

**VILLAGE OF CHAGRIN FALLS
FINANCE COMMITTEE**

April 9, 2012

Members present: Patton, Subel, Holdren
Also present: Mayor Brick, Bloom, Himes, Byron, Brosius, Chess, Evans, Newell,
Edwards

The meeting was called to order at 7:10 p.m. by Chairman Steven Patton.

CAPITAL IMPROVEMENT PLAN REVIEW

Mayor Brick said the local share of the State Inheritance Tax has been eliminated and that was the sole source of revenue for capital improvements. They must find an alternative to pay for necessary capital improvements.

The 2012-2016 Five-Year Capital Improvement Plan was reviewed and discussed in detail, including the authorized projects, the proposed projects, the Water Reserve Capital Improvement, and the Sewer Reserve Capital Improvement.

Putting a property tax levy on the ballot was discussed. They will meet again before the next Council meeting to discuss this further.

The meeting adjourned at 8:05 p.m.

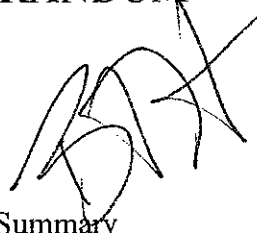


Steven Patton, Chairman

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MEMORANDUM

To: Mayor, Council
From: Benjamin Himes, CAO
Date: March 28, 2012
Subject: 2012 Capital Improvement Summary



The Five Year Capital Improvement Plan is not a strict budget but rather a planning document to show future capital project needs. The projects scheduled for 2021 are scheduled for construction this year. Due to funding constraints, it is unlikely that all of the future projects shown would be completed in a five year time frame. This is really a compressed plan to show future need.

The local share of the State Inheritance Tax has been, by Council policy instituted in the 1980's, the sole source of revenue for capital improvements. This has served the Village exceptionally well by putting a substantial but uncertain revenue stream to work on needed improvements whose timing was flexible rather than committing it to fund operating costs that are time sensitive. With the State eliminating this source of funds the Village must find an alternative to pay for necessary capital improvements.

The General Capital Fund has a starting balance of \$736,800 and Estate Tax revenue year to date is \$125,000. Outside revenue this for 2012 includes \$266,500 remaining on the OEPA grant and \$209,000 in local share from Spillway for the Dam Modification Project. \$350,000 remaining on the SRTS infrastructure grant. \$250,000 for the Mill Street sidewalk coming from a part of the 2009 federal earmark and \$4000 from the First Energy efficiency grant. Solon Road has been approved for a \$635,000 interest free loan for waterline replacement.

Funding Need:

The State of Ohio has removed estate tax as a source of funds for local governments without any replacement funding. This means an average loss of over \$800,000 per year to the Village capital improvement program. The actual need for funds is even greater to maintain existing roads and meet the local match for grant funds.

The Engineer's analysis of roadway funding need is \$475,000 per year for road resurfacing and \$200,000 per year for roadway reconstruction. Reconstruction is an annualized estimate since these projects would be large expenditures made at longer intervals, e.g., North Street or Solon Road. The Street Fund siphons off 15% of the income tax revenue and still needs a transfer from the General Fund to be solvent. This subsidy should be reduced or eliminated to relieve the burden on the General Fund. It is my recommendation that an additional \$975,000 per year of new revenue be sought to meet these needs through a Road and Service levy or income tax increase or some combination.

Some reduction in this need may be warranted since it does not include any allowance for grant funding, however, the Village's other desires for non-road projects such as park improvements and facility needs are not included in this figure. Historically the Village has funded about 40% of capital improvements through grants. However, as they say in the stock market, past performance is no guarantee of future success and grant funds seem likely to become more scarce in the future. Past capital improvement spending has averaged about \$1M per year over the past ten years.

MAJOR PROJECT SUMMARY

Annual Road Program:

The Village needs to spend \$475,000 per year to keep up with routine road maintenance (resurfacing, patching, crack sealing, etc.). The road program has been scaled back over the past several years to reserve funds for the local share of the 2014 North Street reconstruction project. Village crews are doing more patching to extend road life wherever practical. \$100,000 is budgeted for road maintenance in 2012 along with resurfacing of S. Franklin Street and part of Solon Road.

Sidewalk Program:

The sidewalk program is on hold until funds are available to recommence it. The Service Department will continue to make emergency repairs of one or two slabs. Property owners are required to make repairs that exceed this limit. It is recommended that this program either be terminated and the repair burden be placed back on the abutting property owner or new funds generated to pay for the it.

Spillway Dam Modification:

Contract Total:	\$475,500
Grant:	\$266,500
Spillway match:	\$209,000
2011 Net:	\$ 0

Phase 2 of this project includes final dam height reduction and upstream river restoration. Grant funds will likely be extended one year allowing construction during the 2012 construction season. The Village is waiting for cost estimates from Spillway's engineer and details on how the local match will be met.

