

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

September 5, 2023

Members: Mary Nichols-Rhodes, Chair
Mike Brillhart
Adam Miller

Ms. Nichols-Rhodes called the meeting to order at 6:30 p.m. All members were present.

The minutes of the June 19, 2023 and July 17, 2023 Finance Committee meetings were approved as written.

Legislation Discussed

Temp. Ord. B-91
Temp. Ord. B-92
Temp. Ord. B-93

Discussion:

Temp. Ord. B-91

An ordinance providing for the issuance and sale of notes in the maximum principal amount of \$1,255,000, in anticipation of the issuance of bonds, for the purpose of paying the costs of acquiring, constructing, reconstructing, improving, equipping and installing 3,400 lineal feet of sanitary sewer lines, 3,550 feet of water main lines and 8,000 lineal feet of electrical conduit wiring, related storm sewer lines and retention, erosion control and landscaping along Princeton Place Boulevard, Nottingham Trail, Bainbridge trail and Kensington Court, and declaring an emergency.

Mr. Bryan Hoffman, Finance Director, presented Temporary Ordinance B-91 to Council. It is necessary to issue bonds of this City in the maximum principal amount of \$1,255,000 for the purpose of (i) paying the costs of acquiring, constructing, reconstructing, improving, equipping and installing 3,400 lineal feet of sanitary sewer lines, 3,550 feet of water main lines and 8,000 lineal feet of electrical conduit wiring, related storm sewer lines and retention, erosion control and landscaping along Princeton Place Boulevard, Nottingham Trail, Bainbridge Trail and Kensington Court and paying capitalized interest. The Bonds shall be dated approximately November 1, 2024, shall bear interest at the now estimated rate of 6.00% per year, payable on June 1 and December 1 of each year, commencing June 1, 2025, until the principal amount is paid, and are estimated to mature in twenty (20) annual principal installments that are in such amounts that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable are not more than three times the amount of those payments in any other fiscal year. The first principal installment is estimated to be 61 December 1, 2025.

Mr. Hoffman stated that B-91 is for rolling over notes that were issued in the past. Historically, with Tax Incremental Financing (TIF) projects throughout the City, the State has been pretty slow on approving those and it takes a few years before they start to receive revenues into the City from

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the projects, themselves. In the meantime, instead of using City funds to build these projects, they have been issuing notes and then rolling those over until they get the revenues to pay them off. This particular note is the rolling over from the Princeton Place Development and Wyoga Lake Road. The dedicated revenue source to repay the bonds would come from the project through the TIF that was established to pay for the infrastructure to bring utilities to homes in the development.

Mr. Brillhart asked what kind of interest rates they are seeing right now. Mr. Hoffman stated that the short-term market is not quite where the long-term market is. They are anticipating, at this time, 3.5 to 3.7 percent on these one-year notes. The reason they keeping them at one-year notes rather than going the long-term bond route is for the flexibility in rolling these over. If they were to go into the long-term bond route this year, they would be paying on these instruments earlier than getting revenues in. The difference between short-term and long-term is not enough, at this point in time, to go into long-term bonds rather than the short-term.

Mr. Brillhart asked what kind of fees are involved on a one-year note versus a five-year note. Mr. Hoffman stated that he does not have the exact fee schedule. The one-year notes tend to be much less in cost. There are legal fees, advisory fees, as well as underwriting fees and, for the long-term bonds, those fees can start to get up there in the long run, because they are issuing three-year bonds rather than one-year notes spread those across the life of the bonds.

Mr. Miller moved to bring out Temp. Ord. B-91 with a favorable recommendation, second by Mr. Brillhart. Motion passed (3-0).

Temp. Ord. B-92

An ordinance providing for the issuance and sale of notes in the maximum principal amount of \$700,000, in anticipation of the issuance of bonds, for the purpose of paying the costs of the construction, reconstruction, widening, improving, grading, draining and resurfacing of Wyoga Lake Road between Steels Corners Road and Seasons Road, together with all related and necessary appurtenances thereto, and declaring an emergency.

Mr. Bryan Hoffman, Finance Director, presented Temporary Ordinance B-92 to Council. It is necessary to issue bonds of this City in the maximum principal amount of \$700,000 for the purpose of paying the costs of the construction, reconstruction, widening, improving, grading, draining and resurfacing of Wyoga Lake Road between Steels Corners Road and Seasons Road, together with all related and necessary appurtenances thereto and paying capitalized interest. The Bonds shall be dated approximately November 1, 2024, shall bear interest at the now estimated rate of 6.00% per year, payable on June 1 and December 1 of each year, commencing June 1, 2025, until the principal amount is paid, and are estimated to mature in twenty (20) annual principal installments that are in such amounts that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable are not more than three times the amount of those payments in any other fiscal year. The first principal installment is estimated to be December 1, 2025.

