

**The FINANCE COMMITTEE held a Meeting on  
MONDAY, JUNE 27<sup>th</sup>, 2022 beginning at 6:38 P.M.**

**FINANCE PRESENT:** Chair Stewart, Tollett, Cerra, Davis, Schneider

**CD PRESENT:** Chair Callahan, Mitchell, Oswald, Schneider, Absent: Lipian

**OTHERS PRESENT:** Law Dir Deery, Safety Svc Dir Brubaker, Mayor Whitfield, Asst Dir Williams, Asst Dir Calvert, Finance Dir Pileski, Asst Finance Dir Farrell, Asst Law Dir Breunig, Police Chief Pelko, Engineer McKillips, Parks Dir Reardon, Building Official Farkas

**1. Approval of the Finance Committee Meeting Minutes ~ June 1<sup>st</sup>, 2022.  
Mr. Cerra moved, second by Mr. Tollett to approve the 'said' meeting minutes.**

**2. The matter of inactive/delinquent EPU Accounts to be certified to Lorain County Auditor's Office. (*Standing Referral*)**

**Referred By: Public Works Supervisor Conner**

This is standard procedure.

**Mr. Tollett moved and Mrs. Davis seconded to authorize a resolution to certify the 'said' accounts to the Lorain County Auditor's Office.**

**MOTION MADE COMMITTEE REPORT WRITTEN**

**3. The matter of Delinquent High Grass Charges to be certified to Lorain County Auditor's Office. (*Standing Referral*)**

**Referred By: Safety Service Dir Brubaker**

This matter was removed from this evening's agenda.

**4. The matter of disposing of WWPC equipment that is unfit for municipal use.**

**Referred By: Superintendent Korzan**

Safety Director said there are the two pieces of equipment that Chair Stewart just read. They have been taken out of service and they would like to be able to dispose of them in a way the is determined by Mr. Strohsack, our fleet manager. there were no questions.

**Mr. Cerra moved and Mrs. Davis seconded to recommend a resolution authorizing the Safety Dir to declare 'said' property unfit.**

**MOTION MADE COMMITTEE REPORT WRITTEN**

**Mr. Cerra moved and Mr. Tollett seconded to recommend an ordinance authorizing to dispose of 'said' vehicles by auctioning on govdeals.**

**MOTION MADE COMMITTEE REPORT WRITTEN**

**5. The matter of authorizing the Mayor to enter into an agreement with Black & Veatch Management Consulting, LLC.**

**Referred By: Engineer McKillips**

*(This was passed by Utilities on June 21<sup>st</sup>)*

Engineer McKillips said Black & Veatch have been performing the City's rate studies since 2017. The last agreement was highly concentrated on the sewer side of the rates due to our continuing negotiations with the EPA. This round will be looking at more of the water side and making sure that the rates for 2023 and 2024 are in place and still good. And to see if it's possible to decrease or eliminate those increases that will be taking place. The consultants will look at other programs that we might be able to put in place that may help.

Chair Stewart asked what the time line is and when it will be completed?

Engineer McKillips said they would like it to be completed by mid-fall, so that there will be time to make any adjustments going into next year and so there will be time to do so.

**Mrs. Davis moved and Mr. Cerra seconded to recommend an ordinance authorizing the mayor to enter into an agreement for the rate study update.**

**MOTION MADE**

**COMMITTEE REPORT WRITTEN**

## **6. The matter of authorizing the Mayor to apply for and accept, if offered, an ODNR Nature Works Grant.**

**Referred By: Parks Dir Reardon**

*(This was passed by Utilities on June 21<sup>st</sup>)*

Dir Reardon said this is a grant thru ODNR. They would like to add a small parking lot at Washington Village Park, off of Fowl Road. Also to connect walkways to the basketball court and playground area and onto the other parking lot. It will have access to the neighborhoods in the areas. The grant is actually for \$38,388 and the City's portion would be \$32,000.

Mr. Tollett wanted clarification on the connector pieces.

Dir Reardon said the way the park is set up is not without going thru grass to access different portions of the park, these walkways will allow that access.

