

MINUTES SERVICE COMMITTEE MEETING
REYNOLDSBURG CITY COUNCIL
December 5, 2011

Members of Service Committee present: Doug Joseph, Nathan Burd, Barth R. Cotner, Chris Long.

Other members of Council present: Mel Clemens, Fred Deskins, Jr., Leslie Kelly, Council President William L. Hills.

Mr. Joseph called the Service Committee to order at 7:30 p.m.

Approval of agenda: Mr. Joseph said he had one change to the agenda, "We have one item in Other Legislation; I'd like to have that taken off. That's not something we're dealing with at this time. So all in favor, please say "Aye". (All voted Aye) Opposed. (No response) Motion carries. Thank you."

Minutes of the Service Committee meeting of October 17, 2011 were approved without objection.

Mr. Joseph: Item 4, Discussion: Execution of a sanitary sewer easement with the State of Ohio, on behalf of the Department of Agriculture, through the Department of Administrative Services. Mr. Miller.

Safety/Service Director Miller: Thank you Chairman Joseph, members of Council. This is an agreement to be executed between the Mayor and DAS to approve and accept easements at the Department of Agriculture for our sanitary sewers, which are obviously in the ground out there, and this is on their property and outside of the right-of-way. So we require easements for operation and maintenance, and this is the agreement between us and the Department of Agriculture through DAS to approve those easements. And I'd be happy to answer any questions that anybody may have.

Mr. Joseph: Is this something that can go the normal readings?

Mr. Miller: Yes.

Mr. Joseph: Okay. Any questions of the Service Committee tonight? Council? Okay. Then I will make a motion we send this to Council for first reading. Is there a second? Second by Councilman Burd. All in favor, please say "Aye". (All voted Aye) Opposed. (No response) Motion carries. Thank you.

Next, Item 5, Ordinance to amend the Code of Ordinances of the City of Reynoldsburg, Ohio: Amending Section 1131.02 "Definitions" of Chapter 1131 Definitions; and Amending 1171.06(d) "Accessory Use, Accessory Structure" of Chapter 1171 General Requirements - - first reading was on October 24, 2011; we had a public hearing held on November 14, 2011 at 7:15 in Council Chambers; item was referred to the Planning Commission; and the Planning Commission recommends the approval of this item. Any questions from, or comments from Service Committee tonight? From Council? Okay, then I'll make a motion that we send this to Council

with a rules suspension, for approval with a recommendation of adoption. Is there a second? Second by Councilman Long. All in favor, please say "Aye". (All voted Aye) Opposed. (No response) Motion carries.

That was the last item in the Service Committee so I will close the Service Committee at 7:33.

Service Committee

- - -Nancy C. Frazier, Clerk of Council

MINUTES FINANCE COMMITTEE
REYNOLDSBURG CITY COUNCIL
December 5, 2011

Members of Finance Committee present: Doug Joseph, Leslie Kelly, Mel Clemens, Fred Deskins, Jr.

Other members of Council present: Barth R. Cotner, Chris Long, Nathan Burd, Council President William L. Hills.

Mr. Joseph called the Finance Committee meeting to order at 7:33.

Approval of agenda: Mr. Joseph said he had one change to the agenda, "I'm going to ask that we take all the items in Other Legislation out; take that off at this time. All in favor, please say "Aye". (All voted Aye) Opposed. (No response) Motion carries. Thank you."

Minutes of the Finance Committee meeting of November 21, 2011 were approved without objection.

Mr. Joseph: Item 4, Discussion: Supplemental appropriation - Columbus Water Contract. Mr. Kipp.

Water/Waste Water Supt. Kipp: I'm requesting \$154,971 be appropriated from the unappropriated Water Fund and appropriated to water account 710.735.5378 which is the Columbus Contract.

Mr. Joseph: Any questions from the Finance Committee? City Council? Okay, and you do have this marked as an emergency, so you'd like that to be..

Mr. Kipp: Yes, I've got to pay that bill.

Mr. Joseph: ...okay, for next week. Unless there's questions or comments on that, I'll make a motion we send this to Council with a recommendation for adoption as an emergency. Is there a second? Second by Councilwoman Kelly. All in favor, please say "Aye". (All voted Aye) Opposed. (No response) Motion carries.

Mr. Kipp: Thank you very much.

Mr. Joseph: Item 5, Discussion: Appointment to the West Licking Joint Fire District Board. I've been the city representative on that board for six years and I would like to continue serving in that capacity; I don't believe there's any restriction on that, me being moving over to President of Council. The rules, I believe, simply say that it has to be made by the legislative authority and be from the legislative authority. So unless there is someone else on Council that would like to serve on that board, I'd like to continue serving, but I'll open it up for discussion from the Finance Committee and from Council if there is anyone that would like to serve on that board. Okay...

Mr. Hills: Doug.

Mr. Joseph: Yes, President Hills.

Mr. Hills: I do have a question or two.

