



## City of Pataskala *Legislative Report to Council*

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### Legislative Report

#### May 20, 2019 Council Meeting

#### Unfinished Business

##### A. Ordinances

##### ➤ ORDINANCE 2019-4336 - SUPPLEMENTAL APPROPRIATION – 3<sup>RD</sup> READING

A number of adjustments to the 2019 budget have been identified since Council approved it back in November 2018. The primary changes requested are related to the construction of road and road-related infrastructure. In the current iteration of the legislation, there are now six specific areas that require amendment, and are covered below. **We are respectfully requesting that Council amend this legislation by substitution and hold the 3<sup>rd</sup> reading of the ordinance at the May 20<sup>th</sup> meeting. Due to this ordinance being amended at the 3<sup>rd</sup> reading, it will require a 4<sup>th</sup> reading and adoption at the June 3<sup>rd</sup> Council meeting. Items highlighted in bold reflect changes made since the second reading.**

- *Section 1: Swimming Pool Chemicals, etc.* – The city is beginning the process of transitioning the operation of the municipal swimming pool from the PRA to the city. As part of that process, we will begin paying for the chemicals and other operating supplies necessary for the physical operation and maintenance of the pool. As this was not a part of the 2019 budget planning process, there are insufficient appropriations available to cover the materials. We are requesting an increase of \$15,000 to the Recreation Fund (206) budget to cover the required maintenance and operational supplies.
  
- *Section 2: Pataskala Safe Travel Plan* – The Public Service Director budgeted \$65,000 in 2018 for the PSTP, however, all bids on phase I of the project had to be rejected as they were more than 110% of the engineer’s estimate. As a result, the 2018 budget for that portion of the project lapsed and, due to timing issues, was not included in the 2019 budget. For both phases of the project (and including contingency funding), the project is now projected to cost approximately \$140,000. The 2019 budget included funding of \$40,000 for phase II of the project and based upon that, the project now has a projected funding deficit of \$100,000 to complete both phases. In total, we are requesting an increase of \$100,000 in the budget to cover the cost of constructing the infrastructure improvements. It is important to note that the funding for this item is proposed from the restricted funds in the State Route 310 TIF (306) fund.

- *Section 3: Oak Meadows* - The Public Service Director originally budgeted \$700,000 in 2019 for the construction of the Oak Meadows road and drainage improvements project. The additional work and materials required for the Pat Haven Drive reroute has driven the total project cost up, and it now appears that the project (including contingency funding) will cost approximately \$775,000. As a result, the project has a projected funding deficit of \$75,000 to complete the project. In total, we are requesting an increase of \$75,000 in the budget to cover the cost of constructing the infrastructure improvements.
- *Section 4: 2019 Street Improvement Program (RAMP)* - Funding of \$650,000 for the 2019 Street Improvement Program (RAMP) project was included in the approved 2019 budget. Based upon the bids recently received along with the addition of the Old Maids Lane and Highland Court project alternates, the cost is now projected to be \$950,000. As a result, the project has a projected funding deficit of \$300,000. We are requesting an increase of \$300,000 in the budget to cover the cost of constructing the infrastructure improvements.
- *Section 5: Street & Traffic Signal Electrical Service* – The city has recently taken ownership of a large number of street lights and traffic signals associated with the new subdivision developments. At the time the 2019 budget was developed, we were not aware of the significant overall increase in utility costs that we are experiencing. We are requesting an increase of \$22,000 in the budget to cover the expenses of operating these new traffic signals and street lights.
- *Section 6: Glenbrooke Retention/Detention Pond* – Due to recent flooding issues, the Street Committee has recommended that the city maintain/improve the retention/detention pond along Monarch Drive in the Glenbrooke subdivision. This specific pond was not in the 2019 retention/detention pond maintenance program and would reflect a \$10,000 increase in funding to cover the addition. We are requesting an increase of \$10,000 in the budget to cover the costs of making the necessary improvements to stormwater management in the Glenbrooke subdivision.
- **Sections 7-8: Police Building Construction Funding** – In Resolution 2017-049, City Council authorized the City Administrator to enter into a contract with Robertson Construction for the construction of a new Police station building (“the project”) in an amount not to exceed the sum of \$4,574,910 which included: (1) \$4,253,200 for the construction contract with Robertson Construction; (2) \$115,000 for the cruiser shelter; (3) \$106,710 for ‘soft dollar’ expenses; and (4) \$100,000 for contingencies. ‘Soft dollar’ costs are those which were related to the project but were not included as a direct-pay item in the construction contract with Robertson Construction. These items were paid directly to the various vendors and included the purchase of furniture, information technology equipment purchases and installation, a builder’s risk insurance policy to protect the city’s financial interests in the project during construction, materials testing, and other miscellaneous small dollar items. Purchase order 2018-00405 was issued in March 2018 for the project in the amount of \$4,573,979, the amount reflecting the remaining budget in the line item at that time. During 2018, the PO was increased and decreased by the amount of any

