

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
October 4, 2010

Members: Kathy Hummel, Chair
Don Walters
Carol Klinger

Mrs. Hummel called the meeting to order at 6:35 p.m. All members were present.

The minutes from the September 7, 2010, September 13, 2010, and September 20, 2010 Committee meetings were approved as submitted.

Legislation Discussed:

Temp. Ord. A-116
Temp. Ord. A-117
Temp. Ord. A-118
Temp. Ord. A-119
Temp. Ord. A-120
Temp. Ord. A-121
Temp. Ord. A-122

Discussion

Temp. Ord. A-116

An ordinance providing for the issuance and sale of \$170,000 Notes, in anticipation of the issuance of Bonds, for the purpose of paying a portion of the costs of improving the City's water system by replacing the waterline in Taft Avenue and replacing the dehumidification units at the City's Water Treatment Plant, and declaring an emergency.

Mr. Brodzinski stated the last time the City issued notes was for the State Road Shopping Center. The amount reissued was for \$9.6 million, and the City got a coupon rate of 2%, the yield was 1.6% and the net interest cost was 1.95%. It was a good rate. As far as A-116 is concerned, it was not initially in the budget for the water fund so they put it in at an amount of \$280,000. \$180,000 was for the Taft water line and \$100,000 for the dehumidification units at the treatment plant. Since then, the City received Issue 2 money for the Taft water line. After opening bids, the Administration anticipates costs being \$85,000 for the City's share on the Taft water line and \$85,000 for the dehumidification units for a total of \$170,000. This would be a new issuance.

Mrs. Klinger moved to approve bringing A-116 out of Committee with a favorable recommendation, second by Mr. Walters. Motion passed, voice vote (3-0).

Temp. Ord. A-117

An ordinance providing for the issuance and sale of \$350,000 Notes, in anticipation of the issuance of Bonds, for the purpose of constructing a public festival site to be known as Falls River Square, including an amphitheatre, pavilion, outdoor ice skating area and water fountain and related improvements, and declaring an emergency.

Mr. Brodzinski stated this note goes along with A-121 and the State Road reconstruction between Graham and Portage Trail. It was reissued around the same time. On the State Road portion, \$150,000 will be paid off. This note started at \$700,000 and they will be paying off one-half or \$350,000. He will talk about the Front and Hudson portion when A-121 is discussed.

Mr. Walters moved to approve bringing A-117 out of Committee with a favorable recommendation, second by Mrs. Klinger. Motion passed, voice vote (3-0).

Temp. Ord. A-118

An ordinance providing for the issuance and sale of Notes in the principal amount of \$9,000,000, in anticipation of the issuance of Bonds, for the purpose of paying a portion of the costs of constructing a community recreation center and acquiring real estate and interests in real estate therefor, and declaring an emergency.

Mr. Brodzinski stated this note was initially issued for \$11 million. Last year, the City paid down \$1 million, and the intent this year is to pay another \$1 million. They are hoping to do it again next year and then evaluate whether it is time to issue and lock-in long term debt. Mrs. Klinger asked if Mr. Brodzinski thought the interest rates were going to go even lower. She wondered why the City was waiting until next year. Mr. Brodzinski felt the rates would at least remain constant. They don't want to lock in this year because they are going through the process of union negotiations and, with the uncertainty of where the City is going to be, the results will be a deciding factor on whether they issue the debt.

Mrs. Klinger moved to approve bringing A-118 out of Committee with a favorable recommendation, second by Mr. Walters. Motion passed, voice vote (3-0).

Temp. Ord. A-119

An ordinance providing for the issuance and sale of Notes in the maximum principal amount of \$900,000, in anticipation of the issuance of Bonds, for the purpose of paying costs of improving the City's Brookledge Golf Course, and declaring an emergency.

Mr. Brodzinski stated this is different than the other ordinances because it says "maximum amount." This note started at \$1 million for the irrigation system and sand traps. It was initially budgeted to pay down \$100,000. However, Water Works had a banner year and the Natatorium is also going strong. They wanted to have the flexibility to see how September and October went and perhaps pay down \$300,000 instead. He will let Council know what the pay down amount ends up being.

Mr. Walters moved to approve bringing A-119 out of Committee with a favorable recommendation, second by Mrs. Klinger. Motion passed, voice vote (3-0).

Temp. Ord. A-120

An ordinance providing for the issuance and sale of \$550,000 Notes, in anticipation of the issuance of Bonds, for the purpose of paying a portion of the costs of improving State Road between Graham Road and Steels Corner Road by widening, constructing sidewalks and storm water management facilities and installing lighting and traffic signals, where necessary, and all related improvements, and declaring an emergency.

Mr. Brodzinski stated it was initially budgeted to borrow \$1 million. The actual construction will take place in 2012 or 2013. This was for the design piece and for the purchase of right-of-way. They know what the design costs are, but they do not know what it will take to purchase property. Instead of borrowing \$1 million and have costs come in less, they decided to get what they have into the project to date and then next year look for another \$450,000 or somewhat less than that. Mr. Rubino asked about the phrase "together with necessary appurtenances" which appears in A-121 but not in the other ordinances. Mr. Janis stated the phrase applies mostly to water and sewer projects because you want to make sure you capture everything that goes into a sewer/water project.

Mr. Walters moved to approve bringing A-120 out of Committee with a favorable recommendation, second by Mrs. Klinger. Motion passed, voice vote (3-0).

Temp. Ord. A-121

An ordinance providing for the issuance and sale of \$250,000 Notes, in anticipation of the issuance of Bonds, for the purpose of improving Front Street from State Route 8 to Oakpark Boulevard, Hudson Drive from Front Street to State Route 8, and Bailey Road in and around its intersection with Front Street, by widening the pavement and constructing or reconstructing curbs, sidewalks, and driveway approaches, and installing traffic signalization, sanitary and storm sewers and water lines, where necessary, together with all necessary appurtenances and related improvements thereto, and acquiring real estate and interests in real estate therefor, and declaring an emergency.

Mr. Brodzinski stated this was for the Front Street and Hudson Drive widening done several years ago. This year, the note starts at \$500,000. They are paying one-half this year with the remaining one-half in 2011 if Council passes the Capital Improvement Budget when it is brought forward.

Mrs. Klinger moved to approve bringing A-121 out of Committee with a favorable recommendation, second by Mr. Walters. Motion passed, voice vote (3-0).

Temp. Ord. A-122

An ordinance providing for the issuance and sale of \$1,000,000 Notes, in anticipation of the issuance of Bonds, for the purpose of paying a portion of costs of constructing a State Route 8 interchange at Seasons Road, including construction and installation of water, storm sewer and sanitary sewer lines, traffic signalization, street lighting and related improvements, and declaring an emergency.

Mr. Brodzinski stated this was for the JEDZ project the City is looking to do with the Cities of Stow and Hudson. \$1.8 million in costs is the City's share of purchasing land and its share of interchange costs and a portion for a sewer line. Of that \$1.8 million, the City budgeted for \$1 million and that is the amount he is asking to be executed in the form of a note with the idea of paying \$500,000 increments in the next couple of years. Mrs. Hummel asked if the City has spent the \$1.8 million. Mr. Brodzinski stated it has not and if the money ends up not being spent, he will not issue the note.

Mr. Walters moved to approve bringing A-122 out of Committee with a favorable recommendation, second by Mrs. Klinger. Motion passed, voice vote (3-0).

Meeting adjourned at 6:53 p.m.