Mr. Joseph: Okay.

Mr. Hills: Because I'm...I saw this, and I checked with Nancy, and I gather that you had said you wanted to go ahead, and I don't know that I'm opposed to it, but what I don't know, I would like to see what the wording of the Licking County Fire Board is on who we're selecting, because I can tell you, historically, it's always been a voting member of Council, which in your position as President, you are not a Council member; you're President of Council. And I don't that that....I'm more concerned about what their printed documents and their codified documents are saying before we'd say 'move forward on that', and I think the City Attorney ought to take a pretty hard look at it. Just so you know historically, you've been there for six years; prior to that Eric Gilbert has served out of Ward III, and also Lane Beougher and Dick Harris have served out of At Large. At Large have the ability to serve that because their constituents are in both counties and everywhere, and they have not always been Licking County residents, so historically it has moved. And I did notice in the paper the other day, I guess, and I asked the Mayor and he wasn't aware of it either, but you all just passed three to two the charging of our residents for squad transportation as long as they have insurance. Was that, was there any, did you have any discussion with anybody before that vote was taken here in Reynoldsburg?

Mr. Joseph: That...we were simply bringing into line what all the surrounding fire departments do, including Truro, Violet and Jefferson. They all already charge EMS billing and we were simply bringing our West Licking rules into line with all the neighboring districts.

Mr. Hills: The vote on the Fire District was 3 to 2.

Mr. Joseph: Yes.

Mr. Hills: So obviously two people within the district didn't agree with it.

Mr. Joseph: Correct.

Mr. Hills: Because some of the arguments is we pay tax dollars for those services now.

Mr. Joseph: Well the one person wanted to educate the public before doing it; that was his argument.

Mr. Hills: Education of the public is a good thing, because I do know that as sitting on these boards - how often do you send minutes back in to Nancy so we have some record of what you're doing as an appointee of the legislative body? Does she see any minutes coming? Because we used to have those and you used to send them. They don't come here any more? Did that just stop? Or...does the Mayor get a copy of them?

Mr. Joseph: I believe that's all on their web site. All those minutes are on their web site. When they uploaded the...

Mr. Hills: We're coming into the electronic age, but did...we used to always get copies of the

minutes back. Did your board say we don't have to do that ... they can just go look at our web site now whenever they care what we did, or...

Mr. Joseph: We've never ever taken any action regarding forwarding minutes; anyone that's ever wanted them can request them, but our board has never taken any action pertaining to how those minutes are distributed.

Mr. Hills: I guess the point I'm making is, if that procedure of bringing them back so they're on record here with the Mayor, and with the Clerk of Council; and I doubt if that's codified anywhere either other than historically has been done, it's probably be wise to continue to see some minutes, because it makes everybody a little bit more attuned at what is going on; I was a little surprised to see the paper, I think, Mayor, you were a little surprised to see the article. It's not that it's not right or wrong, _____ but all of a sudden it just shows up we're doing it. I don't know that in Violet and in Truro that those are done or not done; you certainly are saying they are and I think it can be demonstrated...

Mr. Joseph: Our Fire Chief researched that, yes.

Mr. Hills: But I do think before this does, I think we need to take a look at what it's actually saying and let our City Attorney..because it doesn't matter to me, I won't be here anyway,

Mr. Joseph: Sure, that's fine, I don't...

Mr. Hills: ...but I do know that, I do know that as President, I never thought about sitting on it because the way I understood, it was a voting member of Council, so...

Mr. Joseph: Um-hmm. During my six years there, we had one case where we had a person that was appointed by Kirkersville and that's when we really discovered what was permitted and what was not permitted. The Mayor of Kirkersville was appointed and he was appointed by the Village Council, and we determined that that appointment was not proper because he did not come from Council, but it was also determined that it simply had to be from Council; it was silent on whether it was a person who could vote or could not vote; it simply had to be a person who was from the legislative authority.

Mr. Hills: But in your codifying documents for the Fire Board, you have a statement in there as to what who is coming from and it's Township Trustees or members...

Mr. Joseph: Yes, they use the term legislative authority because half the members are from townships, which of course are township trustees, the others come from either city or village councils.

Mr. Hills: So rather than just...if we could see that documented. I mean, this is the 2012 appointment; you're already there.

Mr. Joseph: Sure.

Mr. Hills: But if you could get that information in where we could actually see what it's saying, I just would feel more comfortable with it. I don't know that I care that you do, I just want to be sure that we've crossed the t's and dotted the i's and probably get a little more better line on where to find what goes on out there if we're no longer producing the minutes to the Administration and Council.

Mr. Joseph: I'll get a copy of that and I will also instruct the Fiscal Officer with the district to forward those minutes to our Clerk of Council from this point forward.

Mr. Hills: That'd be good if you would and certainly maybe we ought to have them check with our City Attorney too, just to be sure we're all getting the documents...