approved change orders through year-end, as well as reducing the balance (e.g. increasing available budget) to offset the issuance of new purchase orders related to the soft dollar costs. As these additional costs were not a part of the 2019 budget planning process, there currently exists insufficient appropriations available to cover the outstanding balance on the project. As a result, a supplemental appropriation to the 2019 budget is required. Based upon my analysis, it appears that the final project budget (including soft dollar costs) will end up being \$4,673,973.56. This would result in the project being \$99,063.56 above the Council-approved budget for the project. The city has invoiced Horne & King a total of \$22,176.38 for the additional HVAC-related costs related to errors made by their HVAC subcontractor. Including this reimbursement in the calculations would result in a net budget variance of \$76,887.18. We are requesting an increase of \$87,780 in the budget to cover the additional costs of the project, and which will be charged as follows: (1) \$51,000 to the Bond Improvements (302) fund; and (2) \$36,780 to the Capital Improvements (301) fund. As we only issued \$4.6 million in debt for this project, there is insufficient funds/cash in the fund to cover all of the increased costs. That is the reason for the fund split in the appropriation request. This item was previously in Ordinance 2019-4339 which was removed by Council at the May 6<sup>th</sup> Council meeting.

➤ **ORDINANCE 2019-4338 – 3<sup>rd</sup> READING - AN ORDINANCE TO AMEND ORDINANCE 2014-4202 THE “MAYOR’S COURT COST FEE SCHEDULE” OF THE CITY OF PATASKALA**

The Mayor’s Court Fee Schedule was last updated in 2014. The Court Magistrate and Court Clerk have requested that the fee schedule be updated as shown on the Exhibit A attached to the ordinance. Some fees have been added, some increased, some decreased and some removed. Court Magistrate Kip Kelsey will attend the April 15<sup>th</sup> Council meeting to answer any questions about the request to amend the fee schedule. I recommend approval of Ordinance 2019-4338.

➤ **ORDINANCE 2019-4335 – 2<sup>nd</sup> READING**

The proposed amendment would align the time period permitted to demolish an unsafe structure with the existing demolition regulations (90 days). The Development Committee also requested that provisions be included to addresses emergency demolitions. The amendment allows Council to declare an emergency and have the unsafe structure demolished as expeditiously as possible. Chapter 1315 currently uses the terms “owner” and “landowner” interchangeably. The proposed amendment changes all references from “landowner” to “owner” to remain consistent.

➤ **ORDINANCE 2019-4339 SUPPLEMENTAL APPROPRIATION – 2<sup>ND</sup> READING**

There are two items which have budget shortfalls that have been recently identified related to the Police station project. **We are respectfully requesting that Council hold the 2<sup>nd</sup> reading of the ordinance at the May 20<sup>th</sup> meeting and waive the 3<sup>rd</sup> required Council reading.**

- *Section 1: Police Information Technology* – As discussed in more detail in Resolution 2019-029, a total of \$14,000 out of the \$46,500 appropriation approved by Council in 2018 for the purchase and installation of information technology lapsed as of December 31, 2018. **In order to pay the remaining**

balance owed to the vendor, we are requesting an increase in approved appropriations from the Bond Improvements (302) fund of \$14,000.

- ~~**Section 2: Police Building Construction Funding**—In Resolution 2017-049, City Council authorized the City Administrator to enter into a contract with Robertson Construction for the construction of a new Police station building (“the project”) in an amount not to exceed the sum of \$4,574,910 which included: (1) \$4,253,200 for the construction contract with Robertson Construction; (2) \$115,000 for the cruiser shelter; (3) \$106,710 for ‘soft dollar’ expenses; and (4) \$100,000 for contingencies. ‘Soft dollar’ costs are those which were related to the project but were not included as a direct pay item in the construction contract with Robertson Construction. These items were paid directly to the various vendors and included the purchase of furniture, information technology equipment purchases and installation, a builder’s risk insurance policy to protect the city’s financial interests in the project during construction, materials testing, and other miscellaneous small dollar items. Purchase order 2018-00405 was issued in March 2018 for the project in the amount of \$4,573,979, the amount reflecting the remaining budget in the line item at that time. During 2018, the PO was increased and decreased by the amount of any approved change orders through year end, as well as reducing the balance (e.g. increasing available budget) to offset the issuance of new purchase orders related to the soft dollar costs. As these additional costs were not a part of the 2019 budget planning process, there currently exists insufficient appropriations available to cover the outstanding balance on the project. As a result, a supplemental appropriation to the 2019 budget is required. Based upon my analysis, it appears that the final project budget (including soft dollar costs) will end up being \$4,673,973.56. This would result in the project being \$99,063.56 above the Council-approved budget for the project. The city has invoiced Horne & King a total of \$22,176.38 for the additional HVAC related costs related to errors made by their HVAC subcontractor. Including this reimbursement in the calculations would result in a net budget variance of \$76,887.18. We are requesting an increase of \$87,780 in the budget to cover the additional costs of the project, and which will be charged as follows: (1) \$51,000 to the Bond Improvements (302) fund; and (2) \$36,780 to the Police (208) fund. As we only issued \$4.6 million in debt for this project, there is insufficient funds/cash in the fund to cover all of the increased costs. That is the reason for the fund split in the appropriation request. This item was removed by Council at the May 6<sup>th</sup> meeting.~~