Safe Routes to School and Mill Street Sidewalks (2012 construction):

Project Total:	\$849,700
Federal Grant:	\$537,000
Local Share:	\$312,700 for sidewalks and engineering.
2012 Net:	\$105,000

This project includes pedestrian paths on intermediate and middle school grounds completed in 2011. Signage, traffic striping and sidewalks on Mill and Cleveland Street to connect Orange to Washington. The Village has an agreement with Spillway for installation of the Mill Street

sidewalk at Spillways cost when a TIF agreement is reached. \$350,000 of grant funds remain and \$250,000 of the 2009 earmark will be used to help pay for the Mill Street sidewalk.

South Franklin Street:

Project Total: \$605,000
OPWC Grant: \$180,000
2012 Net: \$425,000 (\$300,000 Water Cap. Fund and \$125,000 Cap. Imp. Fund.)

The South Franklin Street waterline has experienced significant reliability problems. The main is over one hundred years old and one of the water main breaks caused significant private property damage by flooding a basement. The waterline will be replaced and the roadway resurfaced.

Lighting Energy Efficiency Program:

Project Total: \$29,000
First Energy Rebate: \$4000
2012 Net: \$25,000

The state mandated the electric utilities to reduce consumption. The Utilities are doing this through an energy efficiency rebate program paid for through a charge on the utility bill. Due to overwhelming demand the rebates ended up being far less than originally anticipated however the projected energy savings still makes this project economically attractive.

North Street Reconstruction and Waterline:

Project Total: \$2,524,000
NOACA TIP: \$1,200,000
OPWC Grant: \$225,000
2009 Earmark: \$100,000 (part)
2014 Net: \$999,000

The scope of this project is still under consideration and will likely be reduced by the elimination of sidewalks on one side of the roadway. Water improvements can be funded out of the Water Reserve fund.

Solon Raod Waterline and Phase 1 Paving:

Project Total: \$665,000
OPWC Loan: \$635,000
2011 Net: \$30,000
Debt Service: \$31,750 for 20 years.

The project consists of replacing a functionally inadequate watermain along Solon Road between Miles Road and Monticello Drive and includes tie-in work at the intersection of Solon and Greenbrier Road. This section of road will be repaved upon completion. This project will not remedy road base, culver and drainage deficiencies on Solon Road but will allow the road reconstruction (estimated at \$2.7M to be pushed off about ten years).

Chagrin Falls Capital Improvement Summary - 2001-2011

PROJECT	TOTAL		FUNDING SOURCES								Bond Issue or Assessments
	FINAL CONSTR.	LOCAL	OPWC 0% Loan (1)	OPWC Grant	Cuyaboga Engineer	Nature-Works	OTHER (2)	FED			
2001 FALLS RD WATER Phase 1 of 2	\$143,000	\$143,000	\$100,000								
2001 VINCENT ST. SANITARY	\$150,000	\$150,000									
2001 Bell St 2/2	\$430,000	\$326,550		\$103,450							
2001 NORTH MAIN RECONSTRUCT	\$724,500	\$424,500			\$300,000						
2003 FALLS RD WATER BOOSTER STATION Ph. 2	\$300,000	\$300,000	\$123,000								\$57,500
2003 HIGH ST SANITARY SEWER/PUMP STATION	\$245,000	\$187,500									
2003 SHOPPING PLAZA SEWER Lining	\$52,000	\$52,000									
2004 SOUTH FRANKLIN SIDEWALK EXT	\$7,000	\$52,000									
2004 WEST WASHINGTON STREET IMPRV.	\$560,000	\$560,000	\$106,500								
2004 Traffic Signals - ODOT	\$1,150,000	\$0							\$1,150,000		
2004 Falls Road Rehab BRICK REPL.	\$600,000	\$150,000			\$200,000						
2005 STREETSCAPE - Downtown Improvements	\$5,000,000	\$1,590,000							\$250,000		
2005 West Orange Street Wtr + Resurfacing	\$1,000,000	\$900,000		\$100,000					\$1,010,000		\$2,400,000
2005 West Summit Street Water	\$150,000	\$150,000									
2006 WWTP - Mechanical Equipment Repl.	\$1,200,000	\$992,000	\$92,000	\$208,000							
2007 East SUMMIT STREET SEWER Lining	\$175,000	\$175,000									
2008 2008 ROADS - MAY COURT WATERMAIN-short	\$87,000	\$87,000									
2009 2009 ROADS - MAY Ct WATERMAIN	\$108,000	\$108,000									
2010 Riverside Park playground equipment	\$45,000	\$9,600								\$35,400	
2010 Generators	\$239,600	\$81,600		\$100,000					\$58,000		
2011 Splitway dam modifications ph 1	\$65,000	\$0							\$65,000		
TOTALS	\$12,431,100	\$6,438,750	\$421,500	\$511,450	\$500,000	\$35,400	\$123,000	\$2,410,000	\$2,457,500		