Mr. Joseph: Whatever I get from the district, I'll forward to the City Attorney as well.

Mr. Hills: Sounds good.

Mr. Joseph: Okay. Any other discussion on this tonight from Finance Committee or Council? Okay, we'll hold this for two weeks and we'll revisit this on the 19th.

Next item is Item 6, Discussion: Council appointment to the Design Review Board to fill an appointment that ends December 2014. This vacancy was caused when Patrick Thompson indicated he would be resigning effective the end of this month, so I will just let it be known that we'll be looking to fill the slot. Anyone who has an interest, please get your information, name and contact information and any other documentation you want to submit, submit it to the Clerk of Council and that way Council can take a look at that for this appointment. So we'll ... any questions on that by the Finance Committee tonight? By Council?

Mr. Hills: Doug, one other....that's not a politically correct position? I mean, is there a balance there on Design Review? I don't think there is...

Mr. Joseph: No I don't believe .. Mrs. Frazier, there's no party ..

Mrs. Frazier: No.

Mr. Hills: No party affiliation required? Thank you.

Mr. Joseph: I didn't think there was. Okay, we'll hold that for two weeks.

Item 7, Discussion: Appropriation of \$15,000 - Franklin Soil and Water Conservation District - storm water improvements. Mr. Mayor.

Mayor McCloud: Thank you Chairman Joseph, members of Council. What you have before you is a legislative request of \$15,000 be appropriated from the Storm Water Fund. This fund currently has over a million dollars in it; that fund is restricted to doing storm water improvements within the municipal limits of the city. The Franklin County Soil and Water District has a coordinator that is tasked with identifying storm water issues within their appropriate jurisdiction and implementing measures to alleviate those storm water issues. Approximately seventy-five percent of the entire Blacklick Watershed runs through the City of Reynoldsburg so we are one of

the biggest impacts obviously on the Blacklick Watershed. I have here with me this evening from the Franklin Soil and Water Conservation District, Kurt Keljo, who is the coordinator, and at this point I'll ask Mr. Keljo to come forward and give a brief overview of what it is he does and how it can impact us within the city; and obviously we are available for questions.

Mr. Keljo: Thank you Mayor McCloud, and representatives of Council. I am responsible for implementing a watershed action plan, which is involved with trying to address the issues facing our creeks and both protecting the creeks, but also addressing ways that the creeks may be effecting the cities within it, the jurisdictions around it, and trying to find a way for the two to work together well. And so this means that I work with issues of flooding and erosion, esthetic issues, trying to provide ways to help communities relate well to the creeks; and so this means if Reynoldsburg were effected by high storm water flows coming into the city that are creating come erosion issues, so it means working to try to alleviate those; there are also parts of the creeks that don't have the water quality we'd like to see, so I work with projects to try to improve that water quality, and also assist the city with meeting its storm water permit requirements. The work that I do applies towards what the city is required to do by way of its storm water permit. So there are a variety of ways that I can help and I'm open to any questions in terms of what might be helpful to you. I should add that I do also write grants, partnering with cities and others within the city to help support projects to bring money in to help accomplish things that need to be done within the jurisdictions to support the creeks. So do you have any questions that I might answer.

Mr. Joseph: Okay. Any questions from Finance Committee? Council? Now the fifteen thousand, I'm not sure if, Mayor, maybe you'd be the one to answer this, the fifteen thousand that we're being asked to put toward this, how's that amount determined?

Mayor McCloud: That was the amount requested Mr. Joseph and I don't know what is special about that amount other than that was the specific amount that they requested and ..

Mr. Keljo: It was based on \$.50 per resident, I believe; it was based on how many residents a given community has living in the watershed, so that was where the request came from. Reynoldsburg has approximately thirty thousand residents that would live within the Blacklick Watershed in particular. And then when you throw in the Big Walnut too, I think pretty much everybody does. Mr. Joseph: Okay. And could you talk a little more specifically of how those dollars are going to be used.

Mr. Keljo: They're basically used to support my position, pay for my time, so the things that I do is what it supports. Without that contribution, it's not possible to support this position. We need the communities to pitch in to help support the position. So it supports my writing grants, working with people in the city to identify and remediate issues that need to be dealt with within the city. It also supports work outside the city, which the city can't do, but I would be working outside the city as part of my role to help address quality issues that come into the city and in that way can benefit the city by addressing things that are really not in the purview of the city itself.

Mr. Joseph: Now are there some things specific that we're going to be looking at doing within the city from your agency's jurisdiction?

Mr. Keljo: One is dealing with Dysart Run; there are a lot of issues with Dysart Run, particularly within Reynoldsburg that we have several property owners that have faced property, well, at least threat. I don't know exactly whether, how imminent damage is, property loss is, but a number of residents have been affected by the stream. So I've spent a great deal of time actually looking for money that would fund projects upstream of Reynoldsburg, but also within Reynoldsburg to try to reduce those erosion issues and get Dysart Run functioning as it ought to. At the moment, its flows are too high and too low both, and so to try to get it functioning as it should.

