

Minutes of the Finance Committee of Stow City Council Meeting held on Thursday, June 26, 2014, at 6:51 p.m.

Committee Members Present: Rasor, Costello, Lowdermilk & Riehl

Other Council Members Present: Adaska, D'Antonio & Pribonic

City Officials Present: Mayor Drew, Finance Director Baranek, Law Director Zibritosky, Service Director Wren, Director of Budget & Management Earle, City Engineer McCleary, Director of Planning & Development Kurtz, Police Chief Film, Fire Chief Stone, Director of Information Systems Germano, Assistant City Engineer Rayman, Deputy Service Director Brooker, Parks & Recreation Director Nahrstedt & Clerk of Council Emahiser

Press Representatives: Stow Sentry

Call to Order

Mr. Rasor called the meeting to order.

Approval of Minutes

MOTION:

Mr. Riehl moved and Mr. Costello seconded to approve the Minutes of the Finance Committee Meeting of June 12, 2014 as circulated.

Yes Votes: Rasor, Costello, Lowdermilk & Riehl

No Votes: None. The motion carried.

Business Items

CRA Tax Incentive Agreement – Chandler Machine Co. – 4960 Hudson Drive

Mr. Trenner stated this was a request by Mr. Jeff Capple, of Chandler Machine Company, for Council's approval of a Community Reinvestment Area Tax Incentive Agreement to assist the expansion of the Chandler Machine facility located at 4960 Hudson Drive.

Mr. Capple was proposing to more than double the size of his current shop with a \$725,000 investment in order to purchase additional machining equipment and expand into a larger space.

Chandler Machine was proposing to add two new full-time and one part-time position as part of this project with an annual payroll of \$88,000. They were also committing to retaining their current ten full-time people and three part-time people and retaining their annual payroll of \$581,000.

Chandler Machine was eligible for a seven-year CRA agreement based on the schedule they use to determine the length of these agreements. That was distributed to Council. They also would make a payment to the school district that equals 50% of the taxes that the school district would have received on this project.

Considering the school compensation payment, this agreement would equate to a 71% exemption on the property taxes and would amount to an annual savings of \$12,000 for Chandler Machine.

Chandler Machine was one of the older industrial businesses in Stow. It was one of the first businesses to locate in that section of Hudson Drive.

Mr. Lowdermilk asked if the City was going to receive an extra \$1,700 roughly in payroll as a result of the new jobs? Mr. Trenner stated yes.

Mr. Lowdermilk asked if the City was giving up an estimated \$2,400 annually in property taxes? Mr. Trenner stated on the new improvements yes.

Mr. Lowdermilk asked for the total property tax on the property with the improvements? Mr. Trenner stated the current property tax was about \$4,800. There were two lots and the building. The total property tax for that was approximately \$4,800.

With the new building, the property taxes are projected to be over \$17,000, so there was a considerable jump there if the investment equals the valuation. He had confirmed with Summit County that that was typically the way they did it.

Mr. Lowdermilk stated so this would not be a net loss as it might appear here. It was actually a net gain in property taxes.

Mr. Trenner stated it was a net gain. It was a net loss when you just looked at the property taxes that are being abated on the new building and the new payroll taxes. However, when you looked at it from an overall point of view, it was a gain.

Mr. Razor stated, putting it another way, Chandler Machine will be paying more taxes to us next year than this year. He asked if that was correct? Mr. Trenner stated it was.

MOTION:

Mr. Riehl moved and Mr. Costello seconded to assign a number to the sample legislation and send it on to Council.

Yes Votes: Razor, Costello, Lowdermilk & Riehl

No Votes: None. The motion carried.

Authorize Bids – Treeside Drive Culvert Replacement Project

Ms. Rayman stated this was a request for authorization to solicit bids for the replacement of the Treeside Drive culvert.

It was currently a 9 x 14 corrugated metal pipe that was showing signs of deterioration. It has been there since the early 1960s. It was now starting to rust. Undermining has been seen in the sidewalks in the adjacent areas. There was also one of the retaining walls on the south side that was somewhat questionable. They would have to have it investigated as well for either improvement or replacement.

This job would be designed in-house and they would solicit bids.

Mr. Razor asked for an estimated cost of the project? Ms. Rayman stated around \$200,000-\$300,000.

Mr. Adaska asked if they were going to increase the size of the culvert? Ms. Rayman stated they were going to look at the numbers. They did have enough information to do that. She thought it was going to be more of a comparative, because they more than likely weren't going to be using an arch. Her immediately assumption was they were going to go to a box, so the flows would be adjusted appropriately for the size.

Mr. Adaska stated it just seemed like a couple of years ago they changed the bridge under Seasons Road from the same brook going underneath Seasons Road. He asked if this new culvert under Treeside Drive wouldn't have to handle the same amount of water?

Ms. Rayman stated absolutely. That was part of the engineering they would be doing. Just because it was that size in the 60s, so many things have changed, so they would definitely size it for today's criteria and everything upstream or downstream that are planned improvements as well.

