

MEETING MINUTES June 7, 2016

# CALL TO ORDER/ROLL CALL

A regular meeting of Powell City Council was called to order by Mayor Brian Lorenz on Tuesday, June 7, 2016 at 7:44 p.m. City Council members present included Jon Bennehoof, Frank Bertone, Tom Counts, Jim Hrivnak, Brian Lorenz, Brendan Newcomb and Daniel Swartwout. Also present were Steve Lutz, City Manager; Debra Miller, Finance Director; Megan Canavan, Communications Director; Doug Wenzel, Chief Building Official; Chris Huber, City Engineer; Keegan Hale, Staff Engineer; Karen J. Mitchell, City Clerk, and interested parties.

### PLEDGE OF ALLEGIANCE

## CITIZEN PARTICIPATION

Mayor Lorenz opened the citizen participation session for items not on the agenda.

<u>Ferzan Ahmed, 8922 Coldwater Drive and Delaware County Administrator</u>. I am a Powell resident and have been here for quite a while. I have had interactions with some of you in the past in my previous role as the Regional Director for the Ohio Department of Transportation and I've enjoyed that working relationship with Powell. I now serve as the Delaware County Administrator. This is my eighth week on the job and I'm loving it and am in the process of getting out to meet with people and communities to formally introduce myself. On the county's behalf, I would like to have a very good and open working relationship with Powell City Council. We have a lot of good things going on in the county and Powell as well. Anything the county can do to help you with your efforts, we are here to work with you as a partner.

As you know there is a lot of economic development going on in the county and we are working on a master plan for economic development. Tomorrow evening at 6:00 p.m. at the Liberty Township Hall, there will be an economic development open house, so if you are able to come, please do as we would love to hear from you.

Hearing nothing further, the Mayor closed the public comment session.

# APPROVAL OF MINUTES - May 17, 2016

Councilman Swartwout asked what the exhibits were that were listed on the agenda in conjunction with the draft May 17<sup>th</sup> minutes. Exhibit 1 is the Annual Street Maintenance & Repair Program 2016 Power Point presentation and Exhibit 2 are photographs presented by resident Jason Nofzinger relating to his sidewalk repair and nearby bike path.

MOTION: Councilman Counts moved to adopt the minutes of May 17, 2016. Councilman Hrivnak seconded the motion. Councilman Bennehoof abstained. By unanimous consent of the remaining members of Council, the minutes were approved.

# SECOND READING: RESOLUTION 2016-13: A RESOLUTION TO DETERMINE THE NECESSITY TO REPAIR OR REPLACE SIDEWALKS IN THE CITY OF POWELL.

Steve Lutz, City Manager: This is a second reading of our annual sidewalk repair program where we identify sections of town each year and inspect the sidewalks for various criteria. This year the primary inspection area was in Lakes of Powell, Grandshire and the Murphy Parkway area. Residents are notified that they have deficient sidewalks and they are provided the opportunity to either make the repairs themselves or they can have the City make the repairs and they pay us directly or they can choose to have a 5 year assessment placed on their property and pay over time. We discussed this in great depth last meeting. There was one resident who was concerned that possibly his sidewalk did not meet that criteria. Staff did meet with him and I believe all are satisfied that it does meet the criteria to require repairs.

Mayor Lorenz opened this item to public comment. Hearing none, he closed the public comment session.