Mr. Joseph: Council did take a look at that particular issue a few years back and ultimately decided not to move forward on it. From the time that that was discussed to now, what additional damage, if you will, has occurred out there, and where is the status of that property now compared to where we were a few years ago.

Mr. Keljo: I guess I, there's a slight difference I guess between what the Council's talked about as I understand it and what I'm working on. My impression is the Council's talked about trying to protect property owners; my goal is to try to address the behavior of the creek, which is really the problem, and so it involves working upstream. What's happened is there's so much hard surface between all the subdivisions and the stores and such that have been put in upstream of Reynoldsburg that you get these huge flows whenever it rains, and so you have this raging torrent when you used to have a much, a milder creek and so my work is not to just fix, if you will put a band-aid on that bluff, it's to go upstream and take care of the problem. All I can tell you is that wall has moved back; now I haven't been out there measuring, that's not really my role, but I know that there's an issue; I've gotten calls from other residents upstream. I know that there's several people along that creek that have been concerned about the erosion that it's creating around their properties; those bluffs are pretty high. But again, the work is not, it's not simply to protect property values, but it's also simply because what's happening in Dysart Run affects Blacklick as a whole, which affects people downhill, downstream; it affects both property values, but also water quality, that we're not getting the kind of water quality in that creek that we ought to be getting. And that's all part of what I work on. And it's working on the overall thing, not just any specific property owner's location.

Mr. Joseph: Now, by participating with this amount, does that commit the city to additional financial obligation at any point down the road?

Mr. Keljo: No.

Mr. Joseph: That'd be something if, you would just come back if additional dollars were needed and you would request at that time?

Mr. Keljo: Right. The only thing I can anticipate even in that regard, is simply if we decide to work together on something, but that would be really a project-oriented thing as opposed to something related to my position; that's totally voluntary on the city's part if it wants to something, we'll work together on it, but..

Mr. Joseph: What kind of timetable are you looking at, I mean I know you said you're looking at grant monies and things like that, what kind of timetable are you thinking about as far as starting to

do some work on this overall plan?

Mr. Keljo: I'm already working on it, I guess. And I should add, there are other projects too; we have projects oriented around the French Run creeks, north French Run in particular, but also on south French Run, trying to address flow issues there. So it's bigger than just Dysart, but there's some other projects within Reynoldsburg that are part of the plan. In terms of timing, I've been working on, there's a subdivision off Waggoner Road with the Jeffersons; I've been working at doing some small projects there. I don't have any money right now and that's a place where we can do things very inexpensively; that particular subdivision has no storm water basins. So anything that comes off those houses and streets, goes right in the creek; there's nothing in between the houses and the streets and the creek. So I've done a rainguard workshop in there; I've been working with the City of Columbus to try to identify other places we could put in some infiltration practices at low cost to begin to address things without a grant. Timing of grants is a little tougher to identify; I've been talking with the City of Columbus about the possibility of any money that might come out of their storm water utility; I'll be approaching the City of Pataskala about trying to see what they might be able to support; I've made some initial contact with Meijer, and will continue to make contact with them to see what they might be able to do, as well as trying to identify funds that might support it. To be honest, storm water improvements are difficult to find money for; people are, there aren't a lot of folks that fund them, but there is an OEPA fund; we met with them last week to talk about possibilities and ways that they might have some funding to support it, so grants, as you know, are, timing is a little uncertain as to when the grant's available, whether or not it's funded. So I can't tell you exact time frame, but I will tell you I work every week on it, so, so it's something that I'm working on all the time.

Mr. Joseph: Okay. Again, any questions from Finance Committee? Yes, Councilwoman Kelly.

Mrs. Kelly: Who are some of the other entities that you work with?

Mr. Keljo: I work with actually every entity in the Blacklick Watershed; I've worked with every jurisdiction but one at one level or another. There are the City of Gahanna, Franklin County, City of Columbus, and the City of New Albany, all are providing financial support at this time. But I also work with ..

Mrs. Kelly: I'm sorry, could you say that again? New Albany..

Mr. Keljo: New Albany, Gahanna, Columbus, Franklin County, and we also approach other jurisdictions as we can.

Mrs. Kelly: Okay. What are some of the things that you have done for say, Gahanna, New Albany, those entities that have been participating in funding this work; what are some of the different projects, if you can just name a couple that you've done.

