

**VILLAGE OF COMMERCIAL POINT
COMMITTEE OF THE WHOLE MEETING MINUTES
February 10, 2020**

President Pro Tempe Moore called the meeting to order. FO Hastings took roll call with the following members present: Ms. Wolfe, Mr. Mitchem, Mr. Thompson, Ms. Joiner and Mr. Moore. Mr. Grassel was not present. Mayor Goldhardt, ZI Kuzelka and FO Hastings were also in attendance.

Solicitor Interview:

Mr. Moore introduced Attorney Cartee. He asked Mr. Cartee to tell the council about his background. Mr. Cartee said he grew up in a small town. He graduated from law school in 2016 from the Ohio State University. During law school he worked at a firm doing municipal law work. He also has worked in the City Attorney's Office in Upper Arlington. He said after law school he worked for the Attorney General's Office in the Public Sector. He said from there he went on to the Opinion Section, where most of the issues they dealt with were local government issues. He said afterwards, he went to Dinsmore, which is where he is currently employed. Mr. Moore stated that while we are a small village, we have had many issues. He stated that we have had a solicitor who hasn't had much law experience. He feels that the solicitor has made recommendations when he should have said he wasn't sure and would look into it. He said his concern is the amount of Mr. Cartee's experience. He asked Mr. Cartee if he is prepared to tell Council he does not know an answer verses giving an immediate response that may be incorrect. Mr. Cartee said absolutely, he does that with his current clients. He said the way he views the Village Solicitor role is to lay out the contours of the issue, explain the risks, and if there is a clear answer, do that, but leave the council to make the policy decisions. Mayor Goldhardt asked about his experience with TIF's. Mr. Cartee advised him that they are an important part of a growing municipality. He said it has been a little while since he has worked with them. Mayor Goldhardt stated that we currently have three TIF's in place and two ordinances coming up for two additional TIF's. He stated that the Village is looking for ways to generate funds for a new sewer plant. He advised Mr. Cartee that we have asked the current solicitor to draw up ordinances and it took over three weeks to get them. Mr. Moore asked if Mr. Cartee has a contract for them to review. Mr. Cartee said he does not as he did not want to be presumptuous. He said he has reviewed the contract with the current law firm and asked if council feels \$5000 a month is too much. Mr. Moore stated that he is not sure if a monthly retainer is the way to go. He said he is not sure if we should look at a blended rate structure or an hourly rate. Mr. Thompson said the biggest question he has is if Dinsmore can handle all of our work. Mr. Cartee stated absolutely. Mr. Moore asked if there is a partner base outside of Mr. Crites that has public law knowledge. Mr. Cartee said they have a couple partners in Cincinnati that represent 6 municipalities. He stated that Dinsmore is not known as a municipal law firm, but he can guarantee that Commercial Point will be his primary focus as our solicitor. He said there is another partner that has criminal experience. Mr. Thompson said he feels that TIF's and employee issues are our largest concerns at this time. Mayor Goldhardt asked if he would be able to attend Mayor's Court. Mr. Cartee stated that he could. Mr. Moore said he would be happy to see a number so they would know what to budget. He said that there would probably be no fewer than three or four contracts a month for review. In addition, there would also be TIF's, annexations and ordinances. He said he would like to see a number where he does not underbill himself. Mayor Goldhardt advised Mr. Cartee of the Charter that may be coming to Commercial Point. He said it will go for a vote in March of this year. Mr. Cartee asked if there are any expected employment issues coming up? Mr. Moore said not right now. Mayor Goldhardt covered the current meeting times and advised him that we are close to making a decision on building a new water plant. Mr. Cartee asked if that would include any bond work. Mr. Moore stated it would be ideal, but we have not really had anyone to advise us on the bond issues. Mr. Cartee asked if there are any contracts with the Sheriff's department. He was told no. Mr. Cartee asked if the Fire Department is under the Village or the township control. Mayor Goldhardt told him that it is a township Fire Department. Ms. Joiner stated if municipal law is something that the firm does not have a specialty in, or if they are not comfortable doing, then we can look to other firms that specialize in this type of law. She said it would be great to have one person handle all of our issues, but we have seen this in the past and unfortunately it did not work out. She stated that if this isn't his specialty, then please just let us know upfront so we can review other firms. Mr. Cartee asked if the village has entertained any other firm. Mr. Moore advised him that we have not as of this time. Mr. Cartee said that they are not a municipal law firm, but with him, we get his experience of having been an elected councilman. He also reiterated that we would be his primary client. Mr. Moore asked for Mr. Cartee to provide a proposed contract and any conflicts as soon as possible. The council thanked Mr. Cartee for his time and said they look forward to hearing back from him.