MOTION: Councilman Counts moved to adopt Resolution 2016-13. Councilman Bennehoof seconded the motion.  VOTE: $Y = 7$ $N = 0$									
SECOND READING: ORDINANCE 2016-17: AN ORDINANCE MODIFYING APPROPRIATIONS FOR THE CALENDAR YEAR 2016.									
Mr. Lutz: This is a second reading of an appropriation ordinance which is a little different than most because it's actually deappropriating funds. Ms. Miller will review this with you.									
<u>Debra Miller, Finance Director</u> : At the last meeting we had quite a few questions so in response I sent out a spreadsheet documenting how those numbers were found and how it reconciled to both the budget and what we have spent. I'd be open to any additional questions based on that additional information.									
Mayor Lorenz opened this item to public comment. Hearing none, he closed the public comment session.									
MOTION: Councilman Bennehoof moved to adopt Ordinance 2016-17. Councilman Counts seconded the motion. VOTE: $Y = 7$ $N = 0$									
FIRST READING: ORDINANCE 2016-18: AN ORDINANCE AMENDING CHAPTER 1339 OF THE CODIFIED ORDINANCES FOR THE CITY OF POWELL REGARDING SWIMMING POOLS.  Mr. Lutz: This proposed ordinance change was reviewed by the City's Zoning Code Diagnostic Committee recently and they recommended bringing it forward to Council before the other ordinances that they are studying because of the timeliness of this issue. The City's Chief Building Official, Doug Wenzel, will briefly describe what the new legislation does to the laws in Powell regarding swimming pools.									
<u>Doug Wenzel, Chief Building Official</u> : The Building Code changed a while back and eliminated our Chapter 13, so they have given us a code that we need to go by but that code does not have a swimming pool section, so we need to adopt a separate section to have something to use for swimming pools. In town we have a number of pools in the works coming up this year, so it's best that we get a new pool code that we can use.									
Councilman Bertone: Just a quick clarification on the fences that the barrier should be 60 inches in height. What do we do about fences for pools that are already in effect today that may be at the 48 [inches in height]?									
Mr. Wenzel: Yes, that's the only change. All the pools in Powell since the 70s or 80s, before I was here, were 60 inches. That's the only change that we made to the swimming pool appendix that's in here. We changed it from 48 to 60 inches to keep everything consistent.									
Mayor Lorenz: Since the City has a certified building department through the state of Ohio and all the codes are mandated through the state, including your enforcement of the 2009 ICC International Residential Code, is this information in the 2009 ICC and we are just adopting it into our Code?									
Mr. Wenzel: The appendix was part of the 2009 ICC. The ICC is only what the state uses as a model, but they left out swimming pools totally.									
Mayor Lorenz: So you're just squaring things up?									
Mr. Wenzel: Yes.									
Councilman Hrivnak: I would think it would behoove us to suspend the rules on this so you could have this at your disposal as soon as possible?									

Mr. Wenzel: I don't know that it would matter if I didn't get this after the first reading. But I will leave that

up to you.

Councilman Counts: Along those same lines, there really isn't any change going on. I mean what's happened before and the passage of this and what's happened after is pretty much going to be the same. So in my mind it would make sense in order to keep this seamless and not have a gap, is to suspend the rules and vote on it tonight. That would be my preference.

Councilman Bennehoof: I would agree. We are just coming into compliance with Ohio Revised Code and 2009 ICC. I don't see any reason to bother going to a second reading.

Mayor Lorenz opened this item to public comment. Hearing none, he closed the public comment session.

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VOTE:	Y <u>6</u>	_	N <u> </u>	(١	lewcomb)					
MOTION: motion.	Councilman	Counts	moved	to adop	t Ordinance	2016-18.	Councilman	Bertone	seconded	the
VOTE:	Y <u>7</u>	_	N0	<u>)                                    </u>						

FIRST READING: ORDINANCE 2016-19: AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOTES IN THE AMOUNT OF NOT TO EXCEED \$555,000 IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF DESIGNING, ENGINEERING, CONSTRUCTING AND RECONSTRUCTING VARIOUS ROAD IMPROVEMENTS, WITH RELATED SITE IMPROVEMENTS AND APPURTENANCES THERETO; AND APPROVING RELATED MATTERS. Mr. Lutz: Before we get started, these next four ordinances will be taken to a second reading tonight per our Charter. I'd like to introduce Brian Cooper. Brian is the City's financial advisor and he works for a company called Umbaugh. They have a variety of offices throughout the Midwest. Brian's office is in Worthington. They are independent municipal advisors to governmental units. Brian will give a brief overview on the thought process that went into these pieces of legislation tonight. A few weeks ago, we reviewed this matter with the Finance Committee because we were talking about whether it's beneficial to issue notes or bonds or a combination thereof.

