

THE CITY OF HURON, OHIO
Proceedings of the Huron City Council
Work Session Meeting Tuesday, September 24, 2019 at 5:30 p.m.

The work session meeting of the City Council of the City of Huron, Ohio was called to order by Vice-Mayor Glen A. Ginesi on Tuesday, September 24, 2019 at 5:30p.m. in the Conference Room of City Hall, 417 Main Street, Huron, Ohio.

The following members of Council were present: **John Jones, Joe Dike, Sam Artino and Glen A. Ginesi.**
Members absent: Rick Schaffter, Christine Crawford, Trey Hardy

Staff present: City Manager Andy White, Assistant to the City Manager Mike Spafford, Finance Director Cory Swaisgood, City of Huron Engineer Doug Green, and Executive Administrative Assistant-Clerk of Council Terri Welkener.

Also present: Russ Critelli from OHM Advisors, William Biddlecomb, Monty Tapp and Mark Claus.

New Business

2020 Capital Projects

Mr. White spoke of the staff's goal to look out over a 10-year timeframe when working on the 2020 budget. This involved making a list of all capital assets and equipment, and associated depreciation schedules, and then listing out all of those obligations through 2030 to show the different policies to be considered when preparing the budget. Mr. White referred to the draft 2020 Capital Improvement Plan handout given to attendees of the meeting and also projected on the white board in the conference room, and explained that the highlighted items are projects that are not yet funded. A copy of the draft 2020 Capital Improvement Plan is attached hereto as Exhibit A and made a part hereof by reference.

Mr. White stated that 2020 caps off a 5-year period where the City spent considerable capital, and the capital liability we currently have is \$76,324,077 for projects we would like to fund between now and 2030. Whether the City will be able to fund of those projects is going to require some Council input, including a prioritized list of what projects should be moved up the list, what we want to do first, and then how we intend to fund those projects. For the next 2 to 3-year period, the City has a plan in place, but Mr. White emphasized the long-term impact of these decisions.

Mr. White spoke of the Assistance to Firefighters Fund Grant that replaces a significant number of SCBA's, but stressed that there is a shelf life involved with that new equipment that puts their next replacement right back on the capital assets list. The projects on Exhibit A are those that can be funded after general expenditures are set. The Finance Director had input from all Department Heads during the process of preparing the draft CIP. Mr. White indicated that he wanted Council's direction not for the current year, necessarily, but more for the long term.

Mr. Swaisgood thanked everyone for their assistance in getting the draft CIP prepared, particularly Mr. Green, Mr. Spafford, Russ Critelli and Mr. White. During this year's budget process, he met with every department at least once, most of them twice, and went through all of their capital needs for the next 10 years. Exhibit A is all of the capital projects identified over the next 10 years. Exhibit A does not show all budgeting over the next 10 years, only 2020, 2021 and 2022. The budget book will include the full 10-year CIP. For 2020, everything not highlighted on Exhibit A is funded for 2020. Going out the next 9 years, however, Council's assistance is needed to prioritize the projects and find funding for those projects. With regard to the current debt obligations, the City is restricted with the ability to fund more capital projects until 2023 because of the amount of debt service to be paid out. There is a 5.5% limit of unvoted debt that the City is allowed to take out. With a debt reserve of 1% in case of emergencies, the unvoted debt is at 4.3%, which means the City cannot take out more debt over the next year or so. Of the \$76,324,077 in project costs, the amount that cannot currently be funded is \$46,000,000.

Mr. White stressed that the projects cannot be completed without moving other projects out, coming up with grant funds, or asking for additional resources somewhere else. A conversation should be had to determine which projects should be placed first, for example, the 5G project at \$11,000,000 or the Huron Boat Basin, which is pretty much

beyond its useful life, at \$4,000,000. Mr. White asked for Council's input to organize the projects by priority and start next year with those projects that aren't funded to figure out how and when they can be completed. Looking forward, significant debt will be falling off several years down the road, and the City should have more income from the Mucci Farms project.

Mr. Swaisgood stressed that the highlighted projects on Exhibit A weren't all "wish list" projects; for example, the water filtration plant has an asset management plan where they have to follow a schedule in order to keep with the maintenance.

