

THE FINANCE Committee held a meeting on Tuesday, October 15th, 2024 beginning at 6:20 P.M

Committee Members Present:

CD: Co-Chair Mitchell, Schneider, Oswald, Lipian
Finance: Chair Tollett, Schneider, Cerra, Siwierka, Davis
Others: Armstrong, Pres. Stewart
Excused Absence: Callahan

Administration and Department Heads Present:

Mayor Brubaker, Mayor Brubaker, Law Dir Deery, Safety Service Dir Pyanowski, Finance Dir Pileski, Engineer Schneider, Capt. Groomes, Dir Reardon, Dir Calvert

1. The matter of approval of the September 30th, 2024 Finance Meeting Minutes as circulated.

Motion Made by Mr. Cerra and second by Mr. Schneider to approve said minutes.

MOTION CARRIES

2. The matter of demolition charges in the amount of \$213,826.50 for 327 Broad St. to be certified to the Lorain County Auditor.

Referred By: Engineer Schneider

Engineer Schneider said these are charges for the demolition costs of the Shane Building, as well as other costs associated with the demolition. The amount is slightly more due to other expenses, including fencing. The lawsuit has not been finalized, but they decided it would be a good idea to get these charges on this property.

Dir Pyanowski said, by having this lien on the property, it prevents any transfer of the property until some of those things are worked out of if someone wants to pay the \$213,000 and buy the property, they'll be happy with that.

Mrs. Siwierka asked if the current ownership is known?

Dir Deery said, yes, and it's an LLC, a corporate entity, owned by Mr. Schonhiutt.

Motion made by Mr. Schneider and second by Mr. Cerra authorizing a resolution for 'said' charges to be certified as a lien to the Lorain County Auditor's Office.

MOTION CARRIES COMMITTEE REPORT WRITTEN

3. The matter of a contract with OARNet for support/licensing of the City's computing, storage and network virtualization environment.

Referred By: IT Director Henderson

Dir Deery said this is in regards to a contract for storage and licensing. It is being requesting as an emergency, the current contract expires on Oct. 20th.

The IT Dept is not in attendance to discuss this matter.

Chair Tollett read the committee report and asked for a motion.

Motion made by Mrs. Siwierka and second by Mr. Cerra authorizing an ordinance to enter into the 'said' contract.

MOTION CARRIES COMMITTEE REPORT WRITTEN

Mrs. Siwierka asked if the administration can maybe check with the IT Dept to make sure there are no other contracts that are pending or need to be renewed.

Mr. Schneider asked if this will be a new provider?

Dir Deery said it will be a new contract, but, she doesn't know if it's a new provider.

4. The matter of the 2024 State Homeland Security Program Grant for EPD.

Referred By: Police Chief Pelko

Captain Groomes said the Police Dept applying to accept monies through the State Homeland Security Program Grant. They are requesting \$200,000 to be used toward buying multi-band radios. That will allow to communicate with Local and State and Federal Agencies during major incidents to include terrorist and natural disasters. It will improve effectiveness and efficiency in the coordinated response with those agencies.

Chair Tollett asked if they will be able to communicate with the Fire Dept.?

Captain Groomes said yes, the purchase is the first issue and then they would need to pay for a subscription to go live with those multiband which would allow to communicate. The upfront cost would be covered by this grant. There is no match to purchase the radios, but there would be monthly service fees for the service to be live.

Mrs. Davis said how does this work if the deadline was September 20th?

Dir Pyanowski said they already filed the application. They are asking for council to approve the application which has already been submitted and to approve the acceptance of the grant if we are chosen to receive it.

Mr. Cerra asked what the monthly fees would be?

Captain Groomes said the quote was for \$10 per unit, per month. If we had 40 radios that we wanted to go live, it would cost \$400 per month.

Mr. Stewart asked what they would do with the current radios?

Captain Groomes said those are single band radios and can only talk on our system, if we go to this multi-band radio system, the current ones would be obsolete and would have to be sold.

Mrs. Siwierka asked who is in charge of the life cycle of these and keeping track? Captain Groomes said they work with Communications Director Showalter.

Motion made by Mr. Schneider and second by Mr. Cerra authorizing an ordinance to apply for and accept the 'said' grant, emergency clause.
MOTION CARRIES COMMITTEE REPORT WRITTEN

5. The matter of a lease agreement with Peggy Yorks for the property located at 1463 Lowell St. for storage of larger property items and vehicles.

Referred By: Police Chief Pelko

Captain Groomes said they are asking to renew the contract for the use of that property for two years, Jan. 1st, 2025 through Dec. 31st, 2026. There is an increase from \$1200 to \$1350.

Mr. Oswald asked if this is a building that we won't need to use after our new facility gets built? Answer is yes.

In 2 years, that adds up to \$32,400, do we have a clause to go month to month when it gets closer to the new facility being finished? Do we have a deposit?

Captain Groomes said we do not have a deposit. And as far as when we get close to the end of the contract, that has not been discussed and there is no clause for that. But, they can look into that to see if that will be necessary.

Dir Deery said either party may terminate at least 60 days prior, in writing, and that can be added to the contract.

