

**THE CITY OF KENT, OHIO  
FINANCE COMMITTEE  
WED. JUNE 3, 2009**

This meeting of the Finance Committee of Kent City Council was called to order on Wed., June 3, 2009, by Wayne Wilson, Chair, at 8:31 p.m.

**PRESENT:** MR. AMRHEIN, MR. DELEONE, MR. FERRARA, MR. HAWKSLEY, MR. KUHAR, MS. SHAFFER, MR. TURNER, MS. WALLACH, & MR. WILSON

**ALSO PRESENT:** J. FENDER, MAYOR; D. RULLER, CITY MANAGER; J. SILVER, LAW DIRECTOR; J. IDONE, PARKS AND RECREATION DIRECTOR; G. ROBERTS, SERVICE DIRECTOR; J. BOWLING, CITY ENGINEER; AND L. COPLEY, CLERK OF COUNCIL

**MOTION TO AMEND THE ORDER OF THE AGENDA SO THE AMENDMENT TO THE CUTTER OIL AGREEMENT IS FIRST.**

Motion made by Mr. Ferrara, seconded by Mr. DeLeone, and carried by a voice vote of 8-0-1, with Mr. Wilson abstaining.

**Dave Ruller, City Manager**, introduced **Gene Roberts, Service Director**, and said Mr. Roberts would be leading this discussion.

Mr. Roberts displayed a map of the area near the college lift station site at this time. He said there was to be a well on the parcel, that would drill vertically, which would center the well on Kent State's parking lot. He said some changes were made, and the City's well is to be moved north. He said they will have two wells with royalties, and 300,000 cubic feet of gas to use or sell. He said it would develop a spud fee for the City, adding they would have 14% of the total 53 acres. He said they are requesting authorization to negotiate an amendment to the lease. He said Mr. Cutter will be testing all wells within 1000 feet to verify there are no preexisting problems, so if anything occurs, he can determine if he is responsible for the problems. He said that the Ohio Department of Natural Resources requires all wells to be tested within 500 feet, so he has doubled that requirement. Mr. Roberts said Mr. Cutter was present.

Mr. Hawksley asked if they would have a MOU regarding the testing, and Mr. Roberts said it would be included in the lease agreement.

Mr. Hawksley asked if they can do anything else with the property, and Mr. Roberts displayed an aerial photograph at this time. He said the parcel is in the City's storm water retention area, with the sanitary sewer running the lift station. He said it is a buffer between private property and high-density apartments. He said someone could build one house, but the City has never been approached.

Ms. Wallach noted the well would be closer to the apartments, and Mr. Roberts said that Mr. Cutter has talked to the owner of the apartments and also the house behind the area. Ms. Wallach asked if he planned to talk to each resident of the apartment complex, and Mr. Cutter said he has talked to the family that owns the complex. He said the residents will get a notification. Mr. Cutter said they could also do a reverse 911, which would send out a bulletin, letting people know when the drilling will occur. He said he did this in North Royalton, and had no complaints. Ms. Wallach asked if he has decided how he will notify them, and Mr. Cutter said he would send notification, talk to landowner, and if possible, use a reverse 911. Ms. Wallach said she would be calling everyone, and asked when he anticipated drilling, and Mr. Cutter said it would be late summer or early fall. He said he would like to get in before the college reconvenes.

Mr. Kuhar said he mentioned he does water testing on the wells, prior to drilling. He asked what corrective action is taken if he contaminates a well, and Mr. Cutter said that ODNR would test the well. He said if they are in violation, they would bring in portable water immediately. He said in Bainbridge, the company is going to extend the water line so people can have city water. He said they have not had any issues, adding he has drilled five wells in Kent.

Mr. Kuhar asked if they drill through the large aquifer, and Mr. Cutter said they do with brand new casing. Mr. Kuhar asked the life expectancy of the pipe, and Mr. Cutter said it is encased in concrete. He said the wells around the stadium are fifty years old. He said they pump it down the center, and squeeze it to the surface.

Mr. Hawksley asked the proximity to the residents when they drill, adding they drill continuously. Mr. Cutter said the state requires one hundred feet, and he is a little further. Mr. Hawksley asked if people scream at him, and Mr. Cutter said the people will know it is there. He said they drill for five to eight days, twenty-four hours per day. He said they go to twelve hours, once the well is in production. He said there is some noise at that point. Mr. Hawksley asked the additional cost to drilling from 7:00 a.m. to 7:00 p.m., and Mr. Cutter said it was not possible, as they cannot stop drilling.

Mr. Kuhar said that Mr. Cutter put in a well less than 1000 feet from his house, adding he knew something was occurring, but it was not problematic.

