



City of Pataskala *Legislative Report to Council*

Legislative Report

June 3, 2019 Council Meeting

Unfinished Business

A. Ordinances

➤ **ORDINANCE 2019-4336 - SUPPLEMENTAL APPROPRIATION - 4TH 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 eight specific areas that require amendment, and are covered below. **We are respectfully requesting that Council hold the 4th reading and adoption at the June 3rd Council meeting. There have been no changes made to the ordinance since the 3rd 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 6th Council meeting.

➤ **ORDINANCE 2019-4335 – 3rd 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 2019-4340- 3rd 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.

B. Resolutions

➤ **RESOLUTION 2019-032 -‘THEN & NOW’ CERTIFICATION**

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. **The exhibit to the resolution has been amended since the May 20th Legislative Report to include the line from the Capital Improvements (301) fund in addition to the Bond Improvements (302) fund account number.**

New Business

A. Ordinances

➤ **ORDINANCE 2019-4342- 1ST READING - AN ORDINANCE AMENDING SECTIONS 929.7 AND 929.8 OF THE CODIFIED ORDINANCES OF THE CITY OF PATASKALA, THEREBY INCREASING THE WATER AND SANITARY SEWER RATES, BEGINNING ON JANUARY 1, 2020**

The Utility Committee and the staff have worked tirelessly to decide on a rate increase amount that is significant enough to properly fund the department while at the same time having as minimal an impact on the customers as possible.

After considering eight different possibilities, the Utility Committee recommended three options be presented to Council for consideration. These options are as follows:

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Option 6 | 5% | 0% | 5% | 0% | 5% |
| Option 7 | 5% W-8% S | 0% | 5% W-8% S | 0% | 5% W-8% S |
| Option 8 | 5% | 0% W-5% S | 5% | 0% W-5% S | 5% |

This Ordinance Amendment is for Option 7. This option is the lowest increase amount that provides a slight positive trend in both the water and sewer fund balance forecasts. This is important as the costs of the necessary consumables (electricity, salt, chlorine and other chemicals, fuel, etc.) as well as personnel costs and other operating expenses continue to increase every year. It also is an option that provides a “year off” in between scheduled increases to provide some relief to the customers.

| | In-Town | Out-Of-Town |
|-------------|--------------|--------------|
| <u>Year</u> | <u>Sewer</u> | <u>Sewer</u> |
| 2016 | \$7.65 | \$11.48 |
| 2020 | \$8.26 | \$12.40 |
| 2022 | \$8.92 | \$13.39 |
| 2024 | \$9.63 | \$14.46 |

| | In-Town | Out-Of-Town |
|-------------|--------------|--------------|
| <u>Year</u> | <u>Water</u> | <u>Water</u> |
| 2016 | \$4.48 | \$6.72 |
| 2020 | \$4.70 | \$7.06 |
| 2022 | \$4.94 | \$7.41 |
| 2024 | \$5.19 | \$7.78 |

The future rates for this increase will be as follows:

These rate increases will only affect the consumption portion of the customer’s bill. The CIP fee will remain unchanged at \$3.00 per 1,000 gallons used for both water and sewer.

I recommend approval of Ordinance 2019-4342.

B. Resolutions

➤ **RESOLUTION 2019-041- A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH B. L. ANDERSON COMPANY, INC. TO PURCHASE AND HAVE INSTALLED A RETURN ACTIVATED SLUDGE PUMP**

The Utility Department uses a Return Activated Sludge process at the Water Reclamation Facility. This process uses pumps to return the microbes used in the treatment process from the clarifiers to the oxidation ditch so that they can begin the treatment process over again and continue the life cycle of said microbes. The department went to a more efficient style (Flygt) pump last year and we are very pleased with the performance.

The department maintains a backup pump for every aspect of the treatment process, however we do not currently have a backup pump for the Return Activated Sludge pit. A backup pump would allow us to swap out a failed pump and continue operation while the failed pump is repaired. In this case, we would upgrade one of the pumps to a Flygt Concertor pump. The Concertor pump has many added features, including a clog proof design, higher efficiency than traditional pumps and the ability to adjust the speed of the pump depending on the flows needed by the operator. We would then use one of the two existing pumps as the backup for the RAS station.

The department received three quotes from different companies for this pump and its installation. Buckeye Pump Inc. at \$16,648, Ohio Electric Motor at \$14,646 and B. L. Anderson at \$12,205 with a not to exceed \$1,000 for electric work. B. L. Anderson offers the best price and is my selection for this work.

