said this is Kent's prorated share for the study. Like he said, Ravenna City is getting a specific Ravenna City study done. They are going to be going with the county study.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said the next item is a request to appropriate \$5,000.00 from the capital improvement fund (65-74) to purchase fire hose for the fire department.

Mr. Ribelin said Chief Cleveland said there are a few hoses that are inoperable and have some bad leaks. They certainly want to stay up to date on the equipment for the fire department.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

## Finance Committee Meeting Minutes July 23, 2012 Page Five (5).

President Pro Tem Seman said the next item is a request to certify to the County Auditor, delinquent utility bills.

Ms. Spencer said certifications have to be to the County Auditor by September. It's important to get this taken care of.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said Item No. 13 is a request to appropriate \$800.00 from the sewer fund for the installation of the new high service pump at the Chestnut Street lift station.

- Ms. Spencer said her original notes say that the cost is \$8,000.00, not \$800.00.
- Mr. Cecora said he will check with Mr. Bregant.
- Mr. Finney said his notes indicated \$7,700.00 so they probably rounded it up to \$8,000.00.
- Ms. Spencer said that Mr. Bregant has been working on this. He is doing a fantastic job and they are so happy he has taken the reigns for this job.
  - Mr. Cecora said he would get the amount straightened out.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said Item No. 14 is a request to increase the appropriations in sewer plant supplies due to unexpected expenses at the wastewater treatment plant.

Ms. Spencer said that Mr. Bregant went over this with the committee. They've had some unexpected expenses come up due to signs, paint, permit fees and they just need the additional \$5,000.00 to get them through the remainder of the year.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said that Item No. 15 is a request to appropriate \$4,535.00 from the sewer fund to replace meters with one new meter at the wastewater treatment plant.

Ms. Spencer explained that the two meters they have currently, the ammonia meter is from 1991 and the photospectrometer is from 1988. The meter that is being proposed is one that will do both jobs with less effort.

## Finance Committee Meeting Minutes July 23, 2012 Page Six (6).

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said Item No. 16 is a request to appropriate funds necessary to purchase fixed bases for main hoists at the water and wastewater treatment plants.

Ms. Spencer said they were given a picture at the committee meeting. The bases will keep the hoists stabilized. It's got to be safety first for all the employees. The cost is split between both funds.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said the next item is a request to authorize the mayor to enter into a contract with Emerald Environmental for sludge hauling.

Ms. Spencer said Emerald Environmental is going to charge \$45.00 per ton. It includes a lot. They are going to take the containers to projects. They are going to transport the loaded containers away. They are going to actually obtain and maintain the licenses. They will submit all of the records and then market and deliver the byproduct at the end. It's taking a lot out of the city employees hands and making things a lot easier.

Mr. Ribelin added that it is more environmentally sounds because the product will be used by farmers as fertilizer.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said Item No. 18 is a request to declare the tax exempt status for state financing purposes.

Mr. Cecora said sometimes when projects are done, they do work and reimburse themselves. What they need to do is file with the OPWC, as it states, a declaration of tax exempt status for state financing. That simply means that the City may then be the direct recipient of OPWC funds. They will reimburse the City for work it has done on the project. It's been done in the past. They need to make sure they button this up. Every time the City is the recipient of OPWC payments, not just a vendor, they need to go through this tax exempt status.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said Item No. 19 is a request to authorize the mayor to apply for a targeted brownfield assessment grant from the Ohio EPA for 643 Cleveland Road, Ravenna.

# Finance Committee Meeting Minutes July 23, 2012 Page Seven (7).

Mr. Seman said this is an application to have an assessment done. The Phase I evaluation has already been completed. Now the assessment is needed. The City of Ravenna is doing this for this property and for the old unemployment office on West Main Street. The county cannot get this assessment. The City has not taken possession of this property but are having the assessment done to determine what their liability would be if they accepted the county's officer on taking this property. They need to know what kind of mess they're going to be getting into before accepting the properties.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said the next item is the same situation but with the building on West Main Street.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said the next request is to authorize the mayor to enter into a contract with Kelly Ferry as the Ravenna Farm Market Manager, season ending 11/30/2012.

Mr. Seman said he believes Kelly Ferry also manages the Kent Farm Market. He made it very clear to the administration who they hire for these things was their choice. Council is approving the position because they have this grant and they have to meet the obligations that were written into the grant if they ever expect to get more money from the USDA. He told them council would not make the choice as to who would be involved with the two positions.

Mr. Berry asked if they can remove a name and just approve the position.

Mr. Seman responded that he does not think they can do that because it is a contract with her name on it. He knows it's like a de facto endorsement. He understands that. But he made it very clear to them that when he met with them, Council would be approving the position and who they hired was their business.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said that Item No. 22 is a request for authorize the mayor to enter into a contract with Annette Petranic to serve as the Ravenna Farm Market Sponsorship Manager.

Mr. Seman said that this is for the same time period. The pay is \$5.00 less an hour than the other manager position. This one is \$15.00 per hour.