Mr. Roberts clarified that Mr. Cutter did not cause the incident in Bainbridge that Mr. Cutter referenced.

There were neither comments nor further questions at this time.

#### **MOTION TO APPROVE THE LEASE AMENDMENT WITH CUTTER OIL.**

Motion made by Mr. Ferrara, seconded by Mr. Hawksley, and carried by a voice vote of 8-0-1, with Mr. Wilson abstaining.

Chair Wilson said the next issue was the OPWC grant. Mr. Ruller introduced **Jim Bowling, City Engineer**, at this time.

Mr. Bowling said they have a chance to apply for the Ohio Public Work Commission funding, 24<sup>th</sup> round. He said they have 50% more money than in normal years. He said they can apply for a little more and not upset any other neighbors that apply.

Mr. Bowling said they are recommending four projects this year. He said the Middlebury Water Main project and the SR 59 lighting project are both in the 2009 Capital Plan, and this would supplement the City's resources.

Mr. Bowling said they are recommending the reconstruction of Alley 4, from Water Street to Depeyster Street, behind the Phoenix Project. He said this is the result of the downtown redevelopment project. He said they planned on recommending this for the capital plan in August, and it would help facilitate payment if they included it in the application. Mr. Bowling said the alley is currently in very poor condition, with a PCI rating of 30. He said they are going to bury the utilities, and this alley would create a connection from the internal parking block to Water and Depeyster Streets. He said the other project they are recommending is Longmere Drive, which is scheduled to be resurfaced as part of the annual street program in 2010 or 2011. He said it has a PCI of 25.

Mr. Bowling said he recognizes that the streets are a big issue, and the OPWC provides an avenue to get funding if they replace the street. He said they will not pay for resurfacing, but added this would not be a total reconstruction like Fairchild Ave. He said they would mill out the pavement, replacing it, and it would be much cheaper than other types of reconstruction. He said the cost is more than resurfacing, but with grant funding up to 50%, they will pay less and it will last longer. He said with the focus on streets, he felt this was a better way to use the resource.

Mr. Bowling said they have to acknowledge if they are going to receive revenue, as part of the application, and that would include assessments. He said if they receive revenue from the assessments, that would reduce the points on the application, and he would rather not see that happen. He said this project is a borderline project, if they do not use assessments. He said if they use assessments, it does not have much of a chance.

Mr. Bowling said he knows the history of assessments in Kent, adding it is a difficult issue. He said they felt if they could get a new street for less money, it would be a good idea, so they are recommending that they replace the street without assessments.

Mr. Bowling said they are requesting authorization of the pre-application for the four projects he discussed.

Mr. Hawksley asked if there would be assessments for the alley, and Mr. Bowling said they are not anticipating assessments.

Mr. Kuhar asked if Mr. Braden and Mr. Burbick were going to do anything to aesthetically improve their parking lots, and Mr. Bowling said that is their intention. He said Mr. Braden has discussed lighting the alley from his building. He said they will be working together.

#### **MOTION TO AUTHORIZE THE PREAPPLICATION WITH OPWC.**

Motion made by Mr. Ferrara, seconded by Mr. Kuhar, and carried by a voice vote of 8-0-1, with Mr. Wilson abstaining.

Mr. Wilson said the next item dealt with the Parks levy. Mr. Ruller said they included a schedule of the dates for the levies. He said one is the Parks levy, and introduced **John Idone, Dir. Of Parks and Recreation** at this time.

Mr. Idone explained that the Park Board met the previous week, and recommended placing a .50 mill levy on the ballot in November, as a continuing replacement levy.

Mr. Hawksley asked if any of their levies are continuing levies at this time, and Mr. Idone said the 1.52 mill levy is a continuing levy.

Ms. Wallach asked if it would remain at .5 mill, and Mr. Idone said that was correct, adding they would be replacing it, rather than renewing it.

Ms. Shaffer asked if there is a difference to the citizens between a replacement or a renewal levy, and Mr. Idone said for a house valued at \$100,000, it would cost \$4.75 more per year for a replacement levy.

Mr. Silver said when a levy is approved the first time, those are the property values used, and the tax is based on the original value. He said if they do a replacement, it takes the current rate for the life of the levy. Mr. Idone said it is an effective millage, and the millage amount is reduced to match what was paid originally. He said the bottom line is that the increase is less than \$5.00 per year. He said it is important to sustain and continue to develop the parks. He said they have had a number of grant opportunities, and have dwindled their reserves, with more capital projects on the horizon.

Mr. Kuhar asked the initial date of the levy, and Mr. Idone said it was in the 1970s, and was replaced in 1999. Mr. Kuhar asked if they want a replacement or a renewal, and Mr. Idone said it would be a replacement. Mr. Kuhar said if the valuation has increased considerably, it would be quite a bit more than \$4.75 a year. Mr. Wilson noted, for the record, it is \$4.69 per year.