Mr. Dike referenced the Sawmill Parkway Improvements project at \$1.8 Million having different amounts listed in 2021 and 2022, and asked if that project would be completed in 2022, if funded. Mr. White explained that the unfunded amount for 2021 represents design costs, while the unfunded amount for 2022 represents build cost. Staff would have to coordinate with ODOT jobs and Jobs Ohio and say there are 800 jobs along Sawmill Parkway that generate X amount to see if it can some funded through grants. Until 2023 when some significant debt issuances fall off, the 1% is reserved for emergency situations, and cannot be obligated to any projects. The conversation to be had with the community is that these are our resources, this is what we can pay for. Absent grant funds, the project(s) must be pushed back or allocated from other projects, with Council's guidance.

Regarding the ConAgra utilities extension, Mr. White explained that a Resolution to complete the design phase of the project will be before Council today, and recommended approval so that if someone wants to dig in January, a set of plans would exist to show where the water line goes and where the conduit goes. Conversely, if it takes another year and a half before someone wants to dig, the plan is still good even if cost may change due to inflation. Ideally, the City would have the capital reserve available to get Council's authorization to put infrastructure in place and then parcel it off and sell it. If the USGS Facility deal lines up correctly, they would be a fractional component of the debt payment. The \$830,000 could be funded or the City could borrow it from Jobs Ohio on a very competitive low interest loan, and their monthly income in the form a lease payment would help offset that. As the City continues to build on the remaining 9 acres, every successive development is going to help offset the cost.

As discussion regarding citywide 5G ensued. Mr. Spafford explained that the City of Fairlawn has rolled out a full fiber to home network, which means they have installed fiber optic cabling through the entire City that connects directly to every business and home. They serve their city, and also serve other cities as well. Basically, the city acts as the internet service provider for Fairlawn. Dublin has focused on certain commercial areas, putting fiber optic cabling in a couple high economic development impact areas. Several cities have paired it with their electric utilities. The idea came out of the communities' frustration with their current service provider. Mr. White indicated that the City would have to come up with a significant amount of grant funding or loans because where it works best is more in an area like greater Columbus having a lot of corporate development with high population. The hard part for our City is that we only have one provider, Buckeye. This is not because they have a monopoly, but rather, they were the only service provider willing to put all of the infrastructure in place. Time Warner would have to do the same thing or come up with an agreement with them. The market doesn't exist to induce a company to spend that kind of money. 5G may be used as an economic incentive to try to bring people into the community, but the City's corporate park is consumed. The City must start thinking about another corporate park if it wants to go in that direction, because there is no dedicated land.

Regarding the Con-Agra utility extension, Mr. White explained that the City has funds available in the existing budget now, and partial next year, for the design. The construction, the material, and the actual build would have to be done in concert with at least some partial development. If the USGS is the entity that gets the project started, it wouldn't be done until an agreement is in place to have a customer to benefit the capital based on current financials. Mr. White explained that the \$66,500 for design work is on Council's agenda tonight so that it is ready to go in the event a developer is brought in or an entity that can justify the expense. Mr. White stated that all of the information on Exhibit A is underwritten by other sheets, so you could increase the General Fund transfer into Capital Fund 401 and then you could see in real time how we would then be violating our contingent reserve policy. The City is trying to stay within fiscal policy to keep an adequate reserve, which is the same whether it is equipment in the Fire Department, capital projects going on in the Water Fund, storm water, etc. Mr. Swaisgood stated that under the current plan, the City is just staying afloat in the General Fund at the 15% reserve (annual expenses) for the next 10 years, which is the same for the Water Fund. Currently that reserve is approximately \$800,000. As the years go on, it will go up with expenditures. Mr. White explained that if the City realizes increased revenues coming off of consumption of utilities

at Mucci Farms, and if Phase II and III get done at the same time in 2020 and we realize a full 3 phase development (and we get the answers from the Auditor's and legal that we can use the funds in the way we had set out to do), then the City is going to be able to fund some of these projects. Additionally, there are grant dollars to be included, and another avenue would be to pursue rate increases within the Water Department or tax increases to the General Fund coming in as capital.

Mr. Swaisgood advised that there is a capital asset replacement schedule being worked on separate from Exhibit A, which is being funded from all the Special Revenue Enterprise Funds and the General Fund.

Mr. White asked that as the final document is being prepared over the next couple of months, that staff needs to work hand in hand with Council to determine if this is the policy initiative that the City wants to go after. These are the project in the pipeline and Council's input is needed to determine which projects should be moved to the top, moved further down, or added to the list.

