



City of Pataskala

Legislative Report to Council

Legislative Report

November 4, 2024 Council Meeting

Unfinished Business

A. Ordinances

➤ **ORDINANCE 2024-4484 – SECOND READING - INCOME TAX ALLOCATION RATES**

Once the debt service and operational funding requirements were identified, the allocation of income tax revenues between the Debt Service, Street, Police and Capital Improvements funds were calculated. The initial portion is taken off the top to cover any outstanding debt service requirements. After that amount has been calculated, the next level is then allocated to the Street and Police funds to cover their current year's operational needs. Any remaining funds at that point are allocated to the Capital Improvements funds. The 2024 allocations were as follows: 45.00% - Street; 45.00% - Police; 8.50% - Debt Service; and 1.50% - Capital Improvements. For 2025, the allocations are proposed as follows: 43.25% - Street; 47.25% - Police; 8.00% - Debt Service; and 1.50% - Capital Improvements. **We respectfully request that Council hold the 2nd reading at the November 4th Council meeting. We anticipate that this legislation will go through all three of the required readings.**

➤ **ORDINANCE 2023-4485 – SECOND READING - 2025 OPERATING BUDGET**

Based on feedback the administration received to the budget as proposed along with changes staff requested, several modifications were made to the version presented at the October 21st Council meeting and are highlighted below. These changes include the following:

- *PRK-24-008: Third-Party Pool Operations* – This project was not initially included in the proposed budget. Instead, an additional manager position in the Parks & Recreation department was proposed. Based upon feedback received, it was decided to eliminate the staffing increase and make this project active. It is expected to cost the city \$135.0 thousand annually to operate the pool, excluding concession stand operations. This was largely offset by the elimination of the seasonal pool operation staff. On a positive note, making this change resulted in a reduction of the interfund transfer amount required from the General fund of \$25.0 thousand per year, or \$125.0 thousand over the 5-year forecast. That change was made to the proposed budget and the 2026-2029 forecast.

- *Additional Parks Manager Position Elimination* – As mentioned in the previous paragraph, the Administration felt that it was appropriate to eliminate the increase in staffing in lieu of hiring a contractor to operate the pool. This results in a reduction of approximately \$120,500 in proposed spending in the General (101) fund in 2025.
- *PRK-24-006: Pool Shade Structures* – This item was moved to the unfunded category and resulted in a 2025 reduction of \$20,000 in the Capital Improvements (301) fund requested appropriations. Reviewing year end pool revenue and expense numbers, the administration decided to remove this item from the budget.
- *PRK-25-004: Pool Lounge Chairs* – This item was moved to the unfunded category and resulted in a 2025 reduction of \$5,000 in the Recreation (206) fund requested appropriations. Reviewing year end pool revenue and expense numbers, the administration decided to remove this item from the budget.
- *PRK-25-001: Harley Rake Attachment for Skid Steer* – This item was moved to the unfunded category and results in a 2025 reduction of \$7,000 in the General (101) fund requested appropriations. The administration has identified a company that would rent this equipment at a more economical rate.
- *Public Service Equipment Acquisition Timing* – In order to identify additional funding for the construction of a Public Service garage facility, all the proposed equipment purchases were delayed by one (1) year. This resulted in a savings of \$103.4 thousand in 2025 and \$304.0 thousand in 2026-2029 in the Street (201) fund.
- *Accounting/Budgetary Control Software Hosting* – Keytel currently hosts the city's accounting and budgetary control software, VIP. This has worked successfully although it requires the use of a VPN to access the system. As the city will be leaving Keytel soon and the Finance Director's pending retirement, we are recommending that the software vendor, Software Solutions (SSI), host the software. This provides a number of benefits including: (1) automatic updates of the VIP system. The current arrangement requires the Finance Director to work with Keytel to load system updates provided by SSI.; (2) disaster recovery backup and restoration; and (3) elimination of the requirement to use a VPN to remotely access the system, as dual-factor authentication would be used to limit/restrict access. The annual cost of this service is approximately \$17 thousand per year (split across 5 funds).

We respectfully request that Council hold the 2nd reading at the November 4th Council meeting and amend by substitution. We anticipate that this legislation will go through all three of the required readings.