Mrs. Davis said it should be cleared up that this park is not on Washington Avenue but off of Fowl Road, which is in Ward 6.

Mrs. Mitchell said they have already discussed changing the name. They don't know where Washington Village came from, it's been that way for a long time. She has proposed that they rename it Fowl Road Park.

Law Dir Deery said that she's hoping that is something that Dir Reardon can talk to the Parks Board about.

Dir Brubaker said he did some research on the name and the reason it's Washington Village Park is that area is relative to the Revolutionary War; Monticello, Valley Forge.

**Mrs. Davis moved and Mr. Schneider seconded to recommend an ordinance authorizing the Mayor to apply for and accept the 'said' grant. Emergency clause requested.**

**MOTION MADE**

**COMMITTEE REPORT WRITTEN**

## **7. The matter of applying for ARPA Funds for a First Responder Wellness and Resilience Grant for the Elyria Police Department.**

**Referred By: Police Chief Pelko**

Chief Pelko said this is to apply for a physical and mental wellness program for first responders; police officers and dispatchers at the department. Part of the grant will be to send the officers and dispatchers for mandated counseling and have a mental health day for them once a year. It's for them to seek help for traumatic situations that they deal with. They will contract with a psychiatrist to have these sessions. Another part of the health & wellness would be to offer yoga classes for wellness and also to get a therapy dog, not only for the employees but also for victims of crimes. This program would be for up to two years once we get it established. The most it would cost would be \$225,000. There are no matching funds that the City would have to pay. Emergency Clause is requested.

**Mr. Cerra moved and Mr. Tollett seconded to recommend an ordinance authorizing the Mayor to apply for and accept the 'said' grant. Emergency clause requested.**  
**MOTION MADE COMMITTEE REPORT WRITTEN**

**8. The matter of applying for ARPA Funds for a First Responder Wellness and Resilience Grant for the Elyria Fire Department.**

**Referred By: Safety Service Dir Brubaker**

Dir Brubaker said this will come from the same pool of money from the State. This is allowing the Mayor to apply for the same grant for the Fire Department. In conversations with Chief Pronesti they decided to look at it to replace a couple firefighters. So far this year two have retired and have not been replaced. The grant money of \$440,000 will cover the cost of four firefighters as well as equipment and training involved in that. There is no matching money for this. It's a 24 month grant and after those 2 years we would take on that cost. We would be looking into hiring these firefighters in the future and this could reduce our cost for a couple of years. We've looked at it from a different standpoint for the Fire Department as opposed to the Police Dept. These are competitive grants, there is about 70 million dollars and the chances of us getting one or both is still probably slim so we tried to attack it from two different angles.

**Mr. Cerra moved and Mrs. Davis seconded to recommend an ordinance authorizing the Mayor to apply for and accept the 'said' grant. Emergency clause requested.**  
**MOTION MADE COMMITTEE REPORT WRITTEN**

**9. The matter of authorizing the Mayor to submit a Capital Budget request to the Governor of the State of Ohio.**

**Referred By: Mayor Whitfield**

Asst Dir Williams spoke on this matter on behalf of the Mayor. Mr. Williams said this was a Capital Budget request that was submitted on March 18<sup>th</sup>. They requested one million and have been notified that the City has been approved for \$350,000. This was requested specific to the Oakwood School Project to help with Phase One which deals with stabilization and those parts of the renovation. This request is to accept the grant. It is non-binding and there is no matching amount. It is for \$350,000. They thought this would be an opportunity to update the Committee on the progress. Save Our Children is in attendance. This will help us to move towards the goal of trying to renovate the building to use it as a senior center and a multi-generational facility. There is much being done to prepare for presentation on the overall project. If the grant money isn't utilized for that project, it will be returned. It will be a good start on addressing the financial concerns on this project. There will be other grants that they can apply for down the road. This \$350,000 is a great start. They are honored and pleased to have received this grant. It tells us that there is some real merit to the project and they believe when they come back to council with a full presentation then they can be able to have the information needed to make the decision to go forward.

Chair Stewart asked that we applied for one million and we received \$350,000?

Dir Williams said that is correct and this was part of the governor's Capital Budget.

