

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

June 18, 2018

Members: Tim Gorbach, Chair
Jerry James
Mary Ellen Pyke

Mr. Gorbach called the meeting to order at 6:51 p.m. All members were present.

Legislation Discussed

Temp. Ord. A-50

Temp. Ord. A-51

Temp. Ord. A-52

Discussion:

Temp. Ord. A-50

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the demolition and removal of demolition debris from dangerous buildings located at 2464 23rd Street and certifying the cost thereof to the County Fiscal Officer for collection in the manner provided by law, and declaring an emergency.

Mr. Tony Demasi, City Engineer, stated that ordinance will permit the City to demolish the house and garage at 2464 23rd Street. The structure was condemned by a Summit County building official on April 2nd of this year. Structural deficiencies include a large hole in the roof. It is a dilapidated and deteriorated structure in general. The utilities have been disconnected. The Community Development Department has been working with the property owner beginning in February of 2017. After just a couple months, the owner failed to continue making contact with the City, so it was decided to go ahead and take action. Following demolition, the cost will be certified to the Finance Department for collections. The estimated cost for that is \$8,000.

Mr. Gorbach asked what condition the parcel will be left in once the structure is demolished. Mr. Demasi stated that they would grade the property, fill in the basement area and then seed it. Mrs. Pyke asked if the property owner was taken to court. Mr. Russell Balthis, Law Director, stated that he would have to check on that. Normally, if a property owner is not compliant, the City will take them to the Mayor's Court. If contact with the property owner is lost, and the property is in as bad as repair as this home, they will go to the County to get it condemned, because that's where the City has to go anyway if the property owner is not willing to cooperate with the City. Mr. Demasi stated that he believed there was a court proceeding in February of this year. Mr. Balthis stated that he would be happy to check and send an e-mail to Council. Mrs. Pyke stated that she thinks the neighbors always have a sense of relief when a house is going to be demolished because it gets this bad. It's what takes place from the time that it starts to get like that until it comes to Council. Her heart always goes out to those neighbors. Other Council members know when it's like that, it's constant calls. When property owners make the decision that they're not going to

Finance and Appropriations Committee
June 18, 2018 – Page 2

make improvements, they're simply not going to do it anymore. While she is glad they have this legislation and are taking it down, she is saddened that these homes can get like this.

Mr. James moved to bring out Temp. Ord. A-50 with a favorable recommendation, second by Mr. Gorbach. Motion passed (3-0).

Temp. Ord. A-51

An ordinance providing for the issuance and sale of bonds in the maximum aggregate principal amount of \$11,170,000, for the purpose of paying the costs of (a) improving Front Street, Second Street, Oakwood Drive, Stow Avenue and Broad Boulevard between certain termini, including the improvement, construction and installation of sidewalks, bike lanes, curbs, pavement, signalization, street lighting, turn lanes, and all related improvements and appurtenances, (b) improving the City's storm and sanitary sewer systems by constructing and replacing storm and sanitary sewer lines, manholes, service connections and laterals on 18th Street between Ohio Avenue and Phelps Avenue, together with all necessary appurtenances thereto and (c) constructing, reconstructing, improving and rehabilitating the City's Green Parking Garage, Blue Parking Garage and Red Parking Garage by the construction, improvement and installation of concrete and masonry, the waterproofing of the existing structures, the construction of drainage upgrades, and the acquisition and installation of new elevators and the modernization of existing elevators, and all related improvements and appurtenances, and declaring an emergency.

Mr. Bryan Hoffman, Finance Director, stated that, in 2017, the City issued one-year notes that are going to be becoming due August 8th. It's now time to look at how they are going to refinance those notes. Those notes were for street improvements to Front Street, the parking decks and the sewer line on 18th Street. This year, when looking at the current marketplace for debt and the rising interest rates, it was determined the best route to take is going to be a 15-year bank purchase deal. It saves on issuance costs while locking in an interest rate. The City won't have issuance costs over the next 15 years of the bonds that will be sold. That made the most sense from a cost perspective. He is asking for approval to be able to sell these bonds by that timeframe in August. This does not change any amounts that were planned in the City's budget. All those amounts remain the same. They are not borrowing any more for any of these things, and they are paying down the Front Street improvements about \$750,000 this year.