Motion made by Mr. Schneider and second by Mrs. Siwierka authorizing an ordinance to enter into the 'said' lease agreement.
MOTION CARRIES COMMITTEE REPORT WRITTEN

6. The matter of entering into a contract for the Loading Dock repair project at the Water Pumping Plant. *[this was passed by Utilities on 10/9/24]*

Referred By: Water Team Leader Jacob

Engineer Schneider said the loading dock of the chemical building is in bad shape, they we're hoping to wait for the expansion next year to repair it, but it can't wait. There are other projects that have been passed by council and they are hoping to group them all together to get a good price and they need to do this asap. Needs to pass emergency.

Mrs. Davis asked what the cost is?

Engineer Schneider said it is \$300,000 to do all the work. It is a structural slab, loading Dock and 3 large chambers that have to have air vents installed. And special Hydraulics and there is also an I-beam crane, which is used to grab the cylinders off the truck.

Mrs. Siwierka said this is the loading dock where the one-ton chlorine containers get dropped off, it's a substantial structure.

Motion made by Mr. Cerra and second by Mrs. Siwierka authorizing an ordinance to advertise for bids and enter into a contract for the 'said' project. (Emergency clause)
MOTION CARRIES COMMITTEE REPORT WRITTEN

7. The matter of applying for an Ohio Department of Natural Resources, Land and Water Conservation Fund Grant. *[this was passed by Utilities on 10/9/24]*

Referred By: Parks & Rec Dir Reardon

Dir Reardon said this is an ODNR Grant. They would like to completely redo the playground at West Park. This is east of the rec center by ballfield number one, as you come into the park off of Foster. This is part of the Master Plan. The current one is 27 years old and time for a new one. It will be a fully accessible ADA playground. The price estimates are around \$650,000 for the whole project. Includes ground work and drainage and the poured surface and the equipment itself. This is a one to one matching grant and the same grant that was used for the trail and restroom. This grant also paid for the pickle ball courts. They will also use CDBG money for this which will bring the City's portion down. They would be looking at \$325,000 that would be the ask for this grant. The rest would be between CDBG funds and Issue 6 Funds. The deadline is November 15th and it needs to be passed as emergency.

Mrs. Mitchell asked if the surface will be mulch?

Dir Reardon said it will be a poured rubber surface. It's an ADA mulch, which is accessible for wheelchairs. It's a spongy rubber poured surface, which is costly and about half of the price of the whole project.

Mrs. Mitchell asked if it would be ready by summer of 2025?

Dir Reardon said that would be a stretch because they won't find out about this grant until Spring of 2025 and then it's about 3-4 weeks before they get the contract. With this type of grant, they can't start the work until everything is finalized. She doesn't anticipate it being ready for summer of 2025.

Motion made by Mrs. Davis second by Mr. Schneider to authorize the Mayor to apply for the 'said' grant to be used for the playground project at West Park.
MOTION CARRIES COMMITTEE REPORT WRITTEN

8. The matter of the 2024-2025 Victims of Crime Act Grant and the 2024-2025 State Victims Assistance Act Grant for the Victims Assistance Program.

Referred By: Law Dir Deery

Dir Deery said this is an annual grant application. The victims advocate which are part of her office submit this application. They have been fortunate to have been awarded these grants in the past. The actual amounts of the grants have diminished in recent years due to availability of funds. The need is there, since the passage of Marcy's Law. The funds that are awarded are used for training, equipment and salaries. The applications have been submitted and are requesting emergency clause.

Motion made by Mr. Cerra and second by Mr. Schneider authorizing an ordinance to apply for and accept the 'said' grants.

MOTION CARRIES COMMITTEE REPORT WRITTEN

9. The matter of PACE Financing for commercial building improvements at 41520 Schadden Road.

Referred By: Asst Dir of Economic Dev Calvert

Dir Calvert said several years ago Elyria opted to join the Lorain Energy Special Improvement District which allows us to offer CPACE Financing (Commercial Property Assessed Clean Energy) Financing. It is lower cost, longer term, more flexible financing for renewable energy and energy efficiency projects. We have our first loan request. It's for Black Tip, LLC also known as B Valve Cable Tec Pioneer Products and Plastic Enterprises. They have 2 locations; Taylor Street and Schadden Road. The owners are Halley and Jim Stewart and are unable to be here this evening and she will share info on this project. They are putting in about \$800,000 of investment in the Schadden Road facility with intention to consolidate operations for all four companies in that location. They have 45 employees and to add more as they grow. They are an experienced manufacturing company and have owned a business in Twinsburg for 23 years, but are newer to Lorain County and they are excited to be investing here. They have done a lot of clean out and remodeling. They are doing about \$400,000 worth of Energy Efficiency qualifying improvements to include HVAC system and LED lighting and HVLS fans. It's an \$800,000 investment of which \$400,000 would be financed through the PACE Loan Program.

The lender on this is NOPEC, Jessica Renner, is the Community Investment Manager and Aaron Marcovy, is the Economic Development and Community Investment Director with NOPEC.

