

Cuyahoga Falls City Council
Minutes of the Finance and Appropriations Committee Meeting

July 15, 2019

Members: Tim Gorbach, Chair
Jerry James
Mary Ellen Pyke

Mr. Gorbach called the meeting to order at 7:50 p.m. All members were present.

Legislation Discussed

Temp. Ord. B-54

Temp. Res. B-55

Discussion:

Temp. Ord. B-54

An ordinance approving the Akron-Summit County Energy Special Improvement District Residential Program Plan; authorizing and approving the execution, delivery, and performance of a City Residential Pace Cooperative Agreement with respect to property assessed clean energy transactions in cooperation with the Akron-Summit County Energy Special Improvement District and the Toledo-Lucas County Port Authority; authorizing the Toledo-Lucas County Port Authority to approve petitions and plans for public improvements or public services submitted by the owners of real property within the City requesting that their property be added to the territory of the Akron-Summit County Energy Special Improvement District and assessed for the costs of such plans on behalf of the Council of the City; and declaring an emergency.

Mr. Gorbach stated that Mr. Burnham was before Council to discuss the commercial version of this and is here now to discuss the residential version. Getting through a back to improvement they make that are deemed energy efficient, they can opt in to use this program, and, if their renovation meets the criterion, can also opt to pay over time whether it's an assessment or some type of agreement. There's some consumer protections in here that those payback amounts are based on what the individual can truly pay back, not an amount that would be insurmountable and then clearly not make the program worthwhile. Where CDBG is income-dependent, this is not, so anyone can apply for this. Again, assuming that the I's are dotted and the T's are crossed with respect to the improvement they want to do, they would be able to apply and participate in this.

Ms. Janet Ciotola, Deputy Law Director, stated that, on June 20th, Summit County kicked off this program and debuted the residential program for energy efficient improvements. The advantages of program are numerous. It's voluntary participation and, for municipalities that are covered by the program, there is no taxpayer or rate-payer money. It's to the individual property owner wanting to make the improvement. It creates local jobs. It allows for reinvestment into one's property base. and it helps meet local economic environmental goals and offers consumer protections. Ohio is the fourth state in the country to have this program available. It's already available in California, Florida and Missouri. Ohio is next, and then it's brought to Summit

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County. The City of Norton has passed this. Barberton and Tallmadge are considering it, as is Copley Township and Lakemore. It will be an assessment on the property, so residents do not have to come up front with full payment for the improvement. It is amortized or assessed over a period of years.

Mr. Gorbach asked Mr. Burnham to speak about the Toledo Lucas County Port Authority and the mechanism on this. Mr. Burnham stated that they are working with the largest residential PACE financing group in the country called Renovate America. They are in the process of rolling out in different places, and they have come to Ohio. The Ohio special assessment law for these energy-efficiency projects is cumbersome. They would have preferred that they could amend the law to make it more straightforward, but failing to do that, they work with a port authority, because port authorities have really broad powers. They have actually financed things in nine counties under a cooperative agreement. The initial counties that are doing this program are Summit, Franklin, Lucas and Cuyahoga. For different reasons, they decided the Toledo Port Authority was the best vehicle to go statewide under a cooperative arrangement with the rest of them. They are not doing this for any type of profit. The County Executive asked us if they would cooperate on the basis it creates jobs, it should add to home values and it reduces the carbon footprint.

Mr. Burnham stated that Toledo has the responsibility to work directly with Renovate American and will be the bond issuer. Renovate America is starting boots on the ground here. They want to seek out, vet and train and certify contractors, because the real success of this program are going to be based on the contractors' interaction with the resident, Renovate America has all the responsibility for enforcing those certifications and the program. There are technology platform, and they're going to train these contractors how to use the software to determine someone's ability to pay based on the compliance criteria identified. They are the first state in the county to have compliance consumer protections as part of the initial PACE rollout. They will automatically know whether or not the homeowner can do it and then, even after that, resident will receive a call from Renovate America to confirm they understand everything. The contractor doesn't get paid until the resident is satisfied and the work has been done properly. Toledo has the administrative oversight for that, because they have bigger staff and more resources.

Mr. Gorbach asked if the rollout of this program, assuming passage, will be in January 2020. Mr. Burnham stated that he thinks that's a reasonable expectation for them to identify all the contractors. Mr. Gorbach asked if the City partners with them insofar as getting the information out to the residents. Mr. Burnham stated that would be between the individual communities, the ESID and Renovate America. At some point, Renovate America will be here to appear in front of City Council.

Ms. Nichols-Rhodes stated that this is very exciting for the city. It will add jobs and it will reduce the carbon footprint. People can fix their roofs, put solar panels on and can pay for it through an assessment, rather than coming up with the initial amount of money themselves. Mr. Iona asked for some additional information on the numbers. Mr. Burnham stated that he would provide that to Council.

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Mr. James moved to bring out Temp. Ord. B-54 with a favorable recommendation, second by Mrs. Pyke. Motion passed (3-0).

Temp. Res. B-55

A resolution approving amendments to the Articles of Incorporation of the Akron-Summit County Energy Special Improvement District, Inc., and declaring an emergency.

Ms. Janet Ciotola, Deputy Law Director, stated that, after the City of Cuyahoga Falls joined the ESID, they further honed the articles of incorporation and made two minor tweaks to the articles of incorporation to ensure their Federal income tax status: First, to make sure to solidify public control of the Board, so it will ensure the majority of memberships are made up from members of political subdivisions and, second, to clarify language on the purpose of ESID, which is to save energy, create jobs, economic growth and development.

Ms. Nichols-Rhodes asked if it was unlimited in terms of available capital. Mr. Burnham stated that Renovate America has an AA rating in the bond market. Mr. Miller asked if each community was going to have one representative on the board. Mr. Burnham stated that Ms. Ciotola is their board member.

Mrs. Pyke moved to bring out Temp. Ord. B-55 with a favorable recommendation, second by Mr. James. Motion passed (3-0).

Mr. James stated that concerning the construction material that has been showing up in the back of Waterworks, after a lot of communication with the Parks and Recreation Department and the Mayor, he has been assured that that material is going to be removed and the limited access road that goes behind the softball fields is going to be reinforced as a limited access road. Unauthorized folks will not be allowed back there. It's going to be chained and padlocked. The only materials that are going to be back there is going to be clean fill. It may take until the end of August, but it's going to be cleaned up.

The meeting adjourned at 8:13 p.m.