Brian Cooper, H.J. Umbaugh & Associates. We are here tonight to discuss these note ordinances. There are four ordinances being approved to fund road improvements, sewer system improvements, parks and recreation improvements and water system improvements. These improvements relate to the Powell Grand project. On December 23<sup>rd</sup>, Council met and approved the development agreement between the City and Schottensteins. As part of that process and development, we worked closely with City officials to develop a project budget and tax increment financing revenue cash flows that would be used to support the project. That project consists of two components, the construction of apartments and the construction of a retail and commercial space. In that development, the City's costs to be supported from the TIF were approximately 2.25 million and this is a part of, or phase 1 of, the financing of those particular improvements.

We had several discussions with Steve and Debra about the issuance of notes. Notes are a short term financing mechanism. We compared the issuance of notes to the issuance of bonds. From a pure fundamental standpoint, the nature of notes being short term, they are the lowest cost financing available. They provide the City with most flexibility to issue additional notes in the future, paying the notes off early, or rolling them into bonds, which are a permanent financing solution. From a deployment standpoint, we are really going to be in the position this year to only fund about 1.45 million of these project costs. The thought is issue short term notes this year – they are low cost – fund the first half of these improvements, and then next year reevaluate and consider a long term financing solution or simply roll the notes again.

The Ordinances authorize the combining of these notes into one issuance. So when we are marketing these and selling these to investors, they really only see one note. All of the terms are the same. For state law purposes, we track each one of those projects so we know how much is outstanding and how much of each project we pay back every year.

The type of note that we're authorizing tonight is Municipal Tax General Obligation Bonds, which means the City is pledging its full faith and credit to the repayment of the notes. This provides the City with the lowest possible borrowing costs. Additionally, to exempt these notes from state law direct debt limits, we are also providing to the investors an income tax pledge, pledging income taxes on an annual basis to the repayment of the notes. Some investors look at this as a double-barreled pledge. We are doing it to maintain the City's debt capacity so that it has the full ability to issue general obligation bonds, which is its best option for borrowing because it's the lowest cost.

Huntington National Bank is the note registrar. The note registrar will keep track of the amounts outstanding and when payments are due. It will invoice the City so that payments are made on a timely basis. We are going to sell these notes by competitive sale. Once the notes are approved by Council, we will put together an invitation for proposals and we will send that to approximately 800 underwriters throughout the nation. The last time we did a competitive note sale for the City we received a lot of attention because the City is very highly rated so notes are favorable in terms of demand because people want high quality investments. With today's market conditions, the estimated interest rate on the notes will be somewhere between .75 and .85 percent, subject to market conditions.

The timing, as Steve mentioned, will come back for a second reading [June 21st]. There is a 30 day referendum period. After that time has lapsed, we send the package out to investors – around July 15th. The note proposals will be due back on July 26th. We will close and fund on approximately August 9th. Since there is some time between sending out bid packages and approval we have some wiggle room in those dates. We can change them up until that bid package goes out.

This is a somewhat complicated process, so I am happy to take questions.

Councilman Newcomb: My question may be more for Staff, but what are the road improvements we are talking about?

Mr. Lutz: We've broken this into two phases. When we talk about next year's funding, that's probably going to be the million dollar amount which can be used for Seldom Seen Park. So what this is for is the public infrastructure improvements associated with the Powell Grand development, which would include the improvements on Sawmill Parkway and Bunker Lane.

Councilman Newcomb: Does that, with respect to the design engineering, include various water improvements too?

Mr. Lutz: Yes. For the water lines.

Debra Miller, Finance Director: There is a sewer [Mr. Cooper: From the west to the east there is a swale.] connection and detention pond that they have to bring up to standards now that it's actually going to be used instead of a natural sewer retention.

Councilman Newcomb: Is that for number 10 or 9?

Mr. Cooper: 9 is water improvements and 10 is the sewer improvements?

Ms. Miller: Then that would have been 10.

Gene Hollins, Law Director: We will double check to get you the correct answer.

Councilman Newcomb: Is 11 for Seldom Seen Park? Is that additional funding we are looking at there?

Mr. Lutz: No, the park is not...

Ms. Miller: The \$200,000 we are up fronting, a million of it is for the park. We are asking for \$200,000 of the million so that some of the design we were talking about [Mr. Lutz: engineering, planning that can take place this fall and winter] can be done.