Mr. White explained that the Main Street A, B and C projects are landscape and basic cosmetic upgrades, which are currently in the conceptual phase. They envision installation of archways over the road, with the Main Street/US 6 intersection done as part of the US-6 project. OHM priced out some of the basic concepts and the price listed could fluctuate +/- 10%. These projects should be considered because they lead down to the beach house, Huron Bay Park, Huron Bay Nature Preserve and the Wall Street Park improvements. With the development we are seeing after the connection and upgrades to the road and Showboat, parking is becoming an issue. The right of way along Wall Street is pretty significant, where you could get a lot of cars through there. The Army Corp of Engineers is looking for alternative dredge project, and the Huron Pier at the west side has been identified as a very good option for them to pursue. As they restrict open lake dumping in 2020, they have to put the dredge material someplace. The City has a very preliminary concept drawn up where that material, instead of going out into the lake, would be built up along the face of the west side of the pier to create more beachhead and potentially connect Lakefront Park all the way over to the pier with one basic green space, including additional parking. Those kinds of conversations continue to push the infrastructure piece so that from the tracks all the way to the lighthouse is the main street of commerce. The utility design and the lights installed along the north section of town bring that through the boat basin, change out those orb lights down in the boat basin to have the harbor style hoods, and ultimately, look at some grant funding opportunities from the corner of US 6 and Rt. 13 back to the track, or maybe Bogart because there are projects going on this that section of Main Street, as well.

Mr. Dike expressed concern about the Main Street water line replacements. If that project is overlooked, that could turn into a major issue with supplying customers. With regard to the Beachwood Cove outlet, he asked if the \$105,000 allocated to that project was the total price, and if so, was there talk of splitting the cost with the County and Association. Mr. White confirmed that a split in costs was planned, with 30% being the City's responsibility. The project must be coordinated with one property owner because the are to get access to the outlet would damage their lawn for the period of time the project is going on. That individuate has told his Association in a letter that he is not going to sign off on it until financing is set up. The City has to be careful because public funds are restricted to the use of the infrastructure for public benefit. The drainage that ties into that lagoon is ours, where I would make the argument that it is a benefit, and that the conditions this spring were pretty awful. One resident has already filed a couple insurance claims due to flooding. The project includes installation of some additional lines and an electric pump to them that would keep the draining constant.

Mr. Dike asked if funding for the Fabens Park tennis court replacement could be shares with the schools and township. Mr. White explained that the City is looking at this project as a partnership funding opportunity. Otherwise, the City will have to look at increasing its subsidy from the General Fund. The City pays 65% of all the operating costs and capital costs in Parks & Rec, with the township and schools picking up their respective percentages of 25% and 10%.

Mr. Dike asked about funding for the pier lantern, which was already approved by Council. Mr. Spafford indicated that the lighthouse lighting should be completed this fall, and Mr. Swaisgood indicated that the City's share of that project was only \$3,000, with the remainder coming from grants.

Mr. White explained that the Nickel Plate Beach Paddle Shack project for \$24,000 includes improvements to the building with addition of an awning and water upgrades.

With regard to the Showboat scour barrier project, Mr. White indicated that a portion of the footprint of the Showboat property would most likely be lost due to extensive erosion.

With regard to the Silvern Street properties project, which is the property purchased by the City, Mr. White explained that once the acquisition was made, there are grant funds available because of the drainage way into the lake that we used for Lakefront Park to try to beautify and have a green space/west side park. Mr. White did not believe that the land is buildable.

Mr. Swaisgood explained that Exhibit A assumes no debt will be incurred by the City for any of the projects, except for an interest free loan expected for the water plan tube settlers and sludge rakes, as well as the water lines. Mr. White indicated that the Water Fund is in good shape, but pointed out the significant transition in policy with the Oklahoma subdivision water line replacement to abandon the use of an assessment, and instead capitalize costs in the rate. We are looking at modest increased in water rates over the 10-year period to cover that cost, which rates are still competitive in the regions because the City has not raised its rates since 2007. Mr. Spafford reported that the remaining old water lines include South Main Street, Berlin Road and Old Plat, with the Old Plat lines being in the best shape.