Mr. Keljo: To be honest, I've spent probably spent more time in Reynoldsburg than I've spent anywhere, even though I'm not receiving any funds at this point, from Reynoldsburg, but we put in a rain garden over by the Senior Center; facilitated the grants for that; there's some trees that were planted in Civic Park that I helped facilitate it. That was part of some grant applications with the

school district. I've worked with Reynoldsburg school kids up at middle school, at the high school, and at the elementary school level; done a creek clean up here; so I've done a bunch of things in Reynoldsburg, I guess, first off. I should also add that I've been in this position since the end of January, so there hasn't been a lot of time to do a lot of things and so most of the stuff has been laying groundwork. But I've been working on addressing home sewage treatment systems in conversation with New Albany about that, as well as other jurisdictions in terms of addressing failing systems. Been working on addressing agricultural issues, which isn't so much in the city as it's more in the township areas, but met with farmers this past week, meeting some more farmers this week to talk about that; been working on grants for some projects in Jefferson Township, there's a restoration grant that's in, we're still waiting on word on that; it's depending on federal budgets, so we may be waiting a while, but anyway that's going on. Been working on Dysart Run again; in Gahanna I've been mainly part of conversations related to some storm water projects they have in place; I've done sampling throughout the Rocky Fork Watershed; I've been part of the planning for a park in the northern Rocky Fork Watershed, the new metro park there; been part of discussions of setbacks with Franklin County; been working on places to get easements, talking to residents about easements along the creek; kind of taking you through the different things that I've been working on.

Mrs. Kelly: Well, that's enough; thank you, that was a lot. I would like to say that I am pleased to hear that there is conversation going on right now about working upstream from Dysart, because you're right, with the influx of urbanization and all of that, it creates quite an issue, so it's a good thing to be proactive versus wait to be reactive, so I'm glad to hear that.

Mr. Joseph: Other questions of Finance Committee? Council? Okay.

Mr. Keljo: Thank you.

Mr. Joseph: I will make a motion we send this to Council with a recommendation for adoption as an emergency. Is there a second? Second by Councilwoman Kelly. All in favor, please say "Aye". (All voted Aye) Opposition. (No response) Seeing none, motion carries.

Next item, Item 8, Discussion: 2011 Clean Up Ordinance. Mr. Harris.

City Auditor Harris: Thank you Chairman Joseph, members of Council. As we usually do come at this time of year, we have some issues with where we need some additional appropriations in order to get through the end of the year. And I sent out a note with what these were and I'll go ahead and try to explain some of them; if there's any specific questions you have about each one, you can ask me about it as we're going forward, or wait til the end, however you want to do.

Traditionally over the last three or four years, we have not fully funded the Police Overtime and a couple of accounts in the payroll at the Police Department because we had so many people who were on Military Leave. As the war in Afghanistan and Iraq goes down, there's fewer and fewer call-ups; we have normally only planned a hundred thousand dollars in the Overtime account, hoping we could move money from the other accounts to that; this year we cannot. That's a \$165,000. The Police and Firefighters Pension is off because of, part of is the additional overtime this year, and then there was \$50,000 worth of military time that we had to help buy; we incur, when somebody wants to buy their military time, whose been over and served in those wars, we're required to pay our share of the Police and Firefighters Pension; obviously we didn't put any

of that, since we don't know about it, it's difficult to know how much to put in so we did not put anything in that. The Clerk of Courts with their computer conversion needed another couple of thousand dollars; the Mechanic they had a mechanic out there who retired at the middle of the year; we had to pay out his vacation; they hired a new one, we had to pay six months worth of Health Savings Account contributions. The next three or four are all the same - both the counties, Licking and Franklin, and Fairfield County actually too, increased fees for the collection work they do on things like the sewer capacity fund, sidewalk construction, where we have to pay them in, there's some small additional fees in that. The next two are things that we had traditionally just appropriated as we gotten them - the State wants us to change that so we're supposed to come every year at this time and ask for the money. This money has already been paid out. We just need the appropriation to make the accounts have enough appropriation for the end of the year; that's the Visitors Bureau Fund, the Columbus Sewer Capacity Fund. The next three are the TIFs for Licking County, which is the same thing; there's some small increases in what the county charges to collect the money. As we talked about last week, there was a lot of additional money come in through the Income Tax Fund this year, which was good news; the bad news is RITA gets a percentage of that as a retainer, and then we settle up at the, in August of every year, so I needed an additional eight thousand dollars for appropriation for the additional money that came in. And the last one is \$700 to the Bill Hills' favorite, the Computerization Fund for the Clerk of Courts; another \$700 on things that they had to spend for additional computer supplies because of the conversion. And that's basically it; most of this money has, with the exception of the payroll, has already been paid out; we just need an appropriation now in order to make the books right with the State so if there's any questions, I will certainly try to answer them for you.

Mr. Joseph: Any questions from Finance Committee? Yes, Councilman Deskins.

Mr. Deskins: Thank you Councilman Joseph. Dick, in this bottom line of budget requests for 2011, is these appropriations already included in that bottom line?

Mr. Harris: You mean 2012?

Mr. Deskins: No, 2011; I'm looking at a number for 2011 and you're appropriating this money to ... is that already included in that bottom line number? Thirteen million, two hundred and twenty-eight ...