Councilman Bertone: Thank you for the details. For many of us, notes versus bonds is a day-to-day conversation, so I appreciate you taking the time to detail that. Sometimes we look at these types of funding

measures and you're doing something year one and then year two you're somewhat kicking the can down the road. I think it's the appropriate way to hedge bets as to what you don't know what the market may do. I appreciate the approach that you are taking with this.

Councilman Bennehoof: I too appreciate your thorough explanation. You mentioned that the last time we issued financial instruments we got a lot of attention. Can you tell me if that was pre or post the uplift in our financial rating, which was not that long ago?

Mr. Cooper: That was very recent - in January.

Councilman Bennehoof: So the interest we had was pre-uplift to our...[multiple speakers]

Mr. Lutz: No, we have had our triple A rating for some time.

Councilman Bennehoof: Our excellent credit rating helps drive that interest.

Mr. Cooper: Yes. I think it's important to note that the City's credit rating is very high. S&P rates the City a triple A, which is the highest rating. Moody's rates the City a double A 1 which is the second highest rating. The difference in ratings is because each rating agency has slightly different criteria through which they view the City.

Councilman Hrivnak: Did you say the interest rates were down below 1 percent?

Mr. Cooper: Yes. When we sold the notes in January, the all-in rate was 1% or .99%. We expect something between 1 and 1 ¼% all-in, so that would include all the costs. The yield to investors will likely be between .75 - .85%.

Councilman Counts: I just wanted to confirm a couple of things. First, for most of these items, the City is obligated to perform them or pay for them. So what we are really talking about now is how to pay for them. Do we pay for them out of the general fund, out of our checking account, or do we finance them? So tonight we are talking about financing them on a short-term basis. Is that correct Debra? [Ms. Miller nods head affirmatively]. The second thing that I wanted to confirm is that when you finance on a short term basis one of the risks that you run is, do long-term interest rates go up when it comes time to refinance them? My understanding is that when we did the proforma for this, we predicted an interest rate that would be high enough such that when we did refinance these, it would be very surprising if that new rate would go higher than what was in our proforma, if that makes sense.

Ms. Miller: You are correct. Jim Hargrove did the numbers for us. When he did the projections, he had it at a higher rate and he also had it at a low bid for some timing changes. The market would have to change auite drastically before we would be outside of his model.

Councilman Counts: So we are taking a little bit of a risk in terms of that, but what we are getting in exchange for that is a low interest rate, lower cost at this point, but we're still going to be okay in the long-term.

Councilman Swartwout: Obviously there is a lawsuit against the City with potential damages unknown. How would that effect the market for these notes? Would it impact it? And how would it impact it?

Mr. Cooper: 1'd have to defer to Steve or Gene on those legal matters. From a disclosure standpoint, as part of the issuance process, the City makes representations and warranties to the purchaser. I don't know the specifics of the legal matters that you refer to. Legal counsel will weigh in on the materiality of that and the need to disclose to investors whether or not there is any material impact to investors of that potential lawsuit. We've seen this before and typically the City is providing a full faith and credit obligation. Without being fully briefed on the matter at hand, the investors are more than likely to look right past that issue and solely depend on the credit strength and the full faith obligation of the City.

Ms. Miller: I would also add that the funding source that we are using is the Seldom Seen TIF and that TIF revenue has a very limited description of what you can use those funds for. I would assume at this point the lawsuit couldn't touch those dollars.

Mr. Hollins: Yes, I was going to say the same thing. We do get a much better interest rate making a full faith

and credit, making an income tax pledge. We would have never done this deal if we didn't have a dedicated funding source. We ran very conservative numbers in excruciating details to make sure that this funding source will actually carry the debt not only that we are issuing tonight, but the next piece of debt, which will be for the park itself. That's another good reason for doing notes at this juncture. When we are ready to borrow the money actually for our park, which is supported by the same source, we will look at issuing bonds instead of notes. But until we are ready, we wouldn't want to borrow that money now, we're not ready to spend it. We will do a short term borrowing now. We'll look at the numbers. We can do a much better projection once they've actually got a build out occurring, and we'll come back to you with even more fine-tuned numbers. We do general obligation and income tax because we get such an incredibly low interest rate by doing that.