Mr. Dike asked what type of revenue expansion of Huron Public Power at a cost of several million dollars would bring back to the City. Mr. Spafford explained that it was difficult to determine without having the energy usage of potential customers available. Mr. White further explained that the expansion would only happen if a significant user became a customer, similar to Mucci Farms. There was some thought about getting over the highway to Woodlands, with the electric trail that brings you to the high school, from the high school to McCormick Junior High, to the Water Plant, and then over to Shawnee and the Erie County DOAS, which is a significant user of electricity at the sewer facility. It is a placeholder, and is not planned in the foreseeable future, but is included on the project list so that Council is aware of it.

With regard to the Field House project, Mr. White explained that the \$4,000,000 was not a firm number. HJRD has been trying to figure out a solution for the lack of space in the City for programming, with scheduling gym time at the schools always an issue. The project has a conceptual layout with the footprint built in Fabens Park outside of Field 9. If that portion could be reconfigured to have a field house for year-round activity, you would already have the parking facility there. Mr. White recently visited the Sports Force facility, which is quite impressive with 9 courts totaling 75,000 sq. feet of basketball courts. They are looking to partner with schools and parks and recreation departments to allocate a specific day(s) to the schools for use of the facility. This would allow practices to end at 7 pm instead of 10pm or later, which is the current situation. This project is not currently funded, but an identified liability.

Mr. Ginesi asked if Exhibit A takes into consideration the anticipated income from Mucci Farms. Mr. White stated that it reflects a real snapshot of what can be done today, in September of 2019. Mr. Spafford stated that it does include a continuation of the street lighting assessment and income from all phases of Mucci Farms, and also includes excise tax. Mr. White stated that compared to the \$76,000,000 in expenses, the City doesn't have a spending problem, it has a revenue problem. Mr. Ginesi suggested adding the recreation center and quiet zone back in, and having Council sit down to prioritize the tasks.

US 6 Phase II Project

Mr. White explained the final concept for the Phase II portion of the US 6 Project, the cost of which was originally \$2.4 Million and is now \$1.8 Million, resulting in a cost of approximately \$370,000 to the City. The main reason for the reduction in project cost is removal of a lot of the excavation and pavement needed for a roundabout. The intersection light will still be coming down, and the issue becomes mph coming off the highway. Mr. Green has had a conversation with ODOT about removing the fence along Jim Campbell Blvd. ("JCB") to be able to go after another Safe Routes to School Project over there. The critical issue is the intersection point between JCB, Center Street north and south, and US 6 east and west. We had talked about eliminating parking, but what we are looking at now is taking the block from Center Street north to Cleveland Road and making that a one-way street to the north for that block, which opens up the opportunity for safety improvements. There will be parking on one side of the road with one lane open to traffic and a separate bike lane. The other component is using a portion of Van Ranselaer running parallel to US 6 for an "off ramp" concept. OHM is doing a simulated traffic study to make sure there are no choke points or

conflict points. The biggest concern is with the light being gone, to be sure traffic will flow appropriately and safely, and how the one-way change to Center Street will impact all of those things.

With regard to the proposed one-way on Center Street, Mr. White explained that there are conflicts in the intersection of Center Street with JCB and US 6 when coming from the north direction. Changing Center Street to a northbound only one-way street will eliminate that issue. Shirley Street is available if you want to get back to Williams Street, and Vine Street is available to get to Ohio Street and/or JCB. The biggest downside is that the individuals living on Center Street will have to travel north to get south.

Mr. Spafford explained that parking on Center Street would be restricted to the west side, with through traffic traveling north on the east side of the street. That way, when heading north on Center Street, you wouldn't have to switch over to the other lane to avoid parked cars. The road is almost 25' wide, which gives enough flexibility to address parking and a bike lane. The plan includes a 5' bike path, 8' parking lane, and a 12' travel lane. As part of the plan, Vine Street would be improved. Russ Critelli explained that the simulation being prepared by OHM will be visual, with the ability to see the intersection plan perform based upon current traffic conditions used for the design. Mr. Spafford also discussed the need for speed reduction on US 6 heading into town from the west, with a change to 35mph back several hundred feet, as far back as ODOT will allow. More information will be provided to Council at the October work session.

Mr. Ginesi asked if any members of Council had any discussion items for the next work session. Mr. Dike stated that he would have to think about that. Mr. Jones stated he might have something after the Finance Committee meeting. Mr. Artino stated he had none. Mr. Swaisgood stated that the first budgetary Finance Committee meeting is scheduled for Monday, October 7, 2019.

The work session meeting of September 24, 2019 adjourned at 6:23 p.m.


Terri S. Welkener, Clerk of Council