

**THE CITY OF KENT, OHIO
FINANCE COMMITTEE
WED., FEB. 3, 2010**

This meeting of the Finance Committee of Kent City Council was called to order on Wed., Feb. 3, 2010, by Wayne Wilson, Chair, at 7:03 p.m. Mr. Wilson explained they would be discussing the OEPA Funding Agreement for Plum Creek.

PRESENT: MR. AMRHEIN, MR. DELEONE, MR. FERRARA, MR. KUHAR, MS. SHAFFER, MR. VALENTA, MS. WALLACH, AND MR. WILSON

ALSO PRESENT: J. FIALA, MAYOR; D. RULLER, CITY MANAGER; J. SILVER, LAW DIRECTOR; J. BOWLING, CITY ENGINEER; G. ROBERTS, SERVICE DIRECTOR; D. COFFEE, DIR. OF BUD. & FIN.; AND L. COPLEY, CLERK OF COUNCIL

ABSENT: MR. TURNER

David Ruller, City Manager, explained that Jim Bowling, City Engineer, would be discussing this issue with them. Mr. Ruller said it appears that the OEPA has more money than they originally anticipated, and this action would allow the City to partake in those dollars.

Mr. Bowling said they returned in November to get approvals to move forward with the Plum Creek Project. He said there have been some minor changes since that time. He said the funding was increased from \$1 million to more than \$1.35 million. He said this was based on other communities using their funds within the deadline. Mr. Bowling said the EPA sent an agreement for acceptance of these funds, needing the City's signature. He said they are looking for approval to accept and enter into an agreement with the EPA for the \$1.36 million with the emergency clause included.

Chair Wilson called for questions from the Committee at this time. Hearing no questions, he called for audience comment. Hearing no audience comment, he returned to Committee for action.

Ms. Wallach asked how much more money they are receiving, and Mr. Bowling said it would be approximately \$366,000 more.

MOTION TO AUTHORIZE THE OEPA FUNDING AGREEMENT FOR PLUM CREEK WITH THE EMERGENCY CLAUSE.

Motion made by Mr. Ferrara, seconded by Ms. Shaffer, and carried by a voice vote of 7-0-1, with Mr. Wilson abstaining.

Mr. Wilson said the next issue would be the repair of the Service Administration roof. Mr. Ruller said **Gene Roberts, Service Director**, has brought forward this issue. He said he is recommending the Committee's support, as the roof needs some repairs. He said they have pushed this out in the capital plan, but they are at a point where they are not being financially prudent in pushing it out. He said that Mr. Roberts is asking they shuffle some capital project work to make it happen.

Mr. Roberts said the need was identified in 2004, with it being reevaluated in 2005, where they received better prices, with the funding going from \$450,000 to \$250,000. He said the component of the roof they wish to repair is in the capital plan in 2011, with the balance of the roof. He said it is the southern half, over the newer portion of the building at a cost of \$22,500. He said the actual quote from the roofing contractor is \$21,260. He said they are asking for \$22,500 in case of problems they are unaware of once they open it.

Mr. Roberts said this will take care of 50% of the building, adding it is the cheaper end to fix. He said the more expensive repairs are on the northern half of the building. He said they are on target for 2011. Mr.

Roberts said they are requesting to move this repair into the 2010 budget. He said they arranged to borrow money from the street light maintenance reserve fund, paying it back in 2011.

Ms. Shaffer asked if they received other bids, and Mr. Roberts said this company does their maintenance. He said the amount was less than the amount required for bids. He said the price was not based on that requirement.

Mr. Roberts said this company has done an excellent job on all facilities, and they wrote the maintenance program at the Water Reclamation facility. He said instead of doing all buildings at the same time, since they were all upgraded at the same time, the contractor has been able to prolong some of the repairs. He said he has been an excellent partner with the City.

Ms. Wallach said she thought Mr. Roberts said he would put the money in the 2010 budget, and something from there would be put off. She asked if that was correct or if they were adding to the 2010 budget, and Mr. Roberts said they always set money aside for street light maintenance, and was used to maintain said lights. He said they are borrowing from that reserve, and will pay it back in 2011.

Ms. Wallach asked how they can do this without a budget, and Mr. Roberts said that is why they are taking the money from the reserve fund. Ms. Wallach said they do not have a budget at this time, and asked how they can do this, and Mr. Roberts said they are asking for appropriation authority. Ms. Wallach asked if this would be added to the temporary budget. Mr. Roberts said he would defer to **David Coffee, Budget & Finance Director**, but noted it is not critical as they cannot do it before they get warm weather. He said it will be late March or early April before they can do it. Ms. Wallach asked if they should wait until they approved the budget to approve this item, and questioned if this action was premature. Mr. Roberts said that would be their pleasure.