Chair Stewart asked for a status of where things are with project and was anything appropriated for this project?

Dir Williams said they originally asked for 1.6 million. There was a discussion that ended up the amount to 1 million that was forwarded to Council and it was tabled. They do have more accurate numbers now but they don't have the complete package ready. They know that the roof is a pretty much a fixed price where it's come in at \$400,000. They know the windows are at \$220,000. And they have estimates on the restrooms. They can expect to come back to committee soon. They are working closely with Save Our Children.

Law Dir Deery asked if this money has been received?

Dir Williams said they've received notification of the award and the governor signed it. Senator and Representative Mannings have reached out for comments on this. They chose to wait on comments until it's been accepted by Council.

Finance Dir Pileski said there is no money appropriated in the permanent appropriations for anything with Oakwood School.

Mrs. Davis said she hopes we have respectable bids from companies in our area. We want to see the packet that is being put together so the committee can see what the companies are and what their bids are since there is such a discrepancy in the estimated costs.

Dir Williams said yes, they will do that. The estimate for the roof came in at \$400,000 and is on the State list. He wants to bring in numbers that are from reputable local companies.

Mrs. Mitchell said she along with Mrs. Davis have been advocates for this since the City acquired Oakwood school, but it has to make sense. If it's going to take more money to repair, then maybe we need to look at an alternative. And we have to think about the long term.

Mr. Tollett asked if the lease for Save Our Children would be a cash flow positive lease so we can maintain the building, or a cash flow neutral lease? What direction the lease will be?

Dir Williams said they are looking at a cash sharing on utilities. It will be about 55% occupied by Save Our Children and the other 45% will be the City's senior programs. It will also provide space for other things. They are not looking at this as a non-investment by the City or non-utilization. We're expand senior programming and will create a center that will be inter-generational by design and there is a cost to that. If we decide that we don't want to expand those costs for those demographics. This is not designed to be something that won't cost anything. It's an investment and a service provided for a certain demographic. With that value, what price tag do we place on it? This is a great utilization for the use of this building, we do need a senior center, but it is at a cost. If we didn't have these resources, perhaps we wouldn't even be talking about this. There is an opportunity, this is not a waste of money. The value that will be added after the renovation it will be worth it. This could potentially be the facility that provides more services to more residents in the coming years.

Mr. Oswald said we've been going thru this for sometime and he would like to see a package that everyone can review before the meeting where it has to be hashed over. He realizes it's at a cost, but how much is the cost? It will cost too much to tear it down and build another building. Another option is signing rights where someone donates money and then has the rights to have their name on the building or on a sign or something.

Mr. Williams said they came to this evening's meeting about the receiving of the \$350,000. We shared with committee the last time it was brought up because the committee advanced it to go to council and it was tabled. We said at that time that we would bring a package, but this is not that time. The comments and discussion at this stage are in response to questions that weren't a planned presentation. They are prepared to answer those questions and present the overall package and they are committed to doing that at a future meeting.

Representatives from Save Our Children are in attendance to speak.

**1. Bob Yost**, 10301 Aspen Court, Elyria and the owner of Yost Construction. He wants talk about the commitment that Save Our Children has. They have been around for 40 years. As an educational and after-school group and a mentoring group with at-risk children that are part of our community. Currently they are using the church across the street, (Elyria First Congregational Church). Currently they have about 125 kids. There is a need for more and at Oakwood they could probably have between 250 to 275 kids. As far as a commitment to go forward with this, they are absolutely planning on that. They have had meeting with the Administration, Parks Dir, Law Dir, the Mayor to discuss how to structure a deal that would work for both Save Our Children but also for the City. They have a budget and are in a position to pay rent and share utilities. They're on a tight budget and have CEO's that sit on the board of Save Our Children and they weren't able to attend this meeting. There's a commitment to make this work. There were some things brought up with regards to the expenses.

He took the liberty to ask some of the people that he knows in the field to evaluate the building and give some ideas of expenses for the improvements. He only reached out to local contractors. Great Lakes Glass came back with a number of \$190,000 for the windows. Weather Tight Roofing and West Roofing assessed the roof.