➤ **ORDINANCE 2019-4340- 2<sup>ND</sup> READING - AN ORDINANCE TO AMEND SECTION 925.01 RULE8, RULE 9, RULE 11 AND RULE 15 OF THE CODIFIED ORDINANCES OF THE CITY OF PATASKALA**

The current wording of Section 925.01 of the Codified Ordinances needs to be updated to reflect the current operations of the Utility Department. The proposed changes affect only Rules 8, 9, 11 and 15 and the reasoning for each is as follows:

**RULE 8-** There is a section requiring that tenants in a multi resident facility with only one shut off pay an advance equal to the amount of a minimum bill. I recommend this be removed as we do not require, nor do we accept deposits for water bills regardless

of the number of tenants. The bill is the responsibility of the property owner and, if delinquent, it will be turned off.

**RULE 9-** There is language describing the billing cycle as being quarterly. I recommend this be removed as we are on a monthly billing cycle.

There is also language describing the “shut off” fee as being \$25. This should be updated to the current amount of \$35 to be both accurate and match the language in Section 929.09 General Fee Schedule.

This rule is also where I recommend we add language that outlines the landlord policy used by the Utility Department. This language can be seen in the red-lined “Exhibit A” for the ordinance.

**RULE 11-** There is language describing the “shut off” fee as being \$25. This should be updated to the current amount of \$35 to be both accurate and match the language in Section 929.09 General Fee Schedule.

**RULE 15-** This rule is where I recommend we add language that outlines a \$1,000 fine that will be imposed on any contractor or other person (barring fire fighters or other first responders) who operate any city owned water valve or fire hydrant without proper authorization. This language can be seen in the red-lined “Exhibit A” for the ordinance. There is currently no penalty defined in the ordinances and it is only discussed during Pre-construction meetings with the developers.

I recommend approval of Ordinance 2019-4340.

## New Business

### A. Ordinances



### B. Resolutions

#### ➤ **RESOLUTION 2019-032: ‘THEN & NOW’ CERTIFICATION – TABLED 5-6-19**

In early-2017, the city entered into an agreement with Robertson Construction for the construction of a new Police station. The ‘not to exceed’ amount for the project that was approved by Council was \$4,574,910. During 2018, a purchase order for the project was requested by the Administration and issued by Finance in the sum of \$4,253,200 (the bid/contract amount). As change orders were approved during 2018, adjustments to the PO were made to reflect the additional cost of the project (total cost of \$4,382,051). When the books for 2018 were closed for the year, the purchase order had a balance payable to Robertson Construction of \$686,813.76 which left the remaining final contract amount of \$87,778.72 unappropriated and unencumbered at year-end 2018. Since the funds were not additionally appropriated as a part of the 2019 budget process, we currently lack the budgetary authority necessary to make the final payments to Robertson. This is one of the two items included in the supplemental appropriation ordinance (Ord. 2019-4339) currently on Council’s agenda. To provide a complete understanding of this issue, a comprehensive financial analysis of the Police station construction project has been prepared and which was previously distributed under separate cover.

As the construction project is wrapping up, we will be required to remit the outstanding amount and retainage to the contractor. In addition to the required increase in the budget to cover the costs, a 2019 purchase order for the payment must be issued which will be a 'Then & Now' certificate as the PO will be dated after the date of service. In addition, since the amount exceeds the \$3,000 Finance Director's authority limit, we are required to request Council authorization for the certification.

➤ **RESOLUTION 2019-040 – A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO ADVERTISE, RECEIVE, AND OPEN BIDS FOR THE EXCLUSIVE FRANCHISE AGREEMENT FOR RESIDENTIAL REFUSE, RECYCLING AND YARD WASTE COLLECTION.**

Approval of this resolution will direct the bidding of the exclusive residential refuse, recycling, and yard waste collection contract for residents in the city, pursuant to Codified Ordinance 953.06. Our current contract with Waste Management will expire on September 30, 2019. Codified Ordinance 953.06 states "Council, after advertising for bids, has or will award a contract for an exclusive franchise to collect, transport and dispose of garbage, refuse, recyclables and yard waste for residential householders." If this resolution is approved, we would proceed with advertising the bid and a bid opening would be scheduled to occur. Proceeding with the bid now provides enough time to notify the public if a change in refuse haulers occurs. I recommend approval of Resolution 2019-040.