(1) Included as local share.; (2) EPA, NOPEC

THE VILLAGE OF CHAGRIN FALLS
CAPITAL IMPROVEMENTS FUNDING SUMMARY

YEAR	PROJECT	TOTAL	LOCAL	OPWC GRANT	CCE	Nature-works	FED	Assessments or Bond Issue	NOPEC	OPWC * 0% LOAN
2010	Riverside Park	\$50,000	\$14,580			\$35,420				
2010	Generators	\$325,000	\$167,000	\$100,000					\$58,000	
2006	WWTP Mechanical Rehab	\$1,500,000	\$1,092,000	\$208,000						\$92,000
2005	West Orange Street Improvements	\$1,000,000	\$900,000	\$100,000						
2005	Streetscape	\$5,000,000	\$1,590,000				\$1,010,000	\$2,400,000		
2004-5	Falls Road Rehab	\$600,000	\$150,000		\$200,000		\$250,000			
2004	Traffic Signals	\$1,400,000	\$200,000				\$1,200,000			
2003	High Street Sanitary	\$245,590	\$188,090					\$57,500		
2003	West Washington Street Improvements	\$213,000	\$213,000							\$106,500
2001	Falls Road Water System Improvements	\$223,000	\$223,000							\$223,000
2001	N. Main Street Improvements	\$974,000	\$674,000		\$300,000					
1998	Whitesburg Nature Preserve	\$150,000	\$50,000			\$100,000				
1998	Ballfields	\$244,000	\$218,000			\$26,000				
2000	Bell Street Improvements	\$750,000	\$601,200	\$148,800						
2000	Solon Road Sidewalks	\$200,000								
1999	Ridgewood Road Sidewalks	\$150,000						?????		
1998	Ridgewood Road Sanitary Sewer	\$361,000	\$281,000					\$80,000		\$361,000
1994	American Street Storm Sewer	\$1,200,000	\$776,000	\$424,000						
1991	Cleveland St. Bridge	\$1,940,000	\$1,313,056	\$626,944						
1990	South Main Street Reconstruction		\$0							
1993	WWTP Loan Credit Enhancement	\$3,000,000	\$2,578,743	\$421,257						
	TOTALS	\$19,325,590	\$11,229,669	\$2,029,001	\$500,000	\$161,420	\$2,460,000	\$2,537,500	\$58,000	\$782,500

100% 58% 10% 3% 1% 13% 13% 0% 4%

*** not readily available
* Included as local share

2012 - 2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN

GENERAL CAPITAL IMPROVEMENT FUND

Revenues	5 YR. TOTAL	2012	2013	2014	2015	2016
Estimated Revenue (Estate tax)	\$325,000	\$200,000	\$125,000	\$0	\$0	\$0
Est. Outside Revenue (OPWC, grants, etc.)	\$2,604,500	\$1,079,500	\$0	\$1,525,000	\$0	\$0
Total Revenue	\$2,929,500	\$1,279,500	\$125,000	\$1,525,000	\$0	\$0

Expenditures AUTHORIZED OR FUNDED PROJECTS	5 YR. TOTAL	2012	2013	2014	2015	2016
Loan payments (Falls Rd, W. Wash., Ridgewood)	161,690	32,338	32,338	32,338	32,338	32,338
Annual Road Program	2,000,000	100,000	475,000	475,000	475,000	475,000
Residential Sidewalk Maintenance Program	160,000	0	40,000	40,000	40,000	40,000
Spillway Dam Modification	475,500	475,500				
SRTS Village Infrastructure (except Mill St. sidewalk)	410,000	410,000				
South Franklin Street resurfacing/waterline	125,000	125,000				
Mill Street Sidewalk	295,000	295,000				
Solon Road- Phase 1 resurfacing and waterline	665,000	30,000	31,750	31,750	31,750	31,750
North Street Reconstruction	2,524,000			2,524,000		
Lighting- Energy Efficiency Program	29,000	29,000				
Removal of Steps & fence replacement- Plaza lot	10,000	10,000				
Authorized Projects Sub - Total	\$6,855,190	\$1,506,838	\$579,088	\$3,103,088	\$579,088	\$579,088

Capital Improvement Fund Balances

BEGINNING BALANCE	\$736,800	\$736,800	\$509,462	\$55,374	(\$1,522,714)	(\$2,101,802)
ENDING BALANCE	(\$3,188,890)	\$509,462	\$55,374	(\$1,522,714)	(\$2,101,802)	(\$2,680,890)

Note: This is not an exact budget. 2012 balances and revenue as of 3/1/2012.