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Mr. Hoffman stated that this ordinance is for engineering and associated costs for a project they are beginning on Wyoga Lake Road between Steels Corners Road and Seasons Road. They are looking at this portion of road to make improvements to Wyoga Lake Road and at the entrance of the Princeton Place Development. The plan today is to use some of the funds from the Princeton Place Tax Incremental Financing (TIF) project for these repayments, as well, and that is the reason they are keeping these in notes at this time. The anticipated cost of the engineering and design fees is right around \$700,000.

Mr. Brillhart moved to bring out Temp. Ord. B-92 with a favorable recommendation, second by Mr. Miller. Motion passed (3-0).

Temp. Ord. B-93

An ordinance providing for the issuance and sale of notes in the maximum principal amount of \$145,000, in anticipation of the issuance of bonds, for the purpose of paying the costs of the design and engineering, construction, reconstruction, widening, improving, grading, draining and resurfacing of, and installation of traffic controls along, and the intersections of, State Road, Seasons Road and yoga Lake Road, and a traffic study of those roads and related areas, including but not limited to the extension, opening, improving, curbing or changing of the lines and traffic patterns of roads, highways, streets, intersections, bridges (both roadway and pedestrian), sidewalks, bikeways, medians and viaducts, providing signage, lighting systems, signalization, and installation of stormwater and flood remediation facilities, together with all related and necessary appurtenances thereto, and declaring an emergency.

Ms. Nichols-Rhodes stated that the Administration has asked that Council amend the maximum principle amount to \$350,000 instead of \$145,000.

Ms. Nichols-Rhodes moved to amend Temporary Ordinance B-93 (Sub. Dated 9/5/23), second by Mr. Miller. Motion passed 3-0.

Temp. Ord. B-93 (Sub. Dated 9/5/23)

An ordinance providing for the issuance and sale of notes in the maximum principal amount of \$350,000, in anticipation of the issuance of bonds, for the purpose of paying the costs of the design and engineering, construction, reconstruction, widening, improving, grading, draining and resurfacing of, and installation of traffic controls along, and the intersections of, State Road, Seasons Road and Wyoga Lake Road, and a traffic study of those roads and related areas, including but not limited to the extension, opening, improving, curbing or changing of the lines and traffic patterns of roads, highways, streets, intersections, bridges (both roadway and pedestrian), sidewalks, bikeways, medians and viaducts, providing signage, lighting systems, signalization, and installation of stormwater and flood remediation facilities, together with all related and necessary appurtenances thereto, and declaring an emergency.

Mr. Bryan Hoffman, Finance Director, presented Temporary Ordinance B-93 (Sub. Dated 9/5/23) to Council. It is necessary to issue bonds of this City in the maximum principal amount of

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\$350,000 for the purpose of paying the costs of the design and engineering, construction, reconstruction, widening, improving, grading, draining and resurfacing of, and installation of traffic controls along, and the intersections of, State Road, Seasons Road and Wyoga Lake Road, and a traffic study of those roads and related areas, including but not limited to the extension, opening, improving, curbing or changing of the lines and traffic patterns of roads, highways, streets, intersections, bridges (both roadway and pedestrian), sidewalks, bikeways, medians and viaducts, providing signage, lighting systems, signalization, and installation of stormwater and flood remediation facilities, together with all related and necessary appurtenances thereto and paying capitalized interest. The Bonds shall be dated approximately November 1, 2024, shall bear interest at the now estimated rate of 6.00% per year, payable on June 1 and December 1 of each year, commencing June 1, 2025, until the principal amount is paid, and are estimated to mature in twenty (20) annual principal installments that are in such amounts that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable are not more than three times the amount of those payments in any other fiscal year. The first principal installment is estimated to be December 1, 2025.

Mr. Hoffman stated that this ordinance is for the design and engineering cost for the project. This one-year bond used the Tax Incremental Funding (TIF) that was established for the Princeton Place Development located on Wyoga Lake Road and the Pine Ledges Development located north of Hidden Lakes for the realignment of the intersection of State Road, Seasons Road and Wyoga Lake Road, referred to as the triangle. They are considering the notes again for the flexibility and the payback schedule. The substitute was for an error in the original ordinance of \$145,000. They bid the contract for the design engineering for a maximum of \$350,000.

Mr. Miller moved to bring out Temp. Ord. B-93 (Sub. Dated 9-5-23) with a favorable recommendation, second by Mr. Brillhart. Motion passed (3-0).

The meeting adjourned at 6:42 p.m.