Mr. Kuhar asked if it is valued at the 1970s figure or the 1999 figure, and Mr. Silver said it was replaced, so they are using the values from 1999.

Ms. Wallach asked how long it is good for, and Mr. Idone said it would be a continuing levy, and would not increase. Ms. Wallach said he was asking for a renewal in his memo, and Mr. Idone said they are asking for a replacement.

Ms. Wallach asked if the Park Board has considered taking on the Walk N Roll, and Mr. Wilson returned to the agenda item at this time.

Ms. Shaffer asked if they have a campaign, and Mr. Idone said they do not have a political action

committee or a formal campaign. He said they ask supporters to send letters to the newspaper, but that is the extent of their campaign. He said they will put information in the Tree City Bulletin, and have some press releases. Mr. Idone said they do attend the League of Women's Voters forums also.

**MOTION TO AUTHORIZE A CONTINUING REPLACEMENT .50 MILLS PARKS LEVY.**

Motion made by Mr. Ferrara, seconded by Mr. DeLeone.

Mr. Kuhar said he would not support the motion, but would have considered a renewal. He said there has been some appreciation to the values of property, and a house valued at \$100,000 in 1999 is much higher today. He said this is an increased tax for the residents.

Mr. Amrhein said he would support the motion, as it is sending it to the voters. He said he would let the voters decide.

The motion carried by a voice vote of 7-1-1, with Mr. Kuhar dissenting and Mr. Wilson abstaining.

Chair Wilson said the next issue on the agenda is the General Operating levy. Mr. Ruller said it is a 1.16 mill levy, and if renewed will cost \$25.70 for a home valued at \$100,000. He said if it is replaced, it will cost \$36.00.

Ms. Wallach asked if it is the same millage or if it would increase, and Mr. Silver said it would remain 1.16 mills.

**MOTION TO REPLACE THE 1.16 MILL LEVY.**

Motion made by Mr. Hawksley, seconded by Mr. DeLeone.

Mr. Hawksley said the difference is \$11 per household between a renewal and a replacement levy, on a house valued at \$100,000. He said it will generate an additional \$100,000 if they replace it, and given their budget situation, it seems like a small measure.

Mr. Kuhar said for the same reason as the park levy, he would not support a replacement levy. He said it is misleading; adding a lot of people will pay a higher tax.

Ms. Wallach said she could support a renewal levy, but not a replacement, adding it would not pass. She said she will not vote for anything that increases taxes, but would do it for the parks.

Mr. Amrhein agreed with Ms. Wallach that people would not vote for the levy. He said he could support a renewal levy.

Mr. Wilson restated the motion at this time. Mr. Hawksley, Mr. DeLeone, Mr. Turner, and Mr. Ferrara supported the motion. Mr. Kuhar, Ms. Wallach, Ms. Shaffer, and Mr. Amrhein dissented. Mr. Wilson voted against the motion, and it failed by a hand count of 4-5.

**MOTION TO AUTHORIZE A RENEWAL 1.16 MILL LEVY.**

Motion made by Ms. Wallach, seconded by Mr. Amrhein, and carried by a voice vote of 8-0-1, with Mr. Wilson abstaining.

Mr. Ruller said that Mr. Roberts would give them the information on the Garden Club's Memorial Stone. Mr. Roberts said they received a letter from the Garden Club asking that the memorial stone on Haymaker, at Longmere Drive be returned to them. He said it was placed in the man's honor in the 1990s, and the Garden Club wants to move it to their new facility on Seasons Road.

**MOTION TO AUTHORIZE RETURN OF THE STONE.**

Motion made by Mr. DeLeone, seconded by Mr. Ferrara, and carried by a voice vote of 8-0-1, with Mr. Wilson abstaining.

Hearing no further business before this Committee, Chair Wilson adjourned this meeting at 9:02 p.m.

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Linda M. Copley, Clerk of Council

**ACTION RECOMMENDED:**

- 1) TO AUTHORIZE THE AMENDMENT TO THE LEASE AGREEMENT WITH CUTTER OIL.
- 2) TO AUTHORIZE THE OPWC PREAPPLICATION
- 3) TO AUTHORIZE PLACING A .50 MILL CONTINUING REPLACEMENT LEVY FOR THE PARKS ON THE BALLOT
- 4) TO AUTHORIZE PLACING A 1.16 MILL RENEWAL LEVY FOR GENERAL OPERATING EXPENSES ON THE BALLOT
- 5) TO AUTHORIZE RETURNING THE GARDEN CLUB'S MEMORIAL STONE