

MANAGER’S CONFERENCE MINUTES
Portsmouth City Council Meeting on
February 24, 2020 – 6:44 p.m.

Members present:

Sean Dunne	1 st Ward
Charlotte Gordon	2 nd Ward
Kevin E. Johnson	3 rd Ward
Andrew McManus	4 th Ward
Edwin Martell	5 th Ward
Thomas K. Lowe	6 th Ward

Also present was City Manager Sam Sutherland, Solicitor John Haas, Auditor M. Trent Williams and City Clerk Diana Ratliff.

1. **Acceptance and Appropriation of Insurance Check** **CM-20-12**

Manager Sutherland stated that a Police Cruiser had gotten totaled while in pursuit and they had received the insurance check. The Police were wanting to appropriate this money into the CIP budget and put it towards the purchase of vehicles this year. Councilman Lowe commented that he did not know why this had to go before Council, but since it does why couldn't the decision be made during the Manager's Conference to accept the check instead of waiting another two weeks for it to be on Council's agenda. Mayor Johnson stated that anything having to do with finances had to move on to Council's agenda and at that point the readings could be waived. Auditor Williams explained that if we were just accepting the money that could be done administratively, however in order for the Police Department to use the money it needed to move onto Council's agenda as an appropriation.

Vice President Dunne motioned to adopt alternative #1.

There were no questions or comments: **VOTE: 6 Ayes – 0 Nays**

2. **2020 Operating Budget** **CM-20-13**

Manager Sutherland said he had delivered the budget to each Councilperson and if they had any questions, to please email, call or come to see him. He said there were still a few adjustments/tweaks that needed to be done but they weren't astronomical. Mayor Johnson asked Council if they had had a chance to review the budget and each said they had looked at it a little bit. Councilman Lowe stated that he liked the fact that they had received it early in the week which gave him a little more time to review it. Auditor Williams stated that the budget would need to be put in place at the next meeting. Mr. Johnson asked Council to forward any questions regarding the budget to Manager Sutherland early instead of waiting until the night of the next meeting. Vice President Dunne asked Mr. Sutherland if the budget included positions for Engineering and Parks & Rec. and what the salary was for both positions, he replied "yes" and the salary for a Parks & Rec. person would be a top salary of \$38,000 and an Engineer was around \$60,000 same as the other Department Heads. Mr. Lowe asked if there would need to be any amendments between now and the next meeting on the budget. Mr. Sutherland replied that there shouldn't have to be any amendments and Auditor Williams had already started working on the ordinance. Councilman Martell asked how long after the vote at the next meeting could the city start taking applications. Mr. Sutherland replied that as soon as the budget was passed, "we're good". Mr. Johnson explained that there would be an interview process for the jobs and Mr. Martell said that Mr. Sutherland had answered what he had asked. Mr. Sutherland said that the five-year forecast was somewhat in the budget that Council received but there was still a little bit of tweaking and things that need to be looked at but the main thing to concentrate on was 2020. Councilman Lowe recommended Alternative #2 to modify the request because there would be amendments necessary before the next meeting. Solicitor Haas stated there was nothing to amend yet and wouldn't be until the next meeting, then once it was presented anything that might need to be amended could be done at that time. If something happens that the ordinance comes before Council at the next meeting and something needed amended, it could be done at that time. Mr. Sutherland hoped to have the final version by the next meeting.

Vice President Dunne motioned to adopt alternative #1.

There were no questions or comments: **VOTE: 6 Ayes – 0 Nays**

3. **Discussion – Verbal Commitment for PACE Financing**

Manager Sutherland stated that he would let Councilman Dunne speak on the subject. Mr. Dunne reiterated what was said at the last meeting and that his meeting with Ohio PACE had been very helpful; essentially to establish a district, it would have to be the most immediate level of government which would be Portsmouth and to do this for Scioto County it would have to go through villages/cities. He said that two adjacent municipalities could join together, such as Harrison township who is looking to move forward the PACE Financing and have already submitted their documents. Ohio PACE was looking to get a verbal commitment from Portsmouth so they could put together paperwork so that the cost would be split with Harrison township, they would pay \$4,500 and the city would pay \$4,500 and both the township and Portsmouth would go through the process together. At that point Portsmouth would be established as a District in which PACE Financing could come through.

Example – If a building project was located in Portsmouth and wanted to put \$100,000 worth of solar panels on their building, they would now be eligible for PACE financing and could apply to PACE. PACE would send the project to different PACE Financers and in turn, those financers would then enter into an agreement with the building project.

Mr. Dunne stated that previously the city had been approached to pay \$20,000 to be entered as a PACE district and he believed the City Council was wise to review the details of the program first. He knew that Mr. Sutherland had been working on it quite a bit and believed that establishing the district at \$4,500 was a great deal. If for some reason the city didn't proceed with Harrison township but decided later to go through separately, the city would pay \$7,000 and if Harrison township proceeded without the city they would pay \$7,000, but if they entered together it would only cost each entity \$4,500 and each would save a little bit of money.

Mr. Dunne added that one of the incentives for becoming a district would be that the money would go onto a property tax bill rather than an upfront cost to a business and it would then encourage a variety of different projects that would improve energy efficiency and sustainability in our city. He said by establishing this in Portsmouth, it would allow for commercial properties to take advantage of the financing. He said that possibly later in the year, there will be a residential PACE program for energy efficient homes. He was concerned for the small commercial properties and if they wanted to do an energy efficient upgrade that only came to \$40,000 or \$50,000, there would be many flat fees that would have to be paid upfront, which made it harder for the smaller commercial businesses.

He believed that there was a lot of confusion when people were reading it and sometimes it was good to take your time to make sure they spend the right amount of money on a project. Mayor Johnson asked if there would even be a need for a \$100,000-\$200,000 job? Mr. Dunne replied that one project could immediately make use of it and that was the new hotel project on 2nd Street. He said energy efficiency includes insulation, windows, HVAC, roofing etc. and the money stays with the property rather than with the property owner, so if it was sold, it would stay with the property. He said another part of this was the interest rate was at 5.5% and currently a normal commercial loan is at 4.75% so there would be a little bit extra there, but with all of the other incentives such as paying for it with the property tax and the length that it would be paid off. Mr. Johnson asked if he had spoken with any city that had taken advantage of the loan, Mr. Dunne replied that a couple of places in Covington, KY had done this, but he had not spoken with them about the process or the loan. Mr. Johnson asked if there were any other administrative fees after the city pays the \$4,500 and Mr. Dunne said “no” this would establish it, but once it was up and running and we select Ohio PACE as the administrator, future projects would fund the administrative costs. It was agreed to move onto the conference agenda as an appropriation.

The meeting adjourned at 7:06 p.m. on a motion by Councilman Lowe.

Submitted by: *Diana Ratliff* – City Clerk