

City of Willoughby Hills

Interoffice Memo

Date: April 3, 2014
To: Mayor Robert Weger and Members of City Council
From: Frank Brichacek, Director of Finance *FJB*
Subject: 2014 Operating Budget Revision -
Classic TIF Capital Project Fund No. 423

This memorandum is a request an increase in the appropriation of the Classic TIF Capital Project Fund No. 423 of \$6,100, from \$102,000 to \$108,100, to provide for the following items that were not included in the 2014 adopted Operating Budget:

- **\$1,500** – To provide for fees charged by Lake County for the collection of the tax increment financing payments in lieu of taxes. This item was mistakenly left out of the adopted 2014 Operating Budget.
- **\$4,600** – The final payment to the Ohio Department of Transportation for the improvements to SOM Center Road as part of the Classic TIF project.

In 2008 as part of the Classic TIF project, the City entered into agreement with ODOT to fund the reconstruction of .17 miles of SOM Center Road including:

- The addition of a northbound right turn lane and a southbound left turn lane;
- Resurfacing the road;
- Drainage improvements
- Installation of a new traffic signal at the SOM/Classic Drive/Corporate 90 Drive intersection;
- Interconnection of the new signal to signals at the interchange, preemption and traffic controller update; and
- Preemption at various signals in the cities of Willoughby Hills and Willoughby.

The City agreed to fund the portion of the cost of the project that is not covered by Federal or State funding. The State of Ohio managed the project. The final cost of this project was \$879,634.54. ODOT received \$804,420.17 in federal funding for the project. This left the City to fund \$71,214.37. Based upon the estimated cost of the project, the City in 2010 paid the State \$66,684.00 as a deposit on this project resulting in a final balance to the City of \$4,530.37.

Unfortunately, the prior Finance Director did not encumber any funding for this payment and I was unaware of this liability. ODOT issued a final bill to the City and demanded payment within thirty days or it would cut off consideration of future funding to the City until the bill was paid. Because the City has funding requests pending with ODOT and because I determined that the amount billed is the City's liability, I authorized payment of this bill. The project was funded by TIF payments and as such the final liability was paid from the TIF Capital Project Fund. Should this appropriation revision not be approved, the payment will be charged to the Road Levy Special Revenue Fund 270 construction budget.

If you have any questions regarding this appropriation change, do not hesitate to contact me. If you have any questions regarding the project itself, please contact Mayor Robert Weger.

C: Debbie Doles, Assistant Finance Director

ORDINANCE NO. 2014-30
Exhibit "A"
Page 1 of 1