He wants to know what the City expects from Save Our Children. They know what they can do and what their capability is to maintain the building and to budget for the utilities. He got a one year report from Ohio Edison and Columbia Gas, it's about \$3100 a month on average. Save Our Children will pay \$1500 - \$1600 and the other part will be the City's expense. There have been discussions as to how to share it and how to use the gym. The gym is a key component for both. They will have to install a kitchen. All the kids get fed every day. Mr. Yost thinks it's a good merge for the City.

Chair Stewart thanked Mr. Yost and said tonight is just for the acceptance of the grant.

**2. Chaise Farris**, 4229 Ivanhoe Dr., Lorain, Director of Save Our Children. Mr. Farris said that within the last two years here, he has seen the growth of Save Our Children and they now have a wait list of over almost 30 kids. At the end of the day the focus is these children.

Mayor Whitfield said this is one of the opportunities that is faced with this body, an opportunity to really make a decision that moves the City forward. We have a long standing organization in the City that's willing to invest in a property that the City owns, occupy and pay rent and serve young children and provide space for seniors withing the City. The headlines should be City Council excited about serving seniors and youth and transforming an old school and we got State money coming in and Save Our Children is ready to invest, what a win for the City. But again we end up in this place of conversations. We've put out numbers for the roof, we have a bid, that number is firm. Mr. Yost gave a number for windows. Aside from the those it's the commitment towards the intention for that purpose. The last time it was discussed there were questions of should they tear the building down, should it be used for storage.

When we inherited this facility, there was no plan at that time. We heard from council and residents of what they wanted. They put a proposal together and said that's the way they want to go, but that's not affirmed yet. When we've got partners involved; corporations looking to make an investment and they want to hear a commitment in terms of the direction. And this body has the authority to allocate funds.

Chair Stewart said that Mr. Yost brought up that there was never any conversation about what expenses were going to be shared by Save Our Children and the City. It seems that is still up in the air, Mr. Williams said that it's 55% SOC and 45% City but not firmed. That's important and it needs to be known before we're moving forward. Those are important details that need to be spelled out before decisions are made.

Mayor Whitfield said the comment was made around the commitment towards the intention of the use for the building. In his opinion, does that detail make this a deal breaker? The point is to make the intention that yes, we agree with this vision. There will be many things that will need to be voted on before all is said and done. The first step is allocating the funds so that they can move it forward.

Law Dir Deery said the plan in the previous administrations was to expand West Park. The building was part of that and was going to be something that would have to be dealt with. The plan was to expand the footprint of the park. The building was to be assessed and if there was something could be done that would be worth while for the City, then we would keep it and if it was not worthwhile then perhaps it would be torn down. Essentially the building was not the main piece that the City was interested in, it was the property.

Chair Stewart said it was the property and having a relationship and partnership with Elyria Schools so they wouldn't have to absorb the cost of have to demolish the building. And that the City would have use for it.

Mayor Whitfield said this is another opportunity that's been presented to this body. Again, the headlines should read, 'Elyria City Council Invests in seniors and youth and transforms an old school building with State funding, Corporate Partners and Non-profits'.

Mrs. Davis said she is glad to hear from Mr. Yost that they are willing to invest some of this. Going forward maybe we can see a happy medium of how this will be taken care of.

Mr. Yost said that they are looking at themselves as a tenant. The City will be the landlord. If the landlord says that based on the investment that you have relative to what your need is for the senior side of this and if they need to pay \$5000 a month rent or \$1000 a month, please let them know. If that number doesn't work in their budget, they can look elsewhere. They have a decision to make and they've been talking about this for a year now. They're not afraid to hear what that number is and they will make their business decision.

Mrs. Mitchell said that we want to be partners with them, as she said before, the City has to figure out what makes sense. The administration has gotten estimates and Council needs to see bids, a packet put together so they can see how much everything will cost.

Mr. Yost said to tear that building down is probably between \$300,000 and \$400,000 to the City. To rebuild that building it would be between \$6 million to \$8 million dollars. Those two numbers need to be assessed.