Mr. Adaska stated the only reason he said that was he had testified in the past, because he actually lived three doors down, that in moderate rains, the level of the water going thru the culvert was almost at the top. For a heavy rain, it was almost always over the

top. It may stay over the top for several days until it goes down. So, he would think this would be a perfect time to maybe increase the size.

Ms. Rayman stated they would also be getting survey work done as well. That could be a tailwater or headwater situation, meaning be characteristic of upstream and downstream, which could be taken into effect as well. There were several factors that they definitely would look at prior to actually bidding out the structure.

MOTION:

Mr. Riehl moved and Mr. Costello seconded to assign a number to the sample legislation and send it on to Council.

Yes Votes: Razor, Costello, Lowdermilk & Riehl

No Votes: None. The motion carried.

Authorize Contract – Hammontree & Associates, Limited – Consulting Services – Marhofer/Williamson Storm Sewer Improvements Phase II

Ms. Rayman stated last year, we contracted with Hammontree & Associates to perform an investigation of the existing sewer. It was about 3,700' of concrete and corrugated metal pipe.

They were calling it the Marhofer/Williamson Storm Sewer. It comes off of Graham Road, traipses down thru Marhofer and Williamson and goes down by Tip Top out into the ditch.

At that time, they had some prioritizing as far as which pipes could be replaced or repaired. They basically had a plan of attack for replacement.

They were going to do the additional engineering that was needed in-house for that. However, due to the current work load we have, we find it as a priority to get this designed soon.

Hammontree & Associates would be the best consultant to go to since they were familiar with the job and they have all the background information. Therefore, they were requesting authorization to enter into a contract with them.

MOTION:

Mr. Costello moved and Mr. Riehl seconded to assign a number to the sample legislation and send it on to Council.

Yes Votes: Rasor, Costello, Lowdermilk & Riehl

No Votes: None. The motion carried.

Authorize Contract – Rush Truck Centers of Ohio, Inc. – International Parts & Service

Mr. Brooker stated this year, they ended up with more expenditures than what they had anticipated. They were finding their fleet out of the International trucks they had were older trucks. As you can see some of the expenditures they had had in the past, it hadn't started to diminish as they were getting rid of the trucks.

This past winter they had had a lot of expenditures with the hard winter season. A lot of the parts and things they had been buying, they had been buying directly from Rush. However, they had some equipment that failed this year that they did not have the diagnostics for. They couldn't afford to buy it. So, instead of buying it, they had to send the trucks out to get worked on.

A lot of the expenses this year were basically because of that. They couldn't keep up with the computers and things they were putting in this equipment with time. Therefore, they were sending some of them out. Rush Truck was the closest International Dealer. They were a state bid dealer.

Mr. Lowdermilk stated basically they were projecting that the City was going to spend \$43,000 with what they had spent year-to-date and what they were requesting. Mr. Wren stated no. It was actually \$29,000. This would increase their limit up to \$29,000. It already included the \$13,265.85 that you see at the bottom of the letter. So, they were actually asking for an additional \$16,000.

Mr. Costello stated he was sure as they go from hot weather back to cold, the repairs would become more frequent. Mr. Brooker stated that was correct. Actually, a lot of the trucks have been in since the winter has been over. That was why a lot of the expenditures were coming up.

Believe it or not, it was almost leaf season for them. They were getting the trucks ready for leaf season and snowplowing. So, one-by-one, the fleet has been coming in. The average truck bill they were getting from Rush Truck was around \$3,000 per truck when they had to send it out. They were hoping that they didn't use this money, but they didn't want to come back a second time.

MOTION:

Mr. Costello moved and Mr. Lowdermilk seconded to assign a number to the sample legislation and send it on to Council.

Yes Votes: Rasor, Costello, Lowdermilk & Riehl

No Votes: None. The motion carried.

Authorize Hiring – Part-Time Records Clerk

Chief Film stated we have had a long-standing relationship of hiring interns thru the High School, thru their Cooperative Business Education Program. Our last intern was with us for two years. He has since graduated and moved on to college.

They received two applications. They went thru the process. They were requesting authorization to hire that intern.

Mr. Costello asked if the previous Records Clerk was going into criminal justice? Chief Film didn't know.

MOTION:

Mr. Riehl moved and Mr. Lowdermilk seconded to recommend to Council that they authorize the hiring of a Part-Time Records Clerk.

Yes Votes: Rasor, Costello, Lowdermilk & Riehl

No Votes: None. The motion carried.

Adjournment

MOTION:

Mr. Costello moved and Mr. Lowdermilk seconded to adjourn.

Yes Votes: Rasor, Costello, Lowdermilk & Riehl

No Votes: None. The motion carried.

The meeting adjourned at 7:02 p.m.

Bonnie J. Emahiser
Clerk of Council

Mike Rasor
Chairman

