

KIRTLAND CITY COUNCIL MINUTES

FINANCE COMMITTEE / WORK SESSION

March 20, 2023

The Kirtland City Council Finance Committee (Council as a Whole) / Work Session meeting commenced at 6:35 p.m. Council members present were: Ronald Fenstermaker, Scott Haymer, Richard Lowery, Jeffrey Ruple, Matthew Schulz, Joseph Smolic and Eric Ziegler.

Also in attendance were Mayor Kevin Potter, Law Director Matthew Lallo, Finance Director Louis Slapnicker, City Engineer Douglas Courtney, Service Director Joseph Fornaro, Police Chief Brian McCallister, Fire Chief Anthony Hutton and Senior Center Coordinator Teresa Szary.

Answering Council President Ruple, Mr. Slapnicker said he did not have anything formal to present tonight, noting that nothing has changed in the budget and he has nothing new to report from the two preceding meetings.

Councilman Schulz inquired if there has been an update to the short term note figure of 3.65 percent provided by Mr. Reidy. Noting that he communicated with Mr. Reidy today, Mr. Slapnicker advised that the OMAP application is being submitted tomorrow for approval; he noted that the City has been approved in past years. He advised there have been no significant changes in the rate and pricing is anticipated between 3.5 percent and 3.75 percent.

Referring to the spreadsheet provided during the first Finance Committee meeting, Mr. Schulz noted that \$2 million was borrowed in 2021 and the City has been paying interest only. The note is \$45,000 for the interest payment, which calculates at 2.25 percent. Mr. Slapnicker said the interest payment is based on last year's borrowing, so it will be \$45,000 in this year's budget. He noted that how it sells in the market in April will affect the 2024 budget.

With regard to the road improvement program, Mr. Schulz asked for clarification on the numbers. Mr. Slapnicker said the amount appropriated is \$1,114,000. He said the \$1,014,000 will be a transfer out of the General Fund into the Road Improvement Fund; there is an additional \$100,000 that will be expended directly from the General Fund as it relates to repairs and maintenance. Mr. Slapnicker said that anything over \$50,000 would have to be bid; anything over \$25,000 would be presented to Council. Mr. Slapnicker said the parking lot paving at the Police Department, road striping, and things of that nature, will be paid from the General Fund. It was noted that the Service Department will take care of resurfacing the parking lot, crack sealing and partial depth repairs on roads.

Councilman Schulz inquired about the additional debt paydown for 2023. Mr. Slapnicker advised the City is paying down an additional \$345,000, noting that the required paydown is \$156,000 on the short term notes. The two funding sources are the General Fund and Fund 229.

Councilman Smolic inquired about a transfer switch at the Community Center for power outages. Mr. Slapnicker said there is nothing directly funded for that purpose. Mr. Smolic requested that it be considered later in the year for emergencies if funds are available. Mr. Fornaro noted that the cost of the switch is approximately \$30,000. Answering Councilman Lowery, Mr. Slapnicker said the Senior Center funding from the County is reimbursable, and the funding is specific for seniors. He noted there is \$50,000 for discretionary funds, which is earmarked in the budget for parking lot paving. Ms. Szary added that aside from the \$50,000, the reimbursable funds cannot be used on capital.

There were no further questions regarding the budget, and the meeting moved into the work session.

Council President Ruple reviewed the items on tonight's agenda. Mayor Potter advised that Jim Gibbs of Fairsite Technologies will be present tonight to address any questions from Council regarding the RFP for fiber internet. With regard to Resolution 23-R-14, Mr. Slapnicker advised there is \$10,000 from the ARPA funding in the 2023 appropriations.

Councilman Schulz noted that the dates in the RFP need to be amended, since it references 2022. He requested that page numbers also be added to the RFP document. There was discussion regarding specific language in the document.

With regard to Ordinance 23-O-15 extending the economic development agreement with Mr. Eckart, Mayor Potter requested that Council pass the legislation tonight. Councilman Schulz inquired about the reason for the 10 percent increase in the contract amount. Mayor Potter noted that the amount was low last year, and this brings it closer to the amount Mr. Eckart would receive working elsewhere. The Mayor said that in a short period of time, Mr. Eckart has done a lot for the City. He noted that the \$820,000 grant for the Old Town project was largely due to Mr. Eckart's hard work with Senator Brown's office and Congressman Dave Joyce's office. The Mayor noted there are potential projects on the forefront.

Answering Mr. Schulz regarding the name change of Mr. Eckart's company, Mayor Potter said it was previously a partnership between Mr. Eckart and his father, but his father has retired.

Councilman Schulz inquired about documentation to help businesses work through the zoning process, noting this was discussed with Mr. Eckart. Mayor Potter agreed it is important; however, he has asked Mr. Eckart to focus on other matters with prospective developers, which has been time consuming.

Council President Ruple requested that there be more regular reporting from Mr. Eckart to apprise Council of current activities. Mayor Potter noted that he is in contact with Mr. Eckart multiple times each week. In discussion, it was noted that the Mayor can provide a report on behalf of Mr. Eckart. Mayor Potter said he will ask Mr. Eckart to attend a meeting at least once per quarter.

Referring to Resolution 23-R-16 on tonight's agenda, Council President Ruple noted that due to the ballot issue for the Kirtland Schools, the May 1 Council meeting will need to be changed to accommodate the Board of Elections.

Referring to 23-R-14, Councilman Schulz inquired about the mention of 8480 Euclid Chardon Road in the RFP. Mayor Potter explained that it is included as part of the negotiating process. Jim Gibbs of Fairsite Technologies said he expects a plethora of offers, but most will involve some assets, cash or otherwise, on behalf of the City in order to make this happen.

The meeting adjourned at 7:02 p.m. upon the consent of Council.

President of Council

Clerk of Council