Chair Stewart thanked Mr. Yost and asked Mr. Williams when he will have a package together for the committee?

Mr. Williams said they are waiting on some more information and expect it will be 4-6 weeks. They will share that information and make sure everyone receives a packet with all the detailed information.

Law Dir Breunig had a few comments. There has been a lot of talk and questions around specific estimates and numbers, which are important. But there is a process that we have to go thru for public bidding. So if this is a project that council determines they want to undertake there would be a general idea of how much the total cost would be to spend. To piecemeal individual estimates for individual components does not constitute a valid source of funding for public bidding. He wants to remind everyone how this works and he doesn't want to sound condescending in any way but this is getting a little off track. If council determines to go forward, the first step would be allocating funding and the second step would be an authorization to go out for bids and enter into a contract with the lowest and best bidder. No one gets to see the bids, they are sealed. There will be criteria that the Engineer's office will be looking at and they will put together an Engineer's estimate and if none of the bids are within 10 percent of that Engineer's estimate, we throw out all the bids and we re-bid the project. So no one sees those individual components. It's great for the overall general scope of this so you know about how much the entire project is going to cost. The estimates are important, but they are by no means binding. He wants to caution that getting too much into the detail of those numbers in a public forum when there will be potential bidders who will be submitting those bids. We don't want to create an adverse situation for ourselves when we're looking for those bids. As a general reminder, let's talk about the overall project cost, that it's fair and we should be talking to Save Our Children about what their contribution level is expected to be and what we expect out of them. Those should be included in the numbers.

Chair Stewart thanked Dir Breunig and said that what's before the committee this evening is the accepting of the amount of the Capital Budget Request from the State. And asked for the question:

**Mrs. Davis moved and Mr. Cerra seconded to recommend an ordinance authorizing the Mayor to accept the 'said' grant in the amount of \$350,000.**

**MOTION MADE**

**COMMITTEE REPORT WRITTEN**

## **10. The matter of an Economic Development Agreement with Elyria Block Development, LLC or it's designee.**

Asst Dir Calvert said they are bringing forward the development agreement that will lay out the terms and scope of work for the City's role and Elyria Block Development's role for the Development of the E-Sport Facility and the multi-family household which will be constructed.

The agreement does not obligate Council to do anything but will layout those terms and expectations for both parties as we go thru negotiations.

Ms. Stephanie Mercado is here to give an update on the project and we'll take a look at the development agreement and answer questions.

**Ms. Mercado, 401 thru 425 Broad St., Elyria.** She said it was great seeing many of the council members at the historic day in Elyria. She wanted to give updates on the project. For the project to be successful there are 3 major items needed to move forward.

1. Looking at the anchor tenant, which they have secured in partnership with the E-Sports Operator and partnership with LCCC.

2. Looking at long lead competitive tax credits that were available at the State Level. They won the transformational mixed use development tax credit in March and last week they won the first ever historic state historic tax credit project. The historic tax credits as a whole are the most critical component of this project to help it move forward in both the federal and state level. In addition to winning the competitive component of the tax credit and the other component that goes with it, is design approval and that is a process where the State Historic Preservation Office reviews detailed design documents and provides comments on whether the design complies with the historical guidelines to make the project able to receive both Federal and State credit. The State has made a recommendation and they've gotten through the design comments and have moved the project over to NPS (National Park Service). The hope is they will receive approval on the design from NPS by the end of July. That will allow them to move forward in engaging in physical development. If they are able to move forward with demolition and some of the earlier stages of work. If something that had historical significance was accidentally demolished which was supposed to be preserved, that could put both the Federal and State tax credits at risk.

In addition from a design perspective approval, the Dixon building is already a contributing building to the historic district, however, based on improvements that were made in the 60's, it's not currently contributing to the historic district. They had to work with Shippo and NPS to individually list the Robinson Building to be eligible for the same historic tax credits on the project. As of a week ago, that building is now on the National Registry.

So all of the major long lead items that they've been working on have now come to fruition. The tax credits are highly competitive and if we don't win on the first round, it sets us back six months.