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Mr. Moore asked for the council's thoughts and comments about the interview. He said he is a little concerned about Mr. Cartee's young age. He said Dinsmore is a very good firm, however, he is concerned that they may price themselves out of our market. He said Isaac Wiles is a potential secondary option. He said they represent a lot of clients in the area. FO Hastings said they work with us on a lot of developments and they represent several of our developers. Mr. Moore said if it is a conflict, they can waive it. Mr. Thompson asked what the pricing should be? Mr. Moore said he believes for the level of service we need, anything less than \$120,000 to \$150,000 in legal fees per year for a multi-million dollar company is silly. He said we were wanting them to serve us as a \$14 million dollar company for \$60,000 per year. He said that includes contract work, meetings, Mayor's Court and travel time. He said one advantage is that Mr. Cartee is not a partner, so his billing rates should be less. FO Hastings said she would like to see the billing broke down with Mayor's Court being one lump sum and the rest of the billing separated since this is how she has to budget the attorney fees. Mr. Thompson said for negotiations, he just wants to see one number. Mr. Moore said he is willing to give him a chance, but we should be quicker to react if we are not receiving what we need.

Water Plant Financing:

Mayor Goldhardt distributed a monthly water revenue report to council. He said the water revenue report shows the tap sizes, residential or commercial, and if they are located within or outside the village. He discussed the water rates are based on the size of the water taps. Mayor Goldhardt presented the council with three options. In option #1, he explained that the water department currently has three loans; a five-year OWDA planning loan, a 3 ½ year raw water line/wellfield loan and a two-year water tower loan. He discussed the remainder of the report which outlined the current amount of money in the water fund, the projected new water meter system charges and upcoming land expenses for the new water plant. He said the estimated yearly cost of the operation and repair of the water plant is \$500,000 per year. He showed the council what the yearly payment of the new water plant would be with no down payment. It would take approximately 401 new homes to generate enough money through monthly billings to make the payments. He moved on to Option #2, which showed borrowing a million dollars out of the General fund and using it as a down payment. He advised by doing this the payment would drop and we would need to add 275 new homes to make the payments through the monthly billings. Option #3 showed borrowing one million dollars out of the general fund and \$500,000 out of the water fund for a down payment. He said that would leave us financing \$6,109,000.00. It would reduce the payment to an amount where we would need an additional 213 new homes built to make the payments through the monthly billings. He said after looking at everything, he feels that Option #3 is the best plan since it only requires an additional 213 homes to make the payments and we currently have approximately 240 homes scheduled to be built within the next few years. He felt this is the least amount of risk for the Village. In addition, the tap fees generated from the 213 homes would pay back the million dollars to the general fund and restore the \$500,000 in the water fund. It would also mean if all development stopped, the Village would still be able to make the water plant payments. Until the 213 homes are built, money coming in from the Chestnut Commons TIF could be used to offset any budget deficits within the water fund. He said the only reason he would take the money from the Chestnut Commons TIF fund is because it is his understanding that all of the water tap fees for Chestnut Commons were waived. The Village also gave the developer an additional \$200,000 from the water fund at that time. In return, the developer built and paid for the water tower. The Chestnut Commons TIF was to restore the lost tap fee revenue and pay the \$200,000 back to the water fund. After the lost revenue is restored into the water fund, all additional Chestnut Commons TIF monies could be used however the Village Council desired. He said we cannot move money directly from the TIF fund to the water fund, but we can use it to make payments on the new water plant which basically restores it back into the water fund. Mr. Moore asked FO Hastings a few questions on the report. Mr. Moore then asked when the first payment to OWDA will be due. FO Hastings said in one year. Mr. Moore said if we take money for the down payment, it saves approximately \$18,000 per year in interest, but we lock up a million dollars of the General fund money. He agreed with pulling the \$500,000 from the Water fund. He said he is not sure about using any money from the General fund. He said we would have money to cover the payments until 2028 not including the 200 homes coming in. Mr. Thompson said that he is not thrilled about taking money from the General Fund. He said the General Fund is their safety net. Mayor Goldhardt said in taking money from the General fund, we know we have housing already coming in. The tap

