



City of Pataskala *Legislative Report to Council*

Legislative Report

March 6, 2023 Council Meeting

Unfinished Business

A. Ordinances

➤ **ORDINANCE 2023-4445 – 2ND READING - SUPPLEMENTAL APPROPRIATION**

We have identified several adjustments to the 2023 budget which require additional appropriations. **We are respectfully requesting that Council hold the 2nd reading of the ordinance at the March 6th meeting. Changes to the legislation since the 1st reading have been highlighted below in bold. We would anticipate that this legislation will go through all three required readings and are respectfully requesting that Council amend by substitution at the March 6th meeting. (Finance Department)**

- i. *Section 1: Police Cruisers* – The Police department has identified that the purchase of two (2) new Police cruisers will cost approximately \$115,000 but the 2023 budget included only \$100,000 for the purchase. The 2023 budget amount was based on historical experience, but the actual pricing on these vehicles has increased significantly since the Police budget was proposed. Additionally, the Police department lost a cruiser due to an accident and the department received \$10,000 from the city's insurance plan. They also sold a number of cruisers and equipment at auction and raised an additional \$15,330 in funding from the sale of those assets. The department is requesting that Council appropriate the approximately \$25,000 in one-time revenues received so that they can purchase used cruisers from the Ohio State University Police department. They are also requesting that Council increase the appropriations by an additional \$15,000 for the purchase of the new cruisers (for a total ask of \$40,000).
- ii. *Section 2: Refugee Road Improvements Project Funding* – The city is currently working with the Licking County Transportation District (LCTID), the Ohio Department of Transportation (ODOT), Etna Township and the State Infrastructure Bank (SIB) to construct infrastructure improvements to Refugee Road. We are to receive \$1.5 million from TPA Group and \$160 thousand from Red Rock for the project which, in turn, will be sent by the city to the LCTID to fund the project. In order to make those distributions, however, there will need to be additional appropriations added to the Capital

Improvements (301) fund budget. As the revenue forecast will also be increased by the \$1.66 million, there will be no net change to the fund's projected year-end balance.

- iii. **Sections 3-8: Utility Backup Generators** – The approved 2023 budget contained a proposed OPWC project for \$260,000 to install generators at utility lift and pump stations. As part of the project, the city's share of the funding would be \$130,000 which would have been split between the water and sewer capital improvements funds. Each of those funds was approved to transfer \$65,000 each to the respective State Issue II (OPWC) funds (606/656). The OPWC funds had the entire \$260,000 cost of the project contained in the two funds split 50/50. The city was recently notified that it was not awarded grant project funding from OPWC. However, the project still needs to be done, but only on a smaller scale at this time. The administration is proposing to use the \$130,000 in local match funding to fund the projects. As a result, the supplemental appropriation ordinance contains entries to eliminate the interfund transfers, and to reclassify the expenses from the Transfers & Advances budget category to the Capital Outlay category. The interfund transfer revenue of \$130,000 in the OPWC funds will also be eliminated, as will the OPWC grant funding proceeds of \$130,000.

- iv. **Section 9: State Route 310/Main Street Improvements** – In 2015, the City passed Resolution 2015-066 to execute a contract with AEP to place electric underground along Main St., from Mill St. to the railroad tracks. That Resolution was for a contract amount of \$186,509, and was passed on November 16, 2015. On December 11, 2015, Mr. B.J. King, City Administrator, signed an Agreement with AEP, as provided by AEP, for \$135,070.80. That contract does not include many details, but does note that the City is responsible for "all incremental costs." Note that funds to cover the value of this Agreement were never encumbered, but from discussions with Mr. King, it was intended that the State Route 310 TIF fund would be used. This is the reason for the need for the Supplement appropriation, but the total value of what the appropriation should be for is yet to be determined, as detailed in the following.

It is known that this work has proceeded and was substantially complete by 2021, and while there was communication and coordination with AEP, there are no known records of correspondence with regard to increased costs. Accordingly, it would be expected that the total cost would be in the realm of the Agreement value, with reasonable overages not exceeding 20% of the Agreement value. However, on December 20, 2022, the City received an invoice from AEP for \$285,000. This is \$100,000 more than the approved Resolution value, and more than double the Agreement value. This amount of overage, without correspondence, is well outside of any standard of acceptable overages.

As discussed with the Street Committee, the current intent, while we are

still working with AEP to resolve this issue, is to pay the original Agreement value for the work, as we know that this is owed. Beyond that, an additional 20% above the Agreement value is being requested, as that would be in the range of expected and acceptable overages. In summary, \$135,070.80 is being requested to make payment to AEP for the original Agreement amount. An additional 20% is also being requested, to be held in reserve, and available for payment with satisfactory justification from AEP. The total value of the Supplemental request is \$161,000, which is the total of the original value, plus 20%.