Mrs. Pyke stated that they are going for a 15-year bank purchase on the total amount of these notes, but, as indicated on Line 80, they are split into 20-year, 40-year and another 20-year. She asked how those amounts are determined and is 40 years something that would typically be done. Mr. Balthis stated that what this section does is gives the useful life of improvements. It's part of the Ohio Revised Code. It puts a limit on how long debt can be taken out. The idea would be they can't build a big, beautiful building and take out a 100-year note on the building if it is not going to last a 100 years. They don't have to go this long, but this is the longest that they are allowed to go if they issue bonds for these improvements. If a note is going to be less than 15 years, a weighted-average calculation must be done to make sure that they are paying it down within a certain period of time. The numbers come from the Ohio Revised Code, and the improvements

Finance and Appropriations Committee
June 18, 2018 – Page 3

must fit with the useful life that the Ohio Revised Code lays out. Mrs. Pyke asked if they are saying the \$6,885,000 portion of these bonds has a 20-year life expectancy. Mr. Balthis stated that the Ohio Revised Code is saying that. Mrs. Pyke asked if that was something that was defined in the Ohio Revised Code and not something the City chose. Mr. Balthis stated that was correct. There are markers in the Ohio Revised Code. It can vary a little bit, one way or the other, but has to be justified. He doesn't know if these are the numbers contained in the Ohio Revised Code, but, either way, because the City is only doing a 15-year note, they are well below it. Mrs. Pyke asked if this just gives the City leeway. Mr. Balthis stated that was correct. If they are kept in notes, they can actually add five years to the number of years, because they can take notes out and roll them over for five years before locking it in. If they don't lock it in in bonds, they have to reduce each of these by a year as they move on. It's the Ohio Revised Codes' way of requiring local governments to pay debt in a reasonable period of time connected to the value of the thing they borrowed to pay for.

Mrs. Pyke moved to bring out Temp. Ord. A-51 with a favorable recommendation, second by Mr. James. Motion passed (3-0).

Temp. Ord. A-52

An ordinance authorizing the Mayor to enter into a contract or contracts, without competitive bidding, with Out Of The Box Enterprises, LLC and MUI Construction for the acquisition and construction of a seasonal ice rink, and declaring an emergency.

Ms. Sara Kline, Parks and Recreation Superintendent, stated that, within a few shorts months, they are going to have ice skating in the City of Cuyahoga Falls. She is here to ask for Council's favorable consideration of a contract with Out of the Box Enterprises and MUI Construction for the construction and the utilization of a new ice rink. The former ice rink had gotten to the end of life, as well as the space has obviously changed, so it was time to look at something new. Mr. Zack Shockley is present, from Out of the Box, so any technical questions about the construction or deconstruction or storage, she will defer to the Mr. Shockley. They are asking for authorization to spend \$162,048. That will be split between Out of the Box and MUI Construction. She stated that one of the big benefits of this new rink is it does not require sand. The former ice rink required tons of sands to be hauled by City employees for the base. They do not have to do that with the new process and this new construction. Out of the Box will also be able to construct and deconstruct and store the rink in the offseason. Rather than this being a custom size, this is literally out of the box, an off-the-shelf-size ice rink, which makes maintenance easier.

Mr. Gorbach stated that although the language, "without competitive bidding," was contained in the legislation, located under the first, "Whereas," it states that the City solicited quotes for the acquisition. He asked if they did take quotes for this project. Ms. Kline stated that there are not a lot of companies in this business, so the pool was somewhat limited to begin with. The staff did actually meet with other companies, and they have detailed quotes from another vendor. Two reasons they did not select that vendor was it was more expensive and less responsive. Their product also did not meet their needs and did not allow them to get away from some of the

Finance and Appropriations Committee
June 18, 2018 – Page 4

challenges they had with the base. Out of the Box really meets that need. Mr. Gorbach asked what happened to the old rink. Ms. Kline stated that the dasher boards were taken apart and all the metal was scrapped, so that was a little bit of revenue, as well as the environmentally friendly. All of the usable parts, including the decking, are going to be reused in other projects across the city. They have all the skates and the glycol from the coils. The sand they are not going to be using is stored at the annex for other departments to use. One important piece of this project is that they are going to reuse the chiller, which is an enormous cost savings. That has been checked out by the Out of the Box staff, as well as the Parks Maintenance staff, and everyone is in agreement that it is in good working order and they should be able to continue to use it for the foreseeable future.

