

KIRTLAND CITY COUNCIL MINUTES

FINANCE COMMITTEE / WORK SESSION

March 20, 2024

The Kirtland City Council Finance Committee (Council as a Whole) / Work Session meeting commenced at 6:23 p.m. Council members present were: Ronald Fenstermaker, Suzanne Grazia, Scott Haymer, Matthew Schulz, Joseph Smolic, Julie Symonds and Eric Ziegler.

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

Mr. Slapnick noted that he provided Council with further information regarding the potential issuance and repayment of a \$2.5 million note for road improvement. He said that other significant items discussed at the last Finance Committee meeting included adding dash cameras for the Police Department into the budget, the purchase of the Fire engine chassis and a couple of insurance claims. Mr. Slapnick said he revised the appropriation ordinance as a result of four insurance claims for vehicles to be repaired. He also added \$35,064 to get dash cameras in place for 2024; there is an additional cost of approximately \$18,000 in the upcoming years.

Mr. Slapnick noted that he added \$18,307.44 to the station alerting system from the capital improvement fund. The \$375,000 purchase of the Fire engine chassis has been removed from the appropriation. He advised that the net change is a reduction of \$162,429.29.

Mr. Slapnick advised that the budget must be passed by March 31. Mr. Lallo advised that Council will have to pass a motion to modify to incorporate the amendments. It will revert to second reading, and Council can either waive the three readings and pass a motion to adopt, or a special meeting would need to be scheduled for the third reading by the end of the month.

Councilman Schulz inquired about the removal of the Fire truck from the appropriation. Mr. Slapnick said the \$150,000 transfer will still be made from the General Fund into the Capital Improvement Fund. He said he removed the \$375,000 purchase out of the Capital Improvement Fund for the chassis.

Councilman Schulz advised that the Police & Fire Standing Committee met last night at the Fire Station; the meeting was a little over two hours, and Chief Hutton reviewed the options for the truck. He noted that an email from the Mayor was received advising that the City will not be moving forward on the chassis and that Chief Hutton had come up with a Plan B. The representative from Rosenbauer attended the meeting and talked about the industry delays and cost increases. Mr. Schulz noted that the Chief has vetted every possibility, looking at current costs and future costs of purchasing trucks close together. Plan B is a lease purchase option that locks in the price at approximately \$825,000 and it would be delivered in 2026 or early 2027. With the down payment and a financing mechanism of the lease, the City will be able to get it when needed and avoid a future issue of two trucks being needed close together and locking in a price to save approximately \$53,000 over waiting until 2026 or 2027 to order the truck.

Mr. Schulz said Chief Hutton reviewed the cost of equipment in the past couple years and the current cost due to the high rate of inflation. He noted that Chief Hutton also discussed overtime and staffing of the Fire Department, and Chief McCallister reviewed the history of overtime in the Police Department. He noted they discussed and had a walk-through of the fleet for both departments. With regard to the police vehicles, it was noted that in addition to the mileage, another factor is the hours on a vehicle; due to the idling time of the police vehicles they tend to wear out quicker. They discussed getting on a good rotation schedule, noting there are six police cars.

Councilman Schulz said the Police & Fire Standing Committee met on March 19, 2024, and made a recommendation to explore the purchase of a new fire engine using the Plan B methodology presented in the Committee meeting, given a thorough research of the financial terms and conditions of the lease by the Finance Director, and pending final Council approval. Mr. Schulz noted there were handouts and Chief Hutton shared a power point presentation at the meeting.

Council President Smolic said the City would be purchasing the truck this year, with the lease that locks in the price at \$825,000, with a 5.99 percent interest rate. Chief Hutton said that as soon as the City signs for the truck, the lease company will pay off Rosenbauer; the City would pay the \$375,000 down payment and will receive the pre-payment discount, reducing the cost from \$850,000 to \$825,000. He said the overall interest would be approximately \$56,000. Noting that the City will be able to bank the money while waiting the two years, Chief Hutton said it will offset the interest, so the interest would be approximately \$40,000, as opposed to a possible \$250,000 price increase. Mr. Smolic noted that Mr. Slapnicker will be looking into this further.

Councilman Schulz noted that the fire truck is not the "Cadillac" of fire trucks, but the greater length will accommodate the extrication equipment; the truck is what is needed to get the job done. Noting there are different tiers, Chief Hutton said the current truck is the warrior chassis; the new truck would be the general chassis. In addition to the additional length, Chief Hutton said the new vehicle will have a strengthened front bumper; it will look identical to the current truck but will have manual windows and only a driver air ride seat. He noted the cost difference between the general and the warrior is \$60,000 for the chassis.

Councilman Schulz noted that with an either/or choice of the dash cameras or the vehicle, the Police Chief had indicated the police car is more important.

Mr. Slapnicker advised that there is also a change in the transfer ordinance relating to the dash cameras and the safe alert system. He noted the same procedure will need to be followed as the appropriation ordinance.

Moving on to the work session, Council President Smolic noted there is legislation on tonight's agenda to extend the agreement with Eddy Eckart. Mayor Potter said that Mr. Eckart apologized that he was unable to attend tonight. The Mayor noted that Mr. Eckart was instrumental in the grants received for the Old Town sewer project; without him the City would not have received the grant from Congressman Joyce's office. He noted that Mr. Eckart is continually working on economic development opportunities and has had a lot of discussions with different businesses and potential developers. Mr. Eckart is working on a grant opportunity through Congressman Joyce's office; the grant request is due Friday night. He is working to obtain letters of support for the grant opportunity that would help get sewers to the Route 6 and 306 intersection as part of this year's Federal budget process. Mayor Potter noted that Mr. Eckart has also had discussions with a few community development firms with regard to the downtown area. Noting that Mr. Eckart's contract expires at the end of this month, Mayor Potter said he would appreciate Council passing the legislation tonight to extend the contract for another year; he noted there is no increase in pay.

Councilwoman Symonds inquired if there are any considerations or potential changes that need to be addressed regarding the recent sale of the Kirtland Temple, from the Community of Christ Church to the Church of Jesus Christ of Latter-day Saints. Mayor Potter noted he had an informal discussion with one of the local church leaders regarding the influx of patronage as a result of the sale. It is expected that there will be a lot more people coming into Kirtland in the next few years. The Mayor noted that before Covid there were 70,000 visitors per year to the historic sites in Kirtland; since Covid it has been approximately 23,000. There is expectation for 100,000 visitors this year and approximately 250,000 going forward. He noted this would be an opportunity for the visitors to patronize Kirtland businesses. Mayor Potter commended the Community of Christ Church for their work in keeping the Temple grounds looking magnificent. Ms. Symonds stressed the need for preparation of the city and the zoning code regarding the impact of the increase in visitors and the potential for Airbnb use of residential homes.

Mr. Lallo advised that as of now, the City can regulate short-term rentals. The State has been trying to put forth regulations taking away the ability for cities to place restrictions on short-term rentals.

There was no further discussion, and the meeting adjourned at 6:54 p.m. upon the unanimous consent of Council.

President of Council

Clerk of Council