B. Resolutions

New Business

A. Ordinances

➤ **ORDINANCE 2024-4487 – FIRST READING – AN ORDINANCE TO MAKE SUPPLEMENTAL APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES DURING THE FISCAL YEAR ENDING DECEMBER 31, 2024.**

As a part of our year-end planning and review process, we identified a number of needed adjustments to the 2024 budget which require additional appropriations. There are eight (8) specific areas that are being addressed in this legislation, and which are covered below. Where possible, we have attempted to find offsetting reductions to cover any increases requested. **We respectfully request that Council hold the 1st reading of the ordinance at the November 4th Council meeting and anticipate that the legislation would go through all three (3) of the required readings.**

- *Section 1: JEDD Infrastructure Fund Distribution* – When the JEDD initially began receiving revenue the 35% allocation to the JEDD Infrastructure Fund was sent to the city. In order to properly segregate and account for those funds, a new special revenue fund – the JEDD Fund – was created. However, proper budgetary control and accounting would have those funds received by, and accounted for, the JEDD. This request would permit the city to send the entire fund balance to the JEDD.
- *Section 2: Police Cruiser Replacement* – The Police department had one of their cruisers totaled by the Ohio Plan as a result of a collision which occurred during a pursuit. We have received the proceeds of the settlement, and the Police department would like to use those funds to acquire an additional used cruiser. We are requesting a supplemental appropriation increase of \$10,175 which matches the amount received by the city.
- *Sections 3 – 5: Utility Year-End Budget Adjustments* – The Utility department has experienced an increased number of emergency leak repairs in 2024 and the cost of chemicals has risen greatly. As we approach year-end, we performed an analysis of all budget lines to determine if they had enough funding to cover spending through December 31. It appears that the water and sewer utility budgets are a bit understated in the Contractual Services and General Operating budget categories. We are requesting a combined appropriation increase of \$70,000 to cover the budget shortfalls.
- *Section 6: Human Resources Services* – It appears that some of the budget in the line used for the payment of Human Resource services invoices was used earlier in the year for unplanned expenses, and the line does not currently contain sufficient appropriations to end the year. We are requesting a reclassification of \$4,600 in appropriations between the General Operating and Contractual Services categories to cover the rest of the year. There is no net impact on the year-end fund balance from this change.
- *Sections 7 - 8: Public Service Garage Project Funding* – The Public Service

Director has identified several savings in other areas and is requesting a reallocation of \$75,000 between budget categories as well as the use of \$770,000 in carryover fund balance to cover the costs of constructing a Public Service garage facility. Incorporating these 2024 supplemental appropriations into the 2025 budget model and modifying the 2025-2029 projections by delaying equipment purchases by one (1) year results in a projected 2029 year-end carryover balance of \$1.70 million or 25.88% of spending.

- *Section 9: Street Maintenance Materials* – After reviewing the current 2024 budget, it was determined that additional funding is required for the purchase of street maintenance materials. This is being accomplished by a budget transfer of \$10 thousand between the Contractual Services budget category and the General Operating budget category. There is no net impact on the year-end fund balance from this change.
- *Section 10: Fire Escrow Refunds* – The city’s codified ordinances call for insurance companies to deposit with the city a set amount from a settlement with the insured due to the loss of a structure. These funds are not city dollars; rather, we are simply holding on to them to ensure that the structure is either rebuilt or razed and the site cleared. In 2024, we’ve received more than \$90 thousand in such settlements. To distribute the funds, appropriations must exist in the city’s annual budget. At present, the 2024 budget does not contain any appropriations and the \$100 thousand in additional appropriations requested would permit the city to encumber the funds and remit payment to the homeowner or contractor in a timely manner.
- *Sections 11-15: Web Hosting of VIP System* – Keytel currently hosts the VIP server on a virtual basis. That means that we don’t have a specific physical server, but that the system resides on a server hosted by Keytel and requires the use of a VPN in order to connect. As we will be leaving Keytel by the end of the year (or shortly thereafter) and my pending retirement, I believe that it makes sense to have the software vendor, Software Solutions (SSI), host the system. The benefits of SSI hosting the system include: (1) automatic updates of the system; (2) disaster recovery backup and restoration; and (3) elimination of the requirement to use a VPN to remotely access the system as dual-factor authentication would be used to restrict access. The annual cost of this service is approximately \$17 thousand per year (split across 5 funds) with an initial implementation fee of \$2.3 thousand.
- *Sections 16-20: Network Equipment Purchase* – The decision has been made to change information technology service providers from Keytel to Headway Strategy. Making this change will require the purchase of network-related equipment such as servers, phones, firewalls, etc. The Headway consultant is working with Keytel to determine what equipment will need to be purchased prior to the January 1, 2025 ‘go live’ date. As this is the final opportunity to request additional appropriations, we are requesting an

