

CITY OF ROCKY RIVER

July 17, 2023

The Committee-of-the-Whole Meeting of Council was called to order by Mr. Moran, President of Council, immediately following the CIC Meeting in the David J. Cook Council Chambers.

Council Members Present: Mr. Hunt, Mr. Shepherd, Mrs. Gallagher, Mr. Furry,
Mrs. Morris, Mr. Sindelar, Mr. Moran

Administration: Mayor Bobst, Mr. Thomas, Mr. Snyder

Law Director: Mr. O'Shea

President Moran introduced Jennifer Kuzma from the Northeast Ohio Advanced Energy District. Ms. Kuzma was in attendance to discuss Ordinance Nos. 58-23, 60-23 and Resolution No. 59-23. Ms. Kuzma distributed a handout of her presentation explaining the Northeast Ohio Advanced Energy District. The organization that Ms. Kuzma works with, First Suburbs Consortium, a group of entering cities around the city of Cleveland, first heard of PACE Financing in 2010, they were intrigued. The ORC requires that each community that uses PACE has a Special Improvement District in place specifically for this use. In 2010 a Multijurisdictional District was created, along with the City of Cleveland. There are requirements, audits, regular meetings and consideration of projects. From the original fourteen communities, there are now 26 communities as Beachwood became a member with a project in their community last week. The Northeast Ohio Advanced Energy District is the only non-port authority administered District. It keeps the District close to the cities, allows the Economic Development Directors and cities to use the District in their communities. They did approach their port authority to get involved, but at the time they were busy getting the euro boat going. Ms. Kuzma has included in the presentation a list of a few of the projects they have done. She likes to highlight that Commercial PACE is incredibly flexible. It was started to see investment in rehab. It is now being used in new construction as well. They have done projects that are as low as a \$100,000 new roof in Solon all the way up to \$12 million dollars in Fairview Park. There is a lot of flexibility that is offered with Commercial PACE Financing. She included in the presentation the steps that a property owner will go through to do a PACE Project. It is basically designing the project and requiring the project financing. The Special Improvement District does not have funds that are used. They often send the potential applicants to NOPEC for smaller projects. NOPEC wants to be in the space of doing PACE loans so they have two different loan programs that are available for projects under \$100,000 and projects that go up to \$1 million dollars. They are offered at a very competitive rate of 3-3.5% interest. The Northeast Ohio Advanced Energy District will be working hand in hand with communities like Rocky River to get the project introduced, help them to get someone to do their energy audits and make sure their financing makes sense. The District will look at all of the PACE Projects that come through. They are looking at two different things: 1) Is it truly energy efficiency or energy generating and 2) Is the financing being used appropriately. The project then comes to the city for the municipal ordinance approval and documents are signed. The most important thing to the District is that they are sharing in the cost of operating. First Suburbs and the City of Cleveland invested about \$400,000 to get the District off the ground and on-going annual fees over the last 10-15 years. Since then, new communities that join will be charged \$5,000 membership fee and a \$1,000

annual fee. It costs about \$25,000 annually to run the District between legal fees, D and O Insurance, accounting services, marketing, attending events that promotes the District.

- Mr. Sindelar asked why certain cities in the presentation are printed in red. Ms. Kuzma explained that the red are new cities to join the District. How many staff? It is just Ms. Kuzma.
- Mr. Furry asked if she was full time employee for the City of Bedford. Ms. Kuzma explained that her employment status is shared with the City of Bedford as their Economic Development Director and serves as the Director of the First Suburbs Consortium. This is a program of the First Suburbs. The First Suburbs gives her time to administer the District.
- Mr. Sindelar asked if PACE is a Federal Project? Who oversees the District? The State Auditor's Office comes in twice a year and reviews the books. The District does not have money to lend so is sending potential program users to different financial partners that they have worked with in the past. NOPEC is great for the smaller projects, the ease of their money is helpful but larger projects in Ohio about 200 PACE projects have closed totaling about \$700 million dollars. Depending on the type of project and what it is, they will find a financial partner, they will find a partner for them. Some have come to PACE ready to go with their own financing but still has to have the ordinance. The only one that can levy the assessment is the communities. ORC legislation oversees this.
- Mr. Furry said that between the \$5,000 initiation and the \$1,000 annual recurring, is the city liable. Some communities have paid it themselves or the sponsoring project covers the fee.
- Mr. Moran said the city is not liable for the project, but the city will join the District.
- The District will come out and promote with the Chamber of Commerce, do things with the Economic Development Directors and have introductory conversations with people starting to consider PACE. PACE is a great tool to use to help fill the financial buckets.
- The Mayor said that the three projects in the city, two have been approved and one that is starting its process, this may be part of their capital stack as well. These are significant investments in the community. The flexibility is key.
- Mr. Sindelar asked if anything obligates the city going forward. Only if the city takes ownership of the parcel where the assessment is placed.