Finally, while we believe that plan is a good starting place, we do not yet know what the final outcome will be. There is a good chance that there will need to be an additional Supplemental for this item, assuming that AEP provides documentation that validates overages beyond the additional 20% that is being requested as part of the Supplemental. Again, we do recognize that we owe the original value, and want to show good faith by paying what we agreed to, but note that there will likely need to be further Council action with regard to what final value the City owes, and should pay, AEP.

- v. *Section 10: ODNR Sport Fish Restoration Grant* – In December 2022, the city received \$5,693 from the Ohio Department of Natural Resources (ODNR) in grant funding through their Sport Fish Restoration Grant program. Due to the lateness in receiving the funds, the expenditure of the grant funds was not included in the approved 2023 budget. This section would provide the authorization to spend those funds in accordance with the grant award.
- vi. *Section 11: 2023 Streets Program* – The 2023 Streets Program is budgeted for \$800,000 and is slated to include improvements to Columbia Road, Woodside Drive, and Barrington Ridge. It also includes alternate bids for High Street South and Bristol Drive if enough funding is available. The maintenance items for the base bid items are extensive, and as designed, will likely account for all of the money available as budgeted.

At the last Street Committee Meeting, it was reported that there is a 90% carryover in the Street Fund from 2022 to 2023. As this is well in excess of the standard 25-35%, the potential was discussed to increase the budget of the 2023 Streets Program. Accordingly, this Supplemental is being requested to be able to utilize a better maintenance treatment for the Barrington Ridge Subdivision.

The current design for Barrington Ridge is to repair the bad areas, and treat the entire surface with a product called microsurface. The primary reason for this is that the cost to complete an asphalt mill and fill for all of the streets within the subdivision is substantially more than the microsurface. The drawback, is that a microsurface does not last as long as pavement, and it is also an aesthetic downgrade from asphalt. To prolong the life of the pavement within the subdivision, and to avoid the potential of residents taking exception to the aesthetics of the microsurface, this Supplemental is

being requested for \$300,000, which is estimated to be the cost to complete an asphalt mill and fill in Barrington Ridge instead of the microsurface.

And

➤ **ORDINANCE 2023-4445 - AN ORDINANCE TO MAKE SUPPLEMENTAL APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES DURING THE FISCAL YEAR ENDING DECEMBER 31, 2023. (Utility Department)**

The Utility Department had applied to OPWC for funding of its standby generator project. That project was not recommended for funding by OPWC. The Utility Department is planning to complete a smaller scale generator project utilizing the money that was intended to be used as the local match portion in the original OPWC grant application.

The 2023 Budget included the generator project with the assumption that the OPWC grant would be awarded. That project was budgeted at \$260,000 total, with \$130,000 coming from the Capital Improvement Funds to be used as the local match portion.

This supplemental is needed to move the funds from the OPWC account and put them into the Capital Improvement Funds. Once the money is relocated, it can then be spent on the smaller scale generator project by the Utility Department.

This concept was discussed at the February 21st Utility Committee meeting. Approval of Ordinance 2023-4445 is recommended.

B. Resolutions



New Business

A. Ordinances



Consent Agenda

3. Motions



4. Resolution

➤ **RESOLUTION 2023-024 - A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR, OR HIS DESIGNEE, TO ADVERTISE, RECEIVE, AND REVIEW BIDS FOR CONSTRUCTION OF THE TOWNSHIP ROAD BRIDGE MAINTENANCE PROJECT**

Approval of this resolution would provide for Stone Engineering to complete bidding services for the Township Road Bridge Maintenance Project. Bidding services include advertisement, receipt, and review of bids.

Maintenance of this bridge will include rehabilitation of the approach slabs with new surface level concrete and a seal coat over the bridge deck. It will also include repair of the concrete sidewalk where the existing concrete has deteriorated.

Approval of Resolution 2023-024 is recommended.

- **RESOLUTION 2023-025 - A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH FRED ROBINSON & ASSOCIATES, LLC TO INSTALL A CONCRETE PAD AND DRY SUMP AT THE MINK STREET GARAGE FUELING STATION**

and

- **RESOLUTION 2023-026 - A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH JOSHUA REMODELING, ETC. TO INSTALL A SHELTER STRUCTURE AT THE MINK STREET GARAGE FUELING STATION**

The PSD recently discovered that the fueling station at the Mink Street Garage does not meet EPA requirements. To rectify this situation, it has been determined that a concrete pad and dry sump, along with a roofed shelter structure, need to be installed around, and over, the fueling station.

Resolutions 2023-025 and 2023-026 together combine to solve this issue and bring the fueling station into compliance. This project was not planned for in the 2023 budget, but can be funded within the 2023 Street Fund budget using funding from the capital projects budget that will not be used in 2023.

The total value of this project is \$25,300 and approval of these Resolutions is recommended.