Mr. Harris: The only thing that's changed is the General Fund, yes, it will go up by another \$280,000. There is an additional appropriation needed in the General Fund for \$281,500.

Mr. Deskins: Okay.

Mr. Harris: The good news is we're going to spend less money this year than we took in even with this. And the big part of that is because there was a number of positions that weren't filled during the year, and had they been filled, we would have probably been over.

Mr. Deskins: And that \$75,000 that you're sending to the Visitors Bureau - that has already been paid...you're just doing what the State is requiring you to do now.

Mr. Harris: Yes, that's already been paid. Correct. We used to put it in the Appropriation, but

they're saying that one and the one for the Columbus Sewer Capacity - we used to put that in - we used to - as soon as that money came in we could appropriate it, but they've changed their rules and now we can't appropriate it any more; you have to appropriate it at the end of the year. But the money's already been paid out; there's a ordinance already in place that tells me how to divide the money that comes in from the Hotel Tax and we do that, and then we book the rest of it to the General Fund. This is just the appropriation for the money that's been paid out to the Visitors Bureau already.

Mr. Deskins: If you look at that \$75,000 it looks like you're just sending a flat sum over to her right now.

Mr. Harris: Well I go another ordinance that actually says when the money comes in, here's how you break it up. They get so much, we get so much, but they're capped at seventy-five thousand.

Mr. Hills: But this is a paperwork process you're doing here, because the monies they've already received was \$75,000.

Mr. Harris: Checks have already been issued; they already have the money. Same way with the Columbus Sewer Capacity Fund; they've already got the money.

Mr. Joseph: President Hills.

Mr. Hills: Just to clarify...the Computer Needs Fund...does this mean since it went over, we actually have spent that amount of money when they did the computerization?

Mr. Harris: Yes, it does.

Mr. Hills: Because that's great because that fund for years I'm been saying it's larger than the Seizure and Forfeiture Fund, so I'm glad you finally spent the money and at least spent it on good stuff. That's two or three hundred thousand dollars.

Mr. Harris: To Mr. Kozanecki's credit, he is reading the statute much more aggressively than his predecessors have, and he is finding new things that he can charge into that. For example, this year they are going to pick up the fees that the credit card companies pay, because it was done with the computerized process so therefore it's eligible to be used, so I mean, we are trying to find every way we can to ...

Mr. Hills: That's good. We had a lot of money sitting there for a lot of years; we've now got a computer system that is in, new, and works, and we missed it by \$700, but he'll have that made up in a month or two, so...

Mr. Harris: Yep. Probably have it made up on next month's report.

Mr. Hills: Okay, thank you.

Mr. Joseph: Other questions or comments? From Council? Okay, I'll make a motion we send this to Council with a recommendation for adoption as an emergency. Is there a second. Second

by Councilman Clemens. All in favor, please say "Aye". (All voted Aye). Opposed. (No response) Motion carries. Thank you.

Item 9, AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF HEALTH CARE FACILITIES REVENUE BONDS, SERIES 2011 (WESLEY RIDGE RESIDENCE CORPORATION), OF THE CITY OF REYNOLDSBURG, OHIO, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,000,000 FOR THE PURPOSE OF FINANCING COSTS OF HOSPITAL FACILITIES (AS DEFINED IN SECTION 140.01, OHIO REVISED CODE); PROVIDING FOR THE ASSIGNMENT OF REVENUES FOR THE PAYMENT OF THE SERIES 2011 BONDS TO BE ISSUED AND THE LEASE OF CERTAIN PROPERTY FROM AND TO WESLEY RIDGE RESIDENCE CORPORATION; AUTHORIZING THE EXECUTION AND DELIVERY OF A BASE LEASE, A LEASE AND A TRUST INDENTURE TO PROVIDE FOR THE PAYMENT OF SERVICE CHARGES ON, AND OF OTHER AGREEMENTS, INSTRUMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF, THE SERIES 2011 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT FOR THE SALE OF THE SERIES 2011 BONDS; PROVIDING FOR AND AUTHORIZING CERTAIN OTHER MATTERS RELATED TO THE ISSUANCE AND SALE OF THE SERIES 2011 BONDS; AND DECLARING AN EMERGENCY.- -read for the first time on 11-28-2011.

Mr. Harris: A couple things on this; first of all when discussions with Mr. Finch last week, they have gotten the bids back from the contractors who are going to be building the facility and some additional improvements on the property and they've come in much higher than they anticipated so this will be amended; I've sent the Clerk a copy of an amended ordinance; it's going to say less than \$10,000,000. When Mr. Finch was here a couple weeks ago, I don't think he did a particularly good job of explaining how this works, so I'm going to try it, see if I can do a better job.

First of all, there are two different kinds of debt the city can issue. The first is called General Obligation debt and most of the debt that we have issued over the years has been General Obligation debt because it's backed by the full faith and credit and taxing authority of the city and because it has that particular guarantee to it, it's a lower rate bond to issue.