2012 Outside Revenue: \$266,500 (remaining) OEPA grant; \$209,000 Spillway match; \$350,000 (remaining) SRTS infrastructure grant; \$250,000 earmark (part) Mill St. sidewalk.

2012 Outside Revenue (cont.): \$400 First Energy grant, 2014 Outside Revenue: \$100,000 earmark (part), \$225,000 OPWC and \$1.2M NOACA TIP for North Street.

\$31,750 per year for Solon Road to service \$635,000, 0% OPWC loan (proceeds of loan would be spent in 2012 on waterline and resurfacing).

2012 - 2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN

PROPOSED PROJECTS

* PROJECTS	5 YR. TOTAL				
	2012	2013	2014	2015	2015-2020
8 **Police Station (reevaluating dispatch relocation)	reconsidering scope				
8 Village Hall -Improvements	250,000			250,000	
8 Walters Road Rehab	175,000			175,000	
12 Salt Building Replacement	200,000	200,000			
12 Chagrin Blvd. Sidewalk	265,000				265,000
14 New Sidewalk- Olive Street	50,000				50,000
14 Locust Lane Detention	340,000				340,000
14 Landing by Falls (scope under reconsideration)	25,000				25,000
30 Riverside Park- Library Path	38,000				38,000
30 Cemetery Expansion	315,000				315,000
30 Storm sewer master plan projects	4,015,000				4,015,000
36 Greenbrier Subd. storm sewer lining	200,000				200,000
Land Acquisition (as may be necessary for projects)	350,000				350,000
Proposed Projects Sub - Total	\$6,223,000	\$0	\$200,000	\$250,000	\$175,000
					\$5,598,000

* Projects were scored by Kent State University two dimensional matrix for preliminary prioritization.

** Police Station costs depend on disposition of new dispatch center. \$250,000 technology grant available.

Balance after funding of Authorized Projects	\$509,462	\$509,462	\$55,374	(\$1,522,714)	(\$2,101,802)	(\$2,680,890)
Balance after funding of Auth. and Prop. Projects	\$2,804,500	\$509,462	(\$144,626)	(\$1,772,714)	(\$2,276,802)	(\$8,278,890)

Balance after funding of Authorized Projects should remain greater than \$400,000 to maintain emergency reserve established by Council.

Note: Utilities projects will be coordinated with roadway projects where possible to reduce restoration costs.

**2012 - 2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN
WATER RESERVE CAPITAL IMPROVEMENT**

	5 YR. TOTAL	2012	2013	2014	2015	2015-2020
Estimated Revenue	\$405,000	\$180,000	\$0	\$225,000	\$0	\$0

PROJECTS	5 YR. TOTAL	2012	2013	2014	2015	2015-2020
Franklin Street Waterline	300,000	300,000				
Kenton Rd. Waterline	220,000					220,000
Walters Road Water Main	125,000				125,000	
Walnut Street Waterline	160,000					160,000
Miles Road Waterline	400,000					400,000
Water transmission line from FS wells	240,000					240,000
All other 4" waterline replacements	1,390,000					1,390,000

TOTAL Water Capital Improvement	\$2,835,000	\$300,000	\$0	\$0	\$0	\$125,000	\$2,410,000
BEGINNING BALANCE	\$923,561	\$923,561	\$623,561	\$623,561	\$623,561	\$623,561	\$498,561
ENDING BALANCE	(\$1,911,439)	\$623,561	\$623,561	\$623,561	\$623,561	\$498,561	(\$1,911,439)

2012 Revenue of \$180,000 OPWC grant for Franklin St. Water line.

**2012 - 2016 FIVE YEAR CAPITAL IMPROVEMENT PLAN
SEWER RESERVE CAPITAL IMPROVEMENT**

	5 YR. TOTAL	2012	2013	2014	2015	2016
Estimated Revenue	\$250,000.00	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

PROJECTS	5 YR. TOTAL	2012	2013	2014	2015	2016
Return Building Pump & Control Replacement	50,000	50,000				
E. Washington from Ind. Pkwy. to St. Joan/San.	50,000				50,000	
Cleveland/ Columbus & American Street/San.	90,000					90,000
San. Sewer Relining/Replacement (various)	200,000					200,000
Walters Road/San.& Hickory Hill LS abandoned	150,000					150,000
TOTAL SEWER Capital Improvement	\$540,000	\$50,000	0	\$0	\$200,000	\$290,000
BEGINNING BALANCE	\$437,576	\$437,576	\$437,576	\$487,576	\$537,576	\$387,576
ENDING BALANCE	\$147,576	\$437,576	\$487,576	\$537,576	\$387,576	\$147,576

\$50,000 per year of revenue generated by the rate and transferred from the sewer operating fund.