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fees collected from that housing will restore the money to the General Fund. Ms. Joiner said there are things in the village that need to be done, and they don't want everything going into the water plant. Mayor Goldhardt said he understands her concern, but after all of the 2020 appropriations are made, the General Fund will still have an excess of over 1.5 million dollars of unappropriated money just sitting in the fund. Mr. Thompson said he is not in favor of spending the General Fund money. Mr. Moore asked when do we estimate Scioto Crossing and Maronda homes building out. FO Hastings said in about 6-8 years. Mr. Thompson asked why they can't take an additional million dollars from the Water fund. FO Hastings stated that taking the entire down payment from the Water Fund would drop that fund below \$100,000. Mr. Thompson said if that fund needs help, then we step in and use money from the General Fund. Ms. Joiner asked Utility Superintendent Thompson if we have the ability to have 213 homes with the current water plant. US Thompson said no. Mr. Moore asked what we know about the upcoming commercial taps. FO Hastings advised the last plan they reviewed, there were three buildings. They are estimating each building will take a 3-inch tap which cost \$128,000 each. She said she is waiting on the developer to get back with her on fire flow information. An eight-inch fire flow tap is \$910,000, which they only pay 30% of that fee. Mr. Thompson said he thinks that the worst-case scenario would be a six-inch fire flow tap. Mr. Moore asked if instead of putting \$1.5 million down, could we consider putting \$1.25 million down. He said it would give an extra \$250,000 in the Water fund. Mr. Moore said this resolution needs to be approved by Monday, but Mr. Moore and Mr. Thompson will not be able to attend that meeting so the three readings cannot be waived. He said they need to call a Special Meeting, possibly Thursday. He asked if the group was available to meet Thursday. Mayor Goldhardt will provide information to the council showing what the yearly payment would be with a \$1.25 million dollar down payment.

FO Hastings advised them that they also need to have a Finance Committee meeting. Ms. Joiner and Mr. Moore said they will not have enough time for another meeting. FO Hastings advised if it is not ready by April 1, they are stuck with the temporary budget. The Special Meeting is scheduled for Thursday February 13 at 5:30 pm. FO Hastings advised she will try and have the budget ready to email to them tomorrow. Mr. Moore asked if the three Finance members want to have a committee meeting Thursday after the Special Meeting. The group agreed to meet Thursday after the Special Meeting.

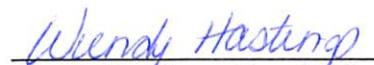
New Business:

Mayor Goldhardt emailed Aaron Underhill, attorney for M/I Homes and the Foxfire Development, Councils response regarding his recent TIF proposal. He advised him that the Council is unanimously opposed to his proposal but they are open to any additional proposals he may have. Mayor Goldhardt said Engineer Grosse suggested asking them to pay for all of their sewage tap fees up front and in return they will receive 50% of the money back from the TIF. Mr. Moore said he thinks that the issue is that M/I does not want to pay all of that cost upfront. He said he would be interested in seeing them do it by phase but also wants to see a proposal to build our interconnecting paths. He said the other option is they build the paths first then the homes, this way they take on the risk. Mr. Thompson said at this point he is done with negotiations.

A motion was made to adjourn by Ms. Wolfe and seconded by Mr. Thompson. All were in favor, the motion passed and the meeting was adjourned.



Bruce Moore, President Pro Tempe



Wendy Hastings, Fiscal Officer

*Minutes provided by Paula Baldwin, Administrative Assistant