



## City of Pataskala *Legislative Report to Council*

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### Legislative Report

#### November 4, 2024 Council Meeting

#### Unfinished Business

##### A. Ordinances

➤ **ORDINANCE 2024-4484 – THIRD 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 3<sup>rd</sup> reading at the November 18<sup>th</sup> Council meeting and approve the legislation. Should Council decide to modify the allocations at the November 18<sup>th</sup> meeting, however, the amended ordinance would remain on the agenda for a 4<sup>th</sup> reading and approval at the December 2<sup>nd</sup> meeting.**

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

We have made no changes to the proposed 2024 budget since the 2<sup>nd</sup> reading. The Administration proposes to add interfund transfers from the General Fund to the Capital Improvements fund and additional road-related spending from the Capital Improvements fund. **We respectfully request that Council hold the 3<sup>rd</sup> reading at the November 18<sup>th</sup> Council meeting. Should Council approve adding the interfund transfers and related spending (or approves additional modifications to the proposed budget), we will amend the ordinance at the meeting and hold the 4<sup>th</sup> reading of the ordinance and approval at the December 2<sup>nd</sup> meeting.**

➤ **ORDINANCE 2024-4487 – SECOND 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 2<sup>nd</sup> reading of the ordinance at the November 18<sup>th</sup> Council meeting and amend by substitution. We anticipate that the legislation would go through all three (3) of the required readings. Please note that there has been only one change in the legislation since the 1<sup>st</sup> reading and it is highlighted in bold. The changes requested to current appropriations include the following:**

- *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 \$90.0 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 \$100.0 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. **Since the 1<sup>st</sup> reading the city has received another distribution from an insurance company. As a result, the amount requested has been increased from \$100.0 thousand to \$150.0 thousand.**
- *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 - SECOND 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 14<sup>th</sup> 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.

B. Resolutions

**New Business**

A. Ordinances

➤ **ORDINANCE 2024-4483 – FIRST READING - AN ORDINANCE TO REZONE PROPERTIES LOCATED ON COLUMBIA ROAD, PARCEL NUMBERS 064-152844-00.001 AND 064-152844-00.000, TOTALING 63.59 +/- ACRES IN THE CITY OF PATASKALA, FROM THE AGRICULTURAL (AG) ZONING CLASSIFICATION TO THE PLANNED MANUFACTURING (PM) ZONING CLASSIFICATION WITH A PLAN DISTRICT OVERLAY.**

Connie K. Klema is requesting to rezone two (2) properties, totaling 63.59 +/- acres, from AG – Agricultural to PM – Planned Manufacturing with a Planned District Overlay pursuant to Sections 1217.13 and 1261.06 of the Pataskala Code for the properties located at 7330 Columbia Road and 0 Columbia Road. The Comprehensive Plan Future Land Use Map recommends this area for Flex Industrial. The requested rezoning is in line with the recommendations of the Future Land Use Map. On October 2, 2024 the Planning and Zoning Commission unanimously recommended to approve the rezoning request. The Council public hearing on the rezoning request was held on November 18, 2024.

## Consent Agenda

### 3. Motions

### 4. Resolution

➤ **RESOLUTION 2024-073 - A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE AN OPERATING LEASE AGREEMENT WITH THE GORDON FLESCH COMPANY, INC. FOR THE ACQUISITION OF A MULTIFUNCTION COPIER AND ASSOCIATED MAINTENANCE AGREEMENT FOR THE CITY ADMINISTRATION OFFICES.**