The second kind that you can use and it's called Revenue Bonds, and what's being pledged here instead of the full faith and credit as the city, is the revenue that will be generated by the facility; that's the revenue stream that they are using. When cities do this, generally what they use it for, it toll roads, or something where there will be a revenue stream that will be used to pay this back. This is going to be paid back by the people at Wesley Ridge and that's why you heard in the reading there that Mr. Joseph had, a thing about a lease agreement, which there is a copy of that that went to Mrs. Frazier as well. The lease agreement basically says we're going to lease these rooms out in this facility; we are going to collect revenues and those revenues will be pledged to pay back the bonds. That's why the city is, one of the reasons the city is not having to guarantee this is because they're putting up the funds generated by this to guarantee it.

Also in that it talks about an indenture; an indenture is what the specific document that says the city is not liable for the bonds in any way, shape or form, and everybody signs off on this. And the reason the \$10,000,000 number is important, is the city is allowed to issue ten million dollars in any one year in some type of bonds, that is what they call bank-eligible; bank-eligible

basically means you don't have to go to market with these bonds to be sold individually, in lots of a thousand dollars; a bank can come in and buy the whole lot at one time. And that's what they're doing in this case; they already have an agreement with a lending institution who is going to purchase these. That's why they need to keep it under ten million dollars, and that's why the indenture is very effective, because the bank who is lending them the money is signing off that says yes the city is not responsible for this, we have the ability to go back on Wesley Ridge and the property in order to get our money. So I think that maybe gives you a little bit better understanding of how these operate and why the city is not responsible; now the only way that these things become confused - if at some point in time, the bank who owns these, decides they don't want to own them any more, and then they have to sell them. Well, under the SEC rules, they are required to let whoever is purchasing them know, even if they should know, make sure they absolutely state that is an indenture on this bonds and there's no coming back on the city on it. I hope that maybe that gives you a little better feeling about how these things operate and why the city is not really responsible for the debt involved. If there's any question on that, I'll try to answer that one.

Mr. Joseph: Okay. Yes, question by Councilwoman Kelly.

Mrs. Kelly: I have two questions. Can this effect our bond rating? Because does it look like the city has, like if you were to look at somebody's overall, like when you purchase a house, you look at your percentage of debt to income ratio; does that happen?

Mr. Harris: No. These do not show on our financial statements.

Mrs. Kelly: Okay. Question one. Second question. You talked about it being a Revenue Bond. If there is no revenue, like say for whatever reason, there's no revenue at Wesley Ridge, then what happens?

Mr. Harris: Wesley Ridge is responsible for the debt. And at that point, the bank would make the, Wesley Ridge could obviously use other incomes that they already produce on that piece of property to pay this off, or if the bank so chooses, they can come in and foreclose, just like they would on your house, if you didn't pay the bill on it.

Mrs. Kelly: What I'm having a hard time understanding, and your explanation was better than last week's, so yes. What I'm having a hard time understanding is that we're guaranteeing ..

Mr. Harris: No, we are not guaranteeing.

Mrs. Kelly: We are not guaranteeing; we are issuing bonds, in our name, that are not ours, that we have no responsibility for ..

Mr. Harris: Did you ever co-sign a loan?

Mrs. Kelly: Yeah, but if I co-sign a loan for somebody and they default on the loan, then I'm responsible for it.

Mr. Harris: We are not co-signing a loan, other than the fact that they are using our name. The indenture agreement, and if you read the bond ordinance, it says in there six or seven times the city is not responsible for this debt.

Mrs. Kelly: I just don't understand why somebody would do that.

City Attorney Hood: Well, as I explained a couple weeks ago, this is a mechanism of finance that isn't available to Wesley Ridge. Only municipalities can issue these types of bonds. So that's the cooperation that the city is lending our ability to do so; we are not lending our aid, or our credit, or our tax dollars to guarantee those bonds; and it's not a matter of semantics between a General Obligation Bond and a Revenue Bond, it's a very, very distinct difference, and because these are Revenue Bonds, we are not responsible for the repayment of such. And additional to that, is that indenture that Mr. Harris spoke about, which is basically a contract between all parties involved; the issuer, the purchaser, and the recipient, that we are not responsible and will not be responsible at any time. And as a matter of fact, as he said, if they are transferred at some point to a signee in the future, the indenture goes with it and is as binding on the original purchaser as the subsequent. So there is absolutely no way that the city will be responsible for repayment of these even if the whole thing implodes and, you know, God forbid, Wesley Ridge goes bankrupt somehow; this will not fall back on the city to repay.

Mrs. Kelly: Okay.

Mr. Deskins: Other than the income that, I'm sure that the new place is going to bring in new employees for the city, what good does it do for us? Why have it if it's no....

Mr. Harris: Well, Wesley Ridge is a very large income tax payer in the city, because they do have health people working there, who make pretty good money.