President Moran thanked Jennifer Kuzma and Ryan Terrano for attending this evening's meeting.

MAYOR'S REPORT:

The Mayor announced important news regarding the Governor's Budget. The bid limit was increased in the state from \$50,000 to \$75,000. The city's Charter in 2002 was changed to follow the state bid limit. What is unique this time, when the bid limit was passed, they also passed an accelerator. In 2024-2025 there is an accelerator of 3% every year. The Mayor said that under Article 7 Section 4 of the Charter: *No expenditure of more than the amount consistent with the General Laws of the State of Ohio shall be made except pursuant to a contract authorized by Council.* This is why Council sees legislation over \$50,000 and now \$75,000. This does not go into effect until October 2nd along with the taxes that go with the tax year. As the City of Rocky River has done from time to time, the city sends Council ordinances that are under \$50,000 now \$75,000 for the purposes of transparency or flexibility. This practice will continue.

The Mayor announced that the pier lights are up and installed. The Mayor received a lovely note from Tom Evans who sits on our ARB and is also a landscape architect for AECOM. Mr. Evans said the pier looks beautiful with the underlighting and lights the deck of the pier enhancing safety. Congratulations to Director Snyder.

The pier will only be open on the weekends for the next couple of weeks while the step revetments are being installed on either side of the pier. The contractors are at a point where it can't be open and maintain access while completing this part of the project.

This Friday there will be a movie at Tri-City Park. It is Christmas in July, so the "Christmas Story" movie will be played at dusk. There will be festivities in the pool on Sunday, keeping with the holiday spirit.

Starting this Monday, a week from today, the Indoor Pool will be closed for two consecutive weeks for painting of the complete natatorium. The Fitness Center will be closed for a week beginning July 31st through August 6th. The full facility will reopen on August 7th.

On Monday, August 14th is the I & I private side meeting with AECOM and Director Snyder. These are projects that coincide with the city's large sewer projects on the public side. This meeting will be educating residents on their role as these projects are being completed. Residents from Buckingham, Argyle, Arundel, Westmoor, Orchard Grove and Glendale will be invited to this meeting. The meeting will be at the Civic Center beginning at 6:30 p.m.

- Mr. Sindelar asked if during the Fitness Center shut down are residents allowed to attend Westlake. The Mayor is not sure what is arranged this time, but the recreation departments do not close down at the same time. Fairview Park's pool has been closed for several years.

COMMITTEE REPORTS: Mr. Furry said there was a Parks and Recreation meeting on July 13th at 7:45 a.m. Mr. Shepherd attended for Mr. Furry. There were no fees to report but gave the Civic Center report and the Director's report. Thank you to Councilman Shepherd for filling in. Councilman Shepherd added that a member of the committee stated that he has not seen a Councilman as conscientious as Councilman Furry for having a replacement cover for him in his absence. Mr. Shepherd said they updated projects in the city including new batting cages in Elmwood Park that are complete; Safety Town is close to being complete; Tri-City's new pickleball courts are scheduled to open in early August and the cornhole courts are in. Pool revenue is down probably related to weather and air pollution related. Weekends have not been great, but season passes are up this year. There will be no August Recreation meeting. Mr. Furry said that the Recreation Directors are working on hours of operation, rules and regulations and appropriate behavior for the pickleball community. The National

Association is working on new technology for the balls that do not make as much noise. It is a national issue. If people do not adhere to the rules and regulations, the courts will be shut down.

COMMUNICATIONS FROM COUNCIL: Councilwoman Morris said that tomorrow is the Tour de River from City Hall Park to Bomba Taco and Bar beginning at 6:00 p.m. Anyone participating will receive a 10% discount at Bomba.

UNFINISHED BUSINESS:

RESOLUTION NO. 49-23: Mr. Moran stated that this was the recess for the month of August. This will be read for a third time at the Special Meeting following this meeting.

RESOLUTION NO. 50-23: Mr. Moran said this is a resolution for the delinquent sewer bills to the County Fiscal Officer. This has been discussed several times and this will be read for a third time at next week's Legislative meeting.

ORDINANC NO. 51-23: Mrs. Gallagher said this has been referred to the Planning Commission. This will be discussed at their meeting on July 26th at 6:00 p.m.

ORDINANCE NO. 54-23: Mr. Moran said that this is for the supplemental appropriations. This will not be read for the third time until next week's Legislation due to further adjustments needed.