Mayor Lorenz opened this item to public comment. Hearing none, he closed the public comment session.

Ordinance 2016-19 is taken to a second reading.

FIRST READING: ORDINANCE 2016-20: AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOTES IN THE AMOUNT OF NOT TO EXCEED \$145,000 IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF DESIGNING, ENGINEERING, CONSTRUCTING AND RECONSTRUCTING VARIOUS WATER IMPROVEMENTS, WITH RELATED SITE IMPROVEMENTS AND APPURTENANCES THERETO; AND APPROVING RELATED MATTERS. Mayor Lorenz opened this item to public comment. Hearing none, he closed the public comment session.

Ordinance 2016-20 is taken to a second reading.

FIRST READING: ORDINANCE 2016-21: AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOTES IN THE AMOUNT OF NOT TO EXCEED \$540,000 IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF DESIGNING, ENGINEERING, CONSTRUCTING AND RECONSTRUCTING VARIOUS SEWER IMPROVEMENTS, WITH RELATED SITE IMPROVEMENTS AND APPURTENANCES THERETO; AND APPROVING RELATED MATTERS. Mayor Lorenz opened this item to public comment. Hearing none, he closed the public comment session.

Ordinance 2016-21 is taken to a second reading.

FIRST READING: ORDINANCE 2016-22: AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOTES IN THE AMOUNT OF NOT TO EXCEED \$205,000 IN ANTICIPATION OF THE ISSUANCE OF BONDS FOR THE PURPOSE OF CONSTRUCTING, IMPROVING, AND RECONSTRUCTING VARIOUS IMPROVEMENTS TO PARKS AND RECREATION FACILITIES AND LANDS, WITH RELATED SITE IMPROVEMENTS AND APPURTENANCES THERETO; AND APPROVING RELATED MATTERS.

Mayor Lorenz opened this item to public comment. Hearing none, he closed the public comment session.

Ordinance 2016-22 is taken to a second reading.

## **COMMITTEE REPORTS**

**Development Committee:** Next Meeting: June 7th, 6:30 p.m. The majority of our time was spent discussing the Seldom Seen Park phasing plan. We got a good understanding of what the overall scope of park was, some challenges surrounding the wetlands and the proposed phasing logic, and estimating costs. We have asked the Finance Committee to take this information and let us know how far our money might go or what they recommend as far as the finance mechanism for that. Also, Chris Huber brought us up to date on the Bike Path Repair Program. Chris is introducing the program this year designed to care for, expand and update the bike paths throughout the City. There were a few things we didn't get to, but we will pick those up at the next meeting.

Finance Committee: Next Meeting: June 14th, 7:00 p.m. I have requested that Debra add to the agenda a discussion of Seldom Seen Park funding, specifically Phases 1 and 2. Steve if you could see that someone talks to Chris Meyers to get as much information as we can about that for our next meeting. I'd like to act as if we will have funding for Phases 1 and 2 and proceed accordingly. Also on our agenda is a broader discussion of capital improvements – probably including the other phases because as I noted, it has taken us quite a bit of time from approval of funding to actual construction and using this park, and I think we need to get moving on a funding source for all those things that don't currently have funding sources.

**Operations Committee:** Next Meeting: June 21st, 6:30 p.m. We will pick up our conversation on Keep Powell Moving and other items.

ONE Community: Next Meeting: June 21st, 6:30 p.m. Our last scheduled meeting was encumbered with attendance issues and we had a make-up meeting on the 31st [of May]. The Economic Development

Director for Delaware County came, did a meet-and-greet, and told us about the things that they are doing in the county and how he might be able to help us along the way with economic development in both the township and City. It was a very good meeting. We also talked about some of our communications strategies and we have a logo that's forming up. The graphic designer's looking at something right now. We want to have a logo so that we can have a social media presence and then print material to be able to hand content out with the mission of ONE Community so the community starts to understand that the township and City are working collaboratively. On the flip side, we envision having map of all the bike paths because that is a collaborative effort.