Mr. Deskins: That's what I'm saying; in addition to the new employees, what else is it going to do?

Mr. Harris: And it's a quality of life issue for people that live in the city who like having a facility there and who want to stay in Reynoldsburg even though they're not able to live in their own home. So I mean, the city does get a use out of it that way, but the biggest thing is, it's a development, it produces income tax dollars, and it's a good partnership with the city; Wesley Ridge has been very good corporate citizens over the years.

Mr. Joseph: Other questions of the Finance Committee? Council? Okay. I'll make a motion then we send this to Council - you want it passed next meeting?

Mr. Harris: Yes.

Mr. Joseph: With the one change of nine million to ten million on the bonds, I'll make that motion we send it to Council with recommendation for adoption as an emergency. Is there a second? Second by Councilman Clemens. All in favor, please say "Aye". (All voted Aye) Opposed. (No response) Motion carries. Thank you.

Mr. Harris: Thank you.

Mr. Joseph: Okay. Next is Item 10 - ORDINANCE TO MAKE AN INTERIM APPROPRIATION FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF REYNOLDSBURG, STATE OF OHIO, DURING THE FISCAL YEAR ENDING DECEMBER 31, 2012 AND DECLARING AN EMERGENCY, read for the first time 11-28-2011. Mayor, do you have anything additional on this, this evening?

Mayor McCloud: I have nothing new to add.

Mr. Joseph: Okay. At last meeting I asked members of Council and the committee to start looking at the budget and if you had any questions or comments we could entertain those at this time. (No response) Okay, then we'll go ahead and send this to Council for second reading. **Is there a second? Second by Councilman Clemens. All in favor, please say "Aye". (All voted Aye) Opposed. (No response) Motion carries.**

Item 11 - ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF REYNOLDSBURG, OHIO: Amending Subsection (a) of Section 953.01 "Water Rate Schedule" OF CHAPTER 953 WATER CHARGES AND DECLARING AN EMERGENCY, was sent for the second reading 11-28-2011 but was removed at the time of approval of the agenda as the publication was omitted. Any questions tonight from the Finance Committee? Council? Okay, we'll go ahead and send this back to Council for second reading; I'll make that motion. **Is there a second? Second by Councilman Clemens. All in favor, please say "Aye". (All voted Aye) Opposed. (No response) Motion carries.**

Item 12 - ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF REYNOLDSBURG, OHIO: Amending Subsection (c) of Section 945.02 "Rate Schedule" OF CHAPTER 945 SEWER CHARGES AND DECLARING AN EMERGENCY, was sent to be read for the second time on November 28, 2011 but was removed at approval of agenda time as publication was omitted. Again, any questions or comments from Finance Committee tonight? Council? I'll make a motion that we send this back to Council for second reading. **Is there a second? Second by Councilman Clemens. All in favor, please say "Aye". (All voted Aye) Opposed. (No response) Motion carries. Thank you.**

Item 13 - ORDINANCE AUTHORIZING MAYOR TO ENTER INTO CONTRACT WITH THE DISTRICT ADVISORY COUNCIL OF THE FRANKLIN COUNTY GENERAL HEALTH DISTRICT FOR HEALTH SERVICES AND DECLARING AN EMERGENCY, sent to be read the second time on November 28, 2011 but was removed at approval of agenda time as publication was omitted. Any questions or comments from Finance Committee tonight? Council? I'll make a motion we send this back to Council for second reading. **Is there a second? Second by Councilwoman Kelly. All in favor, please say "Aye". (All voted Aye) Opposed. (No response) Motion carries. Thank you.**

Item 14 - ORDINANCE AUTHORIZING MAYOR TO ENTER INTO CONTRACT FOR CITY INSURANCE, sent for second reading on November 28, 2011 but was removed at approval of agenda time as publication was omitted. Mayor, I was looking at the ordinance and I noticed

we still don't have a dollar figure; are we still working on that?

Mayor McCloud: No, I will have that; it's ..

Mr. Hills: I think we did get a memo, didn't we? That they wanted Item 2, so it's one twenty-five plus fourteen thousand and seventy-seven dollars, is that correct? So I think the new number's 139,249, I believe.

Mayor McCloud: Yes.

Mrs. Frazier: But weren't you going to take off the Rutherford Building?

Mayor McCloud: And then we realized while it's no longer the Rutherford Building, the building in question is the one behind the police station, so we do, in fact, have a building that we're insuring, but it's no longer the Rutherford Building.

Mr. Joseph: Any questions from the Finance Committee on that? Council? Okay, I'll make a motion we send this back to Council for second reading with the 139,249 number. Is there a second? Second by Councilman Deskins. All in favor, please say "Aye". (All voted Aye) Opposed. (No response) Motion carries. Thank you.

That was our last item, and I'll close the Finance Committee at 8:20 p.m.

Finance Committee

- - -Nancy C. Frazier, Clerk of Council

12-5-2011