## Finance Committee Meeting Minutes July 23, 2012 Page Eight (8).

- Mr. Rainone asked how many hours Sally Kelly worked.
- Mr. Seman said he thinks it was 15 a week. It might have been 20 when it first started. Her rate was \$25.00 an hour.
  - Mr. Rainone said that Ms. Ferry's is \$20.00 an hour and Ms. Petranic's is \$15.00 a hour.
  - Ms. Michael said that's more money being spent out of the grant money.
- Mr. Seman said there is a budget for the grant and this is within it. They are going to be going without a manager for a time period. This starts August 6. They become effective once they are passed at the Council meeting at that time.
- Mr. Rainone asked as to this marketing and sponsorship, do they know if there are any deliverables or a plan that is to be developed?
  - Mr. Cecora said that's probably a better question for Kerry Macomber.
- Mr. Rainone said he did read the contract. It talks about more like tactics than it does results. He just wondered if there was a plan.
- Mr. Cecora said that the contract does say "provide a monthly summary of activities". He would assume that would include not hours worked but also an activity log of what this company is working on. If it's something quantifiable, it's probably going to be in there.
- Mr. Seman, after some pause, said he sat through a very unpleasant meeting and got this around the situation where it was palatable to him. They need to vote their conscience. From his position, he was satisfied because he told them that Council was not doing the hiring. That is an administrative decision as to who is going to be hired. The rumor mill is always perpetual.
- Mr. Rainone said Kent is the model they look at. Kent's manager is coming over to help them fill that so why do they need another person.
- Mr. Ribelin said it's his feeling they need a sponsorship manager in order to make the Farmers' Market self-sustainable. They've been lucky enough to get a two year grant in order to put this in place. He thinks without those donations and sponsorships, it's not going to be a reality in keeping it in place.

Finance Committee Meeting Minutes July 23, 2012 Page Nine (9).

Mr. Seman said he thinks that there was no manager for the Kent Market for quite some time. It became a viable thing on its own in terms of people showing up. He would like to remind everyone that when writing a grant, you write the parameters of what you are going to do within that grant. If the marketing part of this is part of the grant, they can't leave that unaddressed. He doesn't know about what the qualifications are for the lady from Kent any more than he does about Annette Petranic's. But he doesn't know whether she signed on to do that. She may have taken over the day to day stuff. The sponsorship thing is visiting local businesses and trying to get donations to sustain this when the grant is done. Keep in mind, this is tied into the Health situation they are dealing with and defining things. The location of this was defined by surveys of areas that needed help with good nutritious food, hopefully, at a reasonable price, that they can't get other places, because they don't have cars or transportation, etc.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said Item No. 23 is a request to authorize the mayor to advertise for bids for soil remediation at the White Rubber site.

Mr. Seman said the demolition is complete. There is a dump truck full of dirty they need to do something with.

Mr. Finney said that for some reason this is being bid out as part of the City's portion of this project. There is a grant to cover the costs. He hasn't been involved in it from the beginning but Regional Planning was taking care of a portion of the grant for Portage County and the City was to take care of this portion. It doesn't amount to very much and is covered through the grant.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said an item that did not make the agenda but needs to be discussed is the request from Portage Regional Planning about the resolution of support for the New Horizons Grant. Basically, this deals with fair housing. There are no monies involved and no cost to the City.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said Item No. 24 is a request to approve the Tax Incentive Review Council review of enterprise zone agreements.

## Finance Committee Meeting Minutes July 23, 2012 Page Ten (10).

Mr. Cecora said this is an annual thing being done. They are down to three companies receiving tax abatement. Each year they look at the compliance reporting to find out if they are passing. The three companies that currently have enterprise zone agreements were found to be in compliance. What they need is legislation that Council has acknowledged and accepted the results of this meeting.

Mr. Seman said that these are the companies that receive tax abatement. The review committee has to go through every year and analyze and decide whether the company has met the criteria to continue the tax abatement. One was on that list that expired. It expired a year ago. That one is off the books. The rest of them they voted to continue the tax abatement. The companies have met the criteria in terms of numbers of new jobs provided, etc.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

President Pro Tem Seman said the last item is the retroactive approval of the transfers, advances, appropriation transfers, etc.

Mr. Cecora said there were no transfers or advances between funds. There were appropriation transfers of line item, some activity, within funds. That is reported in the third section of the report.

There being no further comments, questions, objections or discussion, President Pro Tem Seman declared that a legislation would be prepared.

Mr. Berry expressed his concern regarding the leasing of machinery and vehicles stating they are saving money upfront but questioning if there will be a large outlay of cash at the end of the lease periods.

Mr. Cecora said they can do one of two things. The reason they have it structured at four and five years, they're not biting off all that much. They're doing it in sections. It's because if they find they don't like the lease deal; he built it into the capital budget so it's not going to strain them in terms of the capital budget for the next five year run out, the \$30-31,000.00 respectively. If they don't feel it's advantageous to lease, particularly with the cruisers and the pickup truck, they can re-evaluate and go back to buying. They have not replaced the entire fleet nor have they laddered purchases on top of each other to keep this going. There is a finite end to the lease. They can evaluate, not only each year as they go but at the end of this lease to see if this is route they wish to go.

Mr. Berry said that either way, at the end of that four or five year period, they could be looking at an outlay of \$90,000-\$100,000.00?

Finance Committee Meeting Minutes July 23, 2012 Page Eleven (11).

Mr. Cecora said the key is years three and four of the police lease. They want to see if this is working for them or not. If they get to year three and decide not to go this route, start talk about budgeting money in year four for a cruiser; stagger it out while the lease is still in effect and start reserving some money for cruiser purchases so when these leases fall off, they have that reserve to buy those cruisers.

There being no further business before the Committee, the meeting adjourned at 8:35 P.M.

ATTEST:

Clerk of Council Francis M. Ricciardi, Chairman

Finance Committee