additional \$75.0 thousand as a placeholder to enable the city to properly purchase the equipment. We don't believe that the full amount will be needed, and any used portion will be returned to the fund balance once the purchase order is closed.

➤ **ORDINANCE 2024-4488 - FIRST READING - AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE AGREEMENTS WITH RRIFI COLUMBUS 44 LAND, LLC TO TERMINATE TWO (2) COMMUNITY REINVESTMENT AREAS**

THIS TERMINATION OF COMMUNITY REINVESTMENT AREA AGREEMENT (BUILDING #2) (this "Termination") is made and entered into on the Effective Date (as defined on the signature page hereof), by and between the **CITY OF PATASKALA**, an Ohio municipal corporation (the "City"), and **RRIFI COLUMBUS 44 LAND, LLC**, a South Carolina limited liability company (the "Company").

As Council knows, on August 1, 2024, The City and Red Rock completed the necessary legislation for an abatement at the site of their "fifth and sixth" buildings located at the intersection of Etna Parkway and Refugee Rds. Red Rock was thinking that they would build, when necessary, two 120,000 sq ft buildings. In the time since that legislation was finalized, Red Rock was approached by a buyer for the land only. This buyer asked that no CRAs or TIFs be associated with the property for the sale to take place.

In light of these facts, Red Rock met with us the week of October 14th to begin the inquiry into what needed to be done to unwind the granted CRA. A meeting was held with the Law Director, the Administration, Montrose, Red Rock and Red Rocks outside legal counsel. At that meeting it was discovered that terminating the agreement is fairly easy. However, since we enacted the abatement via Ordinance, we should also terminate it via the same legislative tool. This ordinance allows us to do that. I do not know who the buyer is specifically, but I believe whoever it is will come back to us in the future for other economic development possibilities. I have relayed to Red Rock that while the Council may be amenable to the request, the extra amount of work may make new agreements with Red Rock receive new scrutiny from both the Administration and the elected officials.

Consent Agenda

3. Motions

4. Resolution

➤ **RESOLUTION 2024-071 - A RESOLUTION TO ACCEPT AND CONFIRM INFRASTRUCTURE IMPROVEMENTS FOR THE FOREST RIDGE, SECTION 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 Forest Ridge, Section 2 Development by The City of Pataskala.

These improvements include utilities and roadway per plan and as platted for Ruby Road, Reign Way, and Pioneer Way.

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 and Utility Director representatives 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 October 23, 2024 as the beginning of the 2-year maintenance period.

In accordance with City requirements for acceptance, as-built plans, a 2-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 2024-071 be approved.

➤ **RESOLUTION 2024-072 - A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH SOFTWARE SOLUTIONS, INC. (SSI) FOR THE WEB HOSTING OF THE FINANCE DEPARTMENT'S ACCOUNTING AND BUDGETARY CONTROL SYSTEM**

As the city is replacing Keytel with Headway Strategy as its' information technology service provider, the hosting of the Finance department's accounting and budgetary control system will also need to change. The Finance department is recommending that the city use Software Solutions, Inc.'s (SSI) VIP Cloud solution to host the VIP application. This provides a number of benefits including: (1) automatic updates of the VIP system. The current arrangement requires the Finance Director to work with Keytel to load system updates provided by SSI.; (2) disaster recovery backup and restoration; and (3) elimination of the requirement to use a VPN to remotely access the system, as dual-factor authentication would be used to limit/restrict access. The annual cost of this service is approximately \$17 thousand per year (split across 5 funds). **We respectfully request that Council hold the 1st reading of the resolution at the November 4th Council meeting and approve the legislation.**

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