Ms. Shaffer asked if this was coming from the capital budget, and Mr. Roberts said in 2011, they would take this amount from the capital budget and return it to the street light maintenance reserve fund.

Mr. Kuhar asked who was the contractor, and Mr. Roberts said it was DL Stewart, located in Franklin Township.

There were no further questions, nor audience comment at this time.

Ms. Wallach said she does not understand how they can approve this without a budget, and asked if they were putting this in the temporary budget. Mr. Coffee said they can make an appropriation amendment to the temporary budget, adding he can verify that it is included in the 2010 full budget under the capital expense.

Ms. Wallach asked if they were just taking this specific item, approving it, and putting it in the budget. Mr. Coffee said Mr. Roberts is seeking the ability to move forward with the commitment to the contractor so it can be queued up at the earliest opportunity. He said an amendment to the temporary budget would be appropriate until they pass the full budget.

MOTION TO APPROVE THE SERVICE ADMINISTRATION BUILDING ROOF REPAIRS.

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

Mr. Kuhar said that wherever they end up in the budget, this is the nuts and bolts of the city. He said they have to keep the wheels turning. He said that with a roof repair, they want to be ready to go as soon as the sun shines.

The motion carried by a voice vote of 7-0-1, with Mr. Wilson abstaining.

Mr. Wilson said the final item dealt with the City's surplus property auction. Mr. Ruller said this was an initiative by Mr. Roberts. He said prior to the meeting, they were discussing more use of technology in all of their functions, such as credit card payments. He said this would take greater advantage on online auctions,

bid through the state process. He said they have surplus property and will be playing a "little EBAY."

Mr. Roberts said the company that does this is Asset Auctioneers, adding that they are on the State bid list. He said they do provide a savings and teach them how to do this. He said the benefit is once they get surplus stock, they no longer have to hold it for one year. He said this company will handle two items or two hundred items. He said they will collect the money from the purchaser, and notify the City of the sale. He said they pay the City, and the purchaser picks up the material from the City. He said in addition to their regular advertisements, he recommended they advertise in the Record Courier so that local residents are aware of this service. He said there was one other auction service on the State list, but they require everything the City has must go physically to Columbus for a live auction.

Mr. Roberts said the proposal is a two-tiered fee structure. He said there is one fee structure for larger items, with another for smaller items. He said both fee structures are less than the City paid in the last live auction. Mr. Roberts said he has monitored their auctions for the last six months, adding they have done auctions in the states of Pennsylvania, Michigan, Tennessee, Ohio and Maryland. He said they are set up to auction large equipment, but also do this for municipalities. Mr. Roberts said it is an experiment, adding they do not know how it is going to work. He said they may return and recommend it not be done again, but at this point, it seems to be the most cost effective and efficient method to continually get rid of the City's surplus.

Mr. Kuhar asked how they find out about the company, and Mr. Roberts said it is online, adding he provided their website information in the packet they received from him. He said it is an interesting place, adding they have a continual supply of industrial surplus and backhoes.

Mr. DeLeone asked if this is similar to "gov deals", and Mr. Roberts said it is similar. Mr. DeLeone said they could do that also, but Mr. Roberts said they would have to bid it as they are not on the State's bid list.

Mr. Valenta asked if this was surplus they would not need down the road, and Mr. Roberts said that was correct. He said the available surplus has been transmitted through all of the City's departments, adding some items have been removed from the list already. He said a good portion has been picked over once already.

Mr. Valenta asked what the funds will be used for, and Mr. Roberts said the funds will return to the General Fund, unless it was something originally purchased with an enterprise fund. He said if that is the case, it will return to the enterprise fund. Mr. Ruller said the monies will go into the undesignated reserves.

There were no further questions or public comments at this time.

MOTION TO AUTHORIZE THE CITY SURPLUS PROPERTY AUCTION AS PRESENTED.

Motion made by Mr. DeLeone, seconded by Mr. Valenta, and carried by a voice vote of 7-0-1, with Mr. Wilson dissenting.

Hearing no further business before this Committee, Chair Wilson adjourned this meeting at 7:18 p.m.

Linda M. Copley, Clerk of Council

ACTION RECOMMENDED:

- 1) TO AUTHORIZE THE OEPA FUNDING AGREEMENT FOR PLUM CREEK PARK
- 2) TO AUTHORIZE THE SERVICE ADMINISTRATION ROOF REPAIR
- 3) TO AUTHORIZE THE CITY SURPLUS PROPERTY AUCTION