

IN THE SUPREME COURT OF OHIO
CASE NUMBER 2009-0866

STATE, EX REL. ELIZABETH A. KOBLY, ET AL.

RELATORS

vs.

YOUNGSTOWN CITY COUNCIL, ET AL.

RESPONDENTS

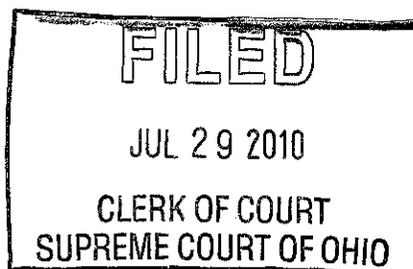
RESPONDENTS' SUBMISSION OF EVIDENCE
VOLUME ONE

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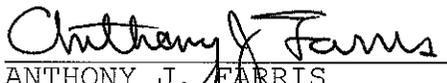
ATTORNEYS FOR RESPONDENTS



CERTIFICATE OF SERVICE

I hereby certify that a true copy of RESPONDENTS' SUBMISSION OF EVIDENCE, VOLUME ONE, was mailed by regular mail on this 29th day of July, 2010, to JOHN B. JUHASZ (0023777), 7081 WEST BOULEVARD, SUITE 4, YOUNGSTOWN, OHIO, 44512-4362, ATTORNEY FOR RELATORS.


IRIS TORRES GUGLIUCELLO
LAW DIRECTOR
CITY OF YOUNGSTOWN


ANTHONY J. FARRIS
DEPUTY LAW DIRECTOR
CITY OF YOUNGSTOWN

RECORD OF EVIDENCE

VOLUME ONE

- EXHIBIT A - Affidavit of Jay Williams
- EXHIBIT B - Affidavit of Jason Whitehead
- EXHIBIT C - Affidavit of David Bozanich
- EXHIBIT D - Affidavit of Gregg Strollo
- EXHIBIT E - Affidavit of Kirk Kreuzwieser
- EXHIBIT F - Affidavit of Sean McKinney
- EXHIBIT G - Affidavit of Kyle Miasek

IN THE SUPREME COURT OF OHIO

STATE EX REL.	)	CASE NUMBER 2009-0866
ELIZABETH A. KOBLY, ET AL)	
)	
Relators)	
)	
vs.	)	<u>AFFIDAVIT OF</u>
	)	<u>MAYOR JAY WILLIAMS</u>
YOUNGSTOWN CITY COUNCIL,)	
ET AL.)	
)	
Respondents)	

Now comes Mayor Jay Williams, being first duly sworn, and deposes and says