Mrs. Pyke stated that this legislation is for the acquisition and construction. She asked what the yearly fee is for taking down and storing, and when will they see that legislation. Ms. Kline stated that, the deconstruction and annual construction, per season, to install it is \$7,680 and to remove it is \$6,600. Mrs. Pyke asked if that was spelled out in the legislation. Ms. Kline stated that under Article 2, in Section 2.2, Renewal of Services, that's spelled out in the contract. Mrs. Pyke asked for a copy of the contract. Ms. Kline stated she had a hard copy she could leave with Mrs. Pyke tonight, or she could e-mail it to all of Council if that is more convenient. Mrs. Pyke asked if it is okay that it doesn't reference that in this, because the budget sheet says \$162,000. She asked if that \$7,680 was included in that \$162,000 and if that is a yearly fee. Ms. Kline stated that the construction and deconstruction is included in that \$162,000. Mr. Balthis stated that the recurring annual cost is approximately \$13,000. Ms. Kline stated that this is a three-year total contract, 2018, 2019 and 2020, with the option to renew past that date. Mr. Balthis stated that, given the fact that it would be under a \$50,000 expenditure, an additional ordinance will not be required. He would have to look at the contract to ascertain how it is written in there and if it is in the legislation, but, as long as it's under \$50,000, it wouldn't require an additional ordinance.

Mrs. Pyke asked if they are basically piece-parting parts of the contract that they are approving. Mr. Balthis stated that the ordinance authorizes entering into both, "contract or contracts." Mrs. Pyke asked if the budget sheet should include that \$13,000 for the next three years. Mr. Balthis stated that, from a legislation perspective, as long as it states the purposes and it lays out contracts. He would be happy to send her a copy of the contracts. The legislation is fine. Mr. Hoffman stated that the budget sheets would reflect the total cost on these contracts. He believes that the future years of these contracts are included in this cost. What would have been included on the budget sheet would have been the costs that were listed in these contracts as stated. Mrs. Pyke asked for a detailed budget sheet. Mr. Hoffman stated that he could take a look at it, add the numbers up and distribute an e-mail. He would be happy to supply Council with information regarding 2019 and 2020. Mr. Gorbach stated what Council needs to know is does the \$162,048 include the \$14,280 times three.

Mr. Iona asked if the \$13,000 for setup and takedown was an additional charge they did not have before. Ms. Kline stated that, from her understanding, it is an additional charge; however, it's a different system, so it's not quite apples to apples, because the City was responsible for hauling in

Finance and Appropriations Committee
June 18, 2018 – Page 5

and hauling away the sand away from the base. The City owned it and wanted to be in charge of it. It was very labor-intensive. From an operational standpoint, by freeing up the labor from the Maintenance Division, they have tremendously increased their capacity to do other projects in the late fall and early winter; that the staff time is probably better spent for other projects rather than hauling sand for the ice rink. From her perspective, it is worth that cost for operational efficiency. Mr. Iona asked if they don't have skilled people that could do that. Ms. Kline stated that she would defer to Mr. Shockley to discuss the technical aspects.

Mr. Zach Shockley, representing Out of the Box Enterprises, stated that he imagines it was the City's Parks and Recreation employees that assembled it before. The sand base is different than what they are going to be doing now. That is very labor intensive. They have done it at the other rinks, and it's a large hassle and mess. The new rink is a rigid insulation with six-by-six timber cradling. They will basically make large steps and then that would be leveled with the flat, rigid insulation to bring it to a flat surface. Everything includes the rest of the rink assembly. These kits do not come 100 percent ready to put together. There are always slight modifications needed to be made. He is not the only person who can fix these. He does have quite a bit of experience. This would be his fifth year just putting outdoor rinks together. Somebody else could do it, but the time savings, alone, would definitely benefit the City, because that is all they do, just put rinks together. They are not going to be coming to Council or asking people for more money down the road. That number is inclusive of everything. They are going to get it off the truck, and it will be ready to go. The City will just have to staff it for the winter. When the City is done for the season, they will come in and take it down.