Aaron Marcovy, Dir of Economic Development and Community Investment Director with NOPEC. Elyria is a NOPEC member and they value the opportunity to be able to invest funds in Elyria Business. Jessica Renner who is the Community Investment Manager and has been working with the Stewarts. Once this investment is made the estimated value of the property will be 1.25 million dollars and they are targeting adding 40 new jobs.

The term of the loan is; NOPEC would lend \$400,000 at 5% interest and a 10-year term. These PACE loans are advantageous to businesses because they are considered off-book debt by GAP Standards, it's a tax assessment, not necessarily a loan obligation. There are 240 cities in the NOPEC footprint and Elyria is in the top 10. The obligation for the city, is that there is a small administrative task that is to be able to take in your normal funds from the county and to disperse the piece of it that's listed as a special assessment back to NOPEC. No obligation and no liability for the city. If the property owner were to default then it would be handled the same way any other default would be, there is no money at risk. Any fees or capitalized interest would be spelled out in term sheets. The advantage for the small business is that the NOPEC program is designed for small businesses.

Chair Tollett said this program allows the small business owner to take it off their balance sheet as a loan so they can structure what they need like this and still have additional funds from a line of credit, it's a balance sheet adjustment for them.

Dir Deery said there will be three pieces of legislation but, they will ask for one committee report for this evening.

Motion made by Mrs. Siwierka, second by Mr. Schneider authorizing an ordinance for the 'said' financing program for improvements at 41520 Schadden Rd. (Emergency Clause)

MOTION CARRIES COMMITTEE REPORT WRITTEN

10. The matter of allocating Recreational Marijuana Funds to Street Resurfacing.

Referred By: Finance Chair Tollett and Utilities Chair Mitchell

Chair Tollett said with the sales of recreational marijuana here in Elyria. Ohio imposes a 10% flat rate tax on all sales. Elyria gets 36% of that 10% which is 3.6% of gross sales of recreational marijuana. He spoke to the two facilities in Elyria and they are each on track to doing roughly a million dollars per month in gross sales. The City's portion of 3.6%. Beginning in January, what they can sell will expand and they anticipate that number to jump by about 20 to 25 percent. Chair Tollett along with Mrs. Mitchell agreed to present to Council that by putting these funds into a specific account and having the Finance Dept earmark these funds specifically to street resurfacing. It's a way to give tax dollars back to citizens that is fair and equitable to all citizens of Elyria.

Finance Dir Pileski reminded everyone about the budget crisis that the City will be going through in the General Fund due to ARPA being done.

They will move 30 police and 17 firefighters into the General Fund which is about 5 million dollars per year. They will start spending down the surplus. His feeling is that maybe this can wait until they get into the 2025 budgeting process and see where we're at. The General Fund budget will be tuff for the next couple of years and 2026 is the year where we will have 27 pays.

Mrs. Mitchell said that she is fine with waiting until we get into next year's budgeting process. But if we can use at least some of that money to go towards streets along with issue 6 funds, that will go a long way. Residential streets are important.

Mrs. Siwierka said if we do this, maybe we can do it for a pilot program for a year until we revisit the budget after that. She agrees that it will be nice to have these funds and to use them in resurfacing. But, we do have to think about the long game. Either we hold off or we say we do it for a finite period of time and then revisit it.

Dir Deery asked if the city has rec'd funds yet?

Dir Pileski said he will look into that, he wasn't sure, since he's been off on sick leave. He did say that he thinks it goes into the General Fund. They will have to find out if it will be received quarterly or in what kind of time frame and if a fund may have to be set up. All of those things will need to be looked into.

Chair Tollett said he would like to table this and revisit in March 2025.

11. The matter of a resolution accepting the Tax Rates for the Fiscal Year 2025.

Referred By: Finance Directors Pileski and Farrell

Dir Pileski said the Lorain County Budget Commission sets the property tax rates and City is required to pass this resolution to accept these rates. He will submit the Resolution and that sets the Tax Rate for property tax revenue for 2025. It includes The split of the inside millage which is split between General Fund, General Bond Retirement and Police and Fire Pension Funds.

Motion made by Mr. Cerra and second by Mrs. Davis authorizing a resolution for 'said' Tax Rates, Emergency Clause requested.

MOTION CARRIES COMMITTEE REPORT WRITTEN

12. The matter of Amendments to the 2024 Permanent Appropriations.

Referred By: Finance Directors Pileski and Farrell *[Standing Referral]*

Dir Pileski said they have one, which is for the Fire Dept. in the General Fund. Chief Pronesti is requesting moving \$15,000 from salary & wages to operating maintenance account, repair and maintenance line item. They had repairs that went over what was anticipated.

Motion made by Mr. Schneider and second by Mr. Cerra authorizing an ordinance for the approval of the 'said' amendments to the 2024 Permanent Appropriations.

MOTION CARRIES COMMITTEE REPORT WRITTEN

Chair Tollett asked for a motion to adjourn.

**Motion made by Mrs. Siwierka and second by Mr. Schneider to adjourn this evening's Finance Committee Meeting at 7:20 P.M.
MOTION CARRIES**

The next Finance Committee Meeting will take place October 28, 2024.

Respectfully Submitted by,
Colleen Rosado, Secretary/Administrative Assistant