Approval of this resolution would authorize the City Administrator to execute a contract with B. L. Anderson Company, Inc. for the purchase and installation of the Return Activated Sludge pump.

L. Anderson Company, Inc. has given a cost not to exceed \$13,205.00 for this pump and its installation.

I recommend approval of Resolution 2019-041

➤ **RESOLUTION 2019-042 - FACILITY CLEANING CONTRACT**

The city issued a Request for Proposals on April 2nd with a due date of May 24th. In response to the RFP we received two acceptable proposals. One was from Corvus Cleaning Systems and the other was from Goodwill Industries. The Corvus proposal called for a monthly fee of \$3,975 or a full-year total of \$47,700. Their proposal kept the rate the same for both years of the agreement. The Goodwill proposal called for a monthly fee in the first year of the contract of \$4,187.73 or a full-year total of \$50,192.76. It then included an increase of 2.83% for the 2nd year of the contract, bringing the monthly fee to \$4,301.05 (\$51,622.20 full-year). Based upon the successful results of reference checks, the Ohio Auditor of State *Unresolved Findings for Recovery* database and the proposed cost of the contract, we are recommending that the city employ Corvus as their janitorial services provider starting on June 17th. This will enable all parties to contract and plan for the transition. **We are respectfully requesting that Council hold the reading of the resolution at the June 3rd meeting and approve the resolution at that time.**

➤ **RESOLUTION 2019-043 - A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH SPENCO EXCAVATING, INC. FOR THE EMERGENCY STATE ROUTE 310 CULVERT REPLACEMENT PROJECT.**

Approval of this resolution will retroactively approve the emergency repair/replacement of a failing culvert on State Route 310 just south of Mill Street. The sink hole was first reported as a dip in the road on Thursday, May 23rd, and inspected by the Public Service Director on Friday, May 24th. The dip was significant enough that a contractor was contacted that day to inspect and provide a quote for repair/replacement.

On Tuesday, May 28th, further reports led to a second investigation by the Public Service Director, and it was noted that the dip had become noticeably deeper and wider. At this point it was evident that the culvert had failed, and immediate action necessary to protect public health and welfare. Additional settling would likely lead to roadway failure, which would not only be a safety issue, but also costlier to repair.

The contractor also inspected that day and recommended placing a steel plate over the sink hole to protect and lessen the effect of traffic on the failure area. This was accomplished the same afternoon, and a message board was placed to alert motorists of the steel plate. The Public Service Director inquired if the contractor would be available to perform the work the same week, and requested that the contractor provide a verbal quote if possible. Accordingly, the contractor stated that they are available the same week, and provided a verbal quote of \$17,000. As the specifics of the culvert and existing storm sewer in this area are not known; namely, that there is reasonable suspicion that there is a blind connection beneath the road, \$8,000 of contingency funding was added to the quote to address this in the event that this suspicion is confirmed, and additional work is needed.

The City did not receive additional proposals for this work other than from SpenCo due to the immediate need for this culvert replacement to occur, and their ability to begin the work immediately upon approval, as well as providing a fair and reasonable price. Approval of Resolution 2019-044 is recommended.

➤ **RESOLUTION 2019-044 - A RESOLUTION TO ACCEPT AND CONFIRM INFRASTRUCTURE IMPROVEMENTS FOR THE BROADMOORE COMMONS, PHASE 2 DEVELOPMENT FOR PUBLIC MAINTENANCE AND OPERATION BY THE CITY OF PATASKALA**

Approval of this resolution will indicate formal acceptance of infrastructure improvements for the Broadmoore Commons, Phase 2 Development by The City of Pataskala. These improvements include utilities and roadway per plan and as platted for Broadmoore Boulevard and Old Bay Drive.

Full-time third-party inspection was present throughout construction of this project to verify materials and installation on behalf of the City, and all testing was verified to be completed successfully in accordance with all applicable construction and material specifications.

Once all items were complete and verified, a site walk-through was conducted by the Public Service Director to review the project and generate a punch-list of outstanding items. Accordingly, a Certificate of Substantial Completion has been executed, and indicates a date of May 27, 2019 as the beginning of the 1-year maintenance period.

In accordance with City requirements for acceptance, as-built plans, a 1-year maintenance bond in the amount of 10% of the value of the public improvements, and an executed stormwater maintenance agreement have all been submitted to the City by the Developer.

As the work has been certified to be substantially complete, and all the necessary steps have been completed, it is recommended that Resolution 2019-044 be approved.