**Planning & Zoning Commission:** Next Meeting: June 15th, 7:00 p.m. At the last Zoning Code Diagnostic Committee meeting, the Committee did request that we begin circulating the minutes of the P&Z Commission in your council packets, so you will begin to receive those.

**Powell CIC:** Next Meeting: TBD. We have not met since my last report and we have no meeting scheduled at the present.

**Zoning & Building Code Update Diagnostic Committee:** June 29th<sup>th</sup>, 6:00 p.m. We have a list of the items we want to look at. Staff is going to filter down that list and prioritize the list so we can make sure to hit the items from the top down. We want to look at the process, then procedures, and then the details.

### CITY MANAGER'S REPORT

Mr. Lutz: I have one item. Many city councils have a summer recess schedule where they may take a meeting or two off during the summer months. We typically don't do that because of our workload. If it happens that we reach a City council meeting in July or August where there is not much on the agenda, we may cancel a meeting, but typically we don't.

## OTHER COUNCIL MATTERS

Councilman Bennehoof: First, Mayor I'd like to thank you for your social media comment on the coyotes. I think it would behoove us - and this is bigger than coyotes - there's been a lot of social media and street talk about the coyote population. I don't think it's any worse than it's ever been, but I'm not a DNR [Department of Natural Resources] guy. I think we should invite DNR to come to our session once a year - and there might be other consultants that we could invite - to come and visit us and give us a report. The gentlemen from Del-Co did about a month ago. I think there might be a strategy there, Steve, which we could look into different strategic organizations to come and give us an annual presentation to tell us what they do and what's going on. Then we would have an opportunity to quiz DNR about the coyotes. If the press were here, it would get some press, etc.

I'm very impressed with the amount of content and data that's available to us from our website, but I'd like to try to ask if we could consider additional pictures and graphs. And when you're looking through tables, if there's an opportunity there [to add pictures/graphics]. I've seen some that I can provide you with details [examples]. It seems to be west coast heavy, but I'll get you those ideas.

Lastly, I wanted to thank Jim for forwarding the P&Z notes from last week.

Councilman Hrivnak: Mark on your calendar June 28th as the Keep Powell Moving public workshop at 7:00 p.m. That will be an opportunity for you to see the work that our consultants are doing and include your input in the efforts. If you recall, this is an effort centered on the downtown area and it's a subject near and dear to all our hearts.

Councilman Counts: I wanted to give Council some historical perspective on the coyote issue. Coyote sightings were a big issue in Powell around 2007. At the Operations Committee, we actually had somebody from DNR come in and talk to the committee and discuss the issue. My take away from it back then was that there is really only two solutions to the problem. One is that people keep trash covered and their dogs and other animals out of the yards at night or introduce mountain lions into the eco system because that is the only natural predator for coyotes.

Mayor Lorenz: I'd like to congratulate Staff on the Memorial Day parade. Thanks Steve for driving. He did a great job. It was fun as always. We missed you Frank but we understand the vacation. I'd like to especially recognize Patti Mills for all the work that she does. I know she's not here, but she did a great job in organizing that and just really enjoys that event, so kudos to her.

I'd also like to congratulate Staff on the Lollipops concert. I hear it was a big success and it was a really nice day for it.

Finally, I know no one is here from Kinsale, but congrats to them and Wedgewood for hosting the U.S. Open Sectional. Those things help our community by bringing attention to us and both clubs put on a really great show.

Councilman Bennehoof: I wanted to add my thanks to Staff for an excellent parade. I thought it was an excellent parade and memorial service. You did a fine job on that. I intend to send a note because I think Jerod Philips needs some mention as well because he did an excellent job.

Mr. Lutz: We're also looking at what we can do to upgrade our sound system. We have a couple of events each year out there - Veterans Day, Memorial Day - and we know that it's our Achilles' heel.

### **ADJOURNMENT**

Mayor

Councilman Bennehoof moved to adjourn the meeting. Councilman Hrivnak seconded the motion. By unanimous consent of the remaining members, the meeting was adjourned at 8:36 p.m.

MINUTES APPROVED: June 21, 2016

City Council

Tom Counts

Brian Lorenz, Mayor Jim Hrivnak

Brendan Newcomb

Daniel Swartwout