Mr. Iona asked where it will be stored. Mr. Shockley stated that the last he was involved, they were still trying to decide if who was going to be storing it. Ms. Kline stated that they have not determined that, although the discussions have been between Parks Maintenance and then the facility that Out of the Box would have. It's simply going to depend on whether they can manipulate and maneuver their equipment and other items that they store at Parks Maintenance, or if they need to ask Out of the Box to do it. Mr. Iona asked if there would be a charge for Out of the Box to store the ice rink. Mr. Shockley stated that there would have to be an additional fee, because they would have to pay for the storage, as well, depending on where they're going to keep it. This is a slightly larger rink than the current one that he assembles that is of similar size and shape, so it would not take much more storage place. He believes the other storage space they use for that was approximately \$500 a month.

Mr. Brillhart asked how long it will take to set it up take to take it down. Mr. Gorbach asked how many people they would have to do that. Mr. Shockley stated that the first year will take a little bit longer, because it doesn't come perfectly ready to go. That would take two weeks maximum. That's the worst case scenario. The assembly for just the rink, itself, is a week maximum. In future years, it would definitely take less time than that. Disassembly is definitely quicker. Assuming the weather is warmer, and he is not fighting the frozen nature of the ice rink, it could take two to three days. Mr. Brillhart asked how long it took to disassemble the former ice rink. Ms. Kline stated that her understanding from the staff that have been in charge of it was it

Finance and Appropriations Committee
June 18, 2018 – Page 6

somewhat weather dependent and also dependent on the staff's availability for other projects, and it could take a couple of weeks depending on those factors. Mr. Brillhart asked how long it would take to disassemble the new rink. Mr. Shockley stated that, once the weather warms and it is not full of ice, it would take only a couple days. Mr. Gorbach asked if Mr. Shockley does the setup and the takedown on his own. Mr. Shockley stated he would be one of the crew. They usually run a crew of four to six guys. It depends what day it is. The rigid foam and timbers are MUI Construction's portion of the contract. If the actual rink assembly needs to be done more quickly, they can increase their crew. Mr. Gorbach asked if it will take four to six guys three weeks to set up the first year and then less in the following years. Mr. Shockley stated that construction is definitely longer than the takedown. Ms. Kline stated that Out of the Box has a good reputation in this region. They do the ice rink at Public Square in downtown Cleveland and they also did the Wade Park Oval skating rink. They are in charge and his company operates some notable ice rinks in Northeast Ohio, so they will be well served in Cuyahoga Falls by their company.

Mrs. Pyke asked if they will know by next week's vote if the City will store it or they will store it. Mrs. Kline stated that she will make sure they know. She will ask Mr. Webb, in Parks Maintenance, to make that determination. Mr. Colavecchio asked if they are going to recycle the coolant. Mr. Shockley stated that he is not sure of the exact quantity of glycol they have in there, but it's a fairly large amount that should meet their needs. If not, it will be a small amount to supplement. Mr. Colavecchio asked what the cost would be if they had to go out and purchase that. Ms. Kline stated that the other advantage of having the Parks and Recreation Department be in charge of this project is that they have glycol here, at the Natatorium, and purchase a quantity sufficient that, if it's a small amount, they can supplement what the ice rink would need.

Mr. Hoffman stated that the budget sheet does not include a yearly \$14,280 in that cost. That cost, under Section 2.2, Renewal of Services, is an option the City would have for years 2019 and 2020. So that's something they could opt into it if the City would want to do that in those years. Mr. Gorbach asked if it is included in year one. Mr. Hoffman stated that the takedown and setup is included in this year one, \$162,000. Mr. Gorbach asked if a determination will be made, or at least a suggestion by Ms. Kline if they're going to continue those services in the second two years of the contract. Ms. Kline stated that they would certainly rely on Mr. Webb and his staffing in Parks Maintenance to make that determination.

Mr. Tom Sullivan, 447 Tallmadge Road, stated that he just added it up. He walks through that area every night. It typically took about three weeks to assemble the ice rink. During the day, there are two to three guys. Doing the math of \$13,000, and dividing that up three weeks at the beginning, three weeks at the end, sometimes four, depending on how much of a mess they have, at about \$18 an hour and benefits, he thinks that's pretty much going to be a wash.

Mr. James moved to bring out Temp. Ord. A-52 with a favorable recommendation, second by Mrs. Pyke. Motion passed (3-0).

The meeting adjourned at 7:23 p.m.