ORDINANCE NO. 55-23: Mr. Sindelar said this is to extend a one-year contract with Ohio Valley Supply and Maintenance Company for the purchase of janitorial supplies. This is a long-time contract of the City's and have agreed to extend the price from the previous contract through the next one.

ORDINANCE NO. 56-23: Director Snyder is fine with this being read for the third read at next week's Legislative Meeting. This has been discussed at length. Mr. Shepherd said that the topography on Story Road continues further south into Parklane and at one time that was a river and would flow after a heavy rains and ultimately went into a ravine that connects to the Rocky River. That is why there is a reference to a perpendicular 42-inch main because it was going across the street. Director Snyder said there was also a reference of it being an underground stream along with dumping at some point in that area. The dumping has led to some of the settling in that area. It is a combination of everything. As part of this project, the city will excavate in that street area and the adjacent tree lawns within the right away to make sure there is solid compaction. Going forward, that dip will be mitigated and corrected for more stability.

ORDINANCE NO. 57-23: Mr. Shepherd said this ordinance is the dye testing that AECOM is going to perform along with the public relations and meetings with the residents as referenced by the Mayor in her report tonight. There are two sanitary sewer overflows, and when they overflow sewage is discharged into the lake. The city has done a great job correcting many overflows. These two overflows have numbers: #302 is at Falmouth and Beachcliff and #306 is at Magnolia and Westway. #306 has to be closed under the consent agreement with the EPA by 2027 and #302 has to be closed by 2032. The city is making good progress on the sewer projects and he hopes the city can make these deadlines.

- Mr. Hunt asked what the process or protocol for when a resident is identified as having an infiltration issue through the dye testing. He noticed this being advertised in a commercial for dye testing. Director Snyder said that once a property has been identified by AECOM it may show that six downspouts were dye tested and three came back with positive dye transfer from the storm to the sanitary sewer. The city sets up a public meeting with all property owners that have a positive test result. The meeting is set up with available contractors and property owners to open up that dialog. Residents receive a copy of their report. Their next step is to hire a

contractor to recreate that test and identify the deficiency in the system. An application will be pulled with the Building Department, the permit will be waived for this process, the contractor will remedy the situation by fixing the issue and the resident's case will be closed with proof that is has been corrected at that point.

- Mr. Sindelar asked if this would have been a builder problem tying into the wrong sewer. Mr. Snyder said that a direct connection is very rare. Most deficiencies may be a storm lateral is blocked with tree roots and is backing up going into the sanitary. There is a whole array of what the situation could be. The contractors have been very good.
- Director Snyder stated that the city maintains the main in the street up to and including the T. Everything from the clean out to the house is the responsibility of the property owner. Clean outs typically lay right at the edge of the right away. Doing this in line with the sewer rehabilitation projects, the city knows that everything from the street up to and including the T is new. Property owners will be able to schedule the repairs to coincide at the same time the street is being worked on.
- The Mayor said the other important thing to know is this becomes a disclosure if the house is put up for sale. Director Snyder said that compliance has been ok. It is in the Municipal Code that you cannot have storm water transfer into the sanitary sewer. The SSO's have to be eliminated per the EPA. Every bit of storm water that goes into the sanitary system is treated at the WWTP which residents pay for and nobody wants basement backups. The SSO's cannot just be closed.

ORDINANCE NO. 58-23: This was introduced last week. More discussion will be done at the Special Meeting. Thank you to Jennifer Kuzma along with Ryan Terrano for providing more information.

RESOLUTION NO. 59-23: This is the resolution for Council to move forward on the PACE Project.

ORDINANCE NO. 60-23: This is the ordinance for the third part which is the levying of the special assessment for the purpose of acquiring and installing, equipping and improving certain Public improvements in the City. This will be discussed further at the Special Meeting.

NEW BUSINESS:

ORDINANCE NO. 61-23: This authorizes the ratification and payment of United Survey in the amount of \$24,500 for the cost for the emergency on Parklawn Drive sewer line repair. This will be read for the first time at next week's Legislative Meeting. United Survey was chosen for their ability to perform their work at a timely and effective manner which was necessary due to a defect in the pipe that was leaking into the sanitary. The total cost of this project in addition to the United Survey completing this project was over \$50,000 by about \$13,000. Mr. Moran has some photos showing the leak.

- Mr. Furry pointed out some scrivener errors. These will be corrected for the next week's meeting.

MISCELLANEOUS BUSINESS: NONE

This meeting was adjourned at 7:57 p.m.

James W. Moran
President of Council

Susan G. Pease
Clerk of Council