Chair Stewart said when he was in attendance at the announcement which was an exciting day for Elyria to have the State of Ohio Department of Development here making that announcement. He thanked Ms. Mercado for her update.

**Mr. Cerra moved and Mr. Schneider seconded to recommend an ordinance authorizing the Mayor to enter into the 'said' agreement. Emergency Clause requested.**

**MOTION MADE**

**COMMITTEE REPORT WRITTEN**

## **11. The matter of Amendments to the 2022 Permanent Appropriations.**

**[Standing Referral] Referred By: Finance Directors Pileski and Farrell**

Finance Dir Pileski said they have a few this evening.

1. American Rescue Plan; \$125,000 to negative economic impact essential services to Public Health, Community Violence Intervention Program for reporting purposes with the US Treasury
2. Muni Motor Vehicle Tax Fund; \$3,108 Capital Outlay to debt service on the payment for the State Infrastructure bank loan that the City owes.
3. General Fund; \$67,203 to Operating & Maintenance for new turn out gear for the Fire Dept. and an additional \$30,000 due to rising fuel costs
4. Water Fund; \$30,000 to Operating & Maintenance for rising fuel costs for Water Distribution
5. Sanitation Fund; \$170,000 to Operating & Maintenance for rising fuel costs for Sanitation.

*Last year Sanitation Fund was spending roughly \$13,000 a month in fuel and now we're spending over \$30,000 a month in fuel costs*

6. WWPC Fund; \$86,000 to Operating & Maintenance for rising fuel costs for WWPC.

7. General Fund; \$193,497 Police Dept - Capital Outlay for a grant rec'd from the Ohio Dept of Public Safety to purchase a new camera security system.

**Mr. Schneider moved and Mr. Cerra seconded to recommend an ordinance to authorize the 'said' appropriation changes.**

**MOTION MADE**

**COMMITTEE REPORT WRITTEN**

## **12. The matter of the 2023 Tax Budget. [Standing Referral]**

**Referred By: Finance Directors Pileski and Farrell**

Dir Pileski said every July he's required to prepare and submit what they call the Tax Budget which gets submitted to the Lorain County Tax Commission. This is the beginning of our certificate of estimated resources for 2023. The certificate of estimated resources governs how much money we can appropriate when 2023 rolls around for the permanent appropriations.

The 1<sup>st</sup> column is estimated cash balance at January 1<sup>st</sup>, 2023. What he did is at the end of May he went through and looked at cash balances and estimated revenues to come in for the remainder of this year and expenditure for the rest of this year to come up with an estimated cash balance on Jan 1<sup>st</sup>, 2023. That becomes the starting point and they will be amended at the end of the year for actual cash numbers, once everything is posted. So those numbers will change. This is an estimate to get the certificate started.

The 2<sup>nd</sup> column is estimated real estate taxes to be collected from the county, by fund.

The 3<sup>rd</sup> column is estimated local government allocation in 2023 in the General Fund.

The 4<sup>th</sup> column is all other sources of revenue including income tax revenues, charges for services, fines & forfeitures, licenses & permits, misc. and these are added together and that's the amount that is available to appropriate.

The second to last column is estimated expenditures for 2023. He looks at what was appropriated this year and adds in any raises that are required. These numbers will be amended when council passes the permanent appropriations in 2023.

The final column is estimated revenue and cash at the end of 2023. Typically he takes a conservative approach. At one time this document was used to determine how much local government funding municipalities would get. Now there is a formula that's been used for years so this document is the beginning of our Certificate of Estimated Resources. It will be amended at the end of the year for actual cash numbers and revenues as he sees fit. And the expenses will be changed to reflect what council appropriates in 2023.

**Mr. Cerra moved and Mrs. Davis seconded to recommend an ordinance to authorize the Finance Director to Establish the Tax Budget for the year 2023.**

**MOTION MADE**

**COMMITTEE REPORT WRITTEN**

**Mr. Schneider moved and second by Mr. Tollett to adjourn this evening's Finance Committee Meeting at 8:00 P.M.**

**MOTION CARRIED**

*Respectfully submitted by,*

*Colleen Rosado,  
Council Clerk Secretary/Administrative Assistant*

*CMR/*