The city currently leases its' four (4) office copiers from Gordon Flesch using 4-year operating leases. Operating leases are different from capital leases (which we use for dump trucks, heavy equipment, etc.) in that at the end of a capital lease we own the equipment outright. When an operating lease expires, the lessee (the city) is required to return the equipment to the lessor (Gordon Flesch). At that point, the city has two options regarding the office copiers: (1) purchase the existing equipment; or (2) lease new replacement copiers. The first two leases (Administration and Planning/Zoning) will expire in early January and will need to be replaced. We don't believe that purchasing the equipment is the best course of action as once a copier reaches the 7-year mark, it becomes marked as out of date, and service cannot be guaranteed. Copier vendors guarantee that they will maintain replacement parts for 7 years. After that point in time, service would be on a 'best efforts' basis. As a result, the maintenance costs on copiers greater than 4-5 years old are significantly more expensive, and it is usually not cost effective to simply buy the equipment. The Administration is seeking Council authorization to enter a new 5-year lease with Gordon Flesch for an updated copier for the Planning & Zoning department, and the associated equipment maintenance agreement. The equipment will be provided at the specifications and cost provided for in the State of Ohio term schedule (e.g., state contract). The monthly lease cost for this equipment is \$248.97 and is \$42.42 per month (or 20.54%) more than the current lease (which had extremely good pricing promotions at the time). However, the per copy (BW and color) maintenance costs are between 25-33% lower than what we are paying today. **We are requesting that Council approve the resolution at the November 18<sup>th</sup> Council meeting and authorize the City Administrator to execute the lease agreement for the referenced equipment.**

➤ **RESOLUTION 2024-074 – A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE AN OPERATING LEASE AGREEMENT WITH THE GORDON FLESCH COMPANY, INC. FOR THE ACQUISITION OF A MULTIFUNCTION COPIER AND ASSOCIATED MAINTENANCE AGREEMENT FOR THE PLANNING AND ZONING DEPARTMENT**

As was the case in Res. 2024-073, the city also needs to replace the copier in the Planning & Zoning offices. This lease expires in early-January and a replacement copier acquired prior to that date. The monthly lease and copy costs charged by Gordon Flesch are the same as those identified in the previous paragraph. **We are requesting that Council approve the resolution at the November 18<sup>th</sup> Council meeting and authorize the City Administrator to execute the necessary documents to lease the referenced equipment.**

➤ **RESOLUTION 2024-075- A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH GLAUS, PYLE, SCHOMER, BURNS & DEHAVEN, INC. (GPD GROUP) TO PERFORM ENGINEERING DESIGN AND BIDDING SERVICES FOR THE 2025 STREET IMPROVEMENTS PROGRAM**

Approval of this resolution will authorize GPD Group for design and bidding services for the 2025 Street Improvements Program. Engineering Design and Bidding Services for the annual Street Improvements program is identified in the 2024 budget as Public Service Department project number SVC-16-022.

The purpose of this project is to design roadway improvements as needed throughout the City. The PSD has worked with the Street Committee to identify the following list of streets for improvement in 2025. Base bid: Alward Road; Christy Lee Drive; Helen Drive; Oak Meadow subdivision, phase 1 streets: Bristol Drive, Carriage Boulevard, Dover Court, Salem Court, and Kylemore subdivision streets: Aberdeen Drive, Killarney Drive, Edenderry Drive, and Warrenpoint Lane. Alternate bids: Cable Road, Green Hollow Drive and Greenloch Court.

The proposed value for design and bidding services for this project is \$41,500. The total value for construction of this project, as identified in the proposed 2025 budget as project SVC-21-002, is \$1,000,000.

Approval for bidding, then construction will be sought after the design is complete. Approval of Resolution 2024-075 is recommended.

➤ **RESOLUTION 2024-076 - A RESOLUTION ACCEPTING AND CONFIRMING INFRASTRUCTURE IMPROVEMENTS FOR SR 310 AS PART OF THE FOREST RIDGE DEVELOPMENT FOR PUBLIC MAINTENANCE AND OPERATION BY THE CITY OF PATASKALA**

Approval of this resolution will indicate formal acceptance of infrastructure improvements for the SR 310 Improvements for the Forest Ridge Development project by The City of Pataskala. These improvements include the traffic signal, utilities and roadway widening per plan for SR 310.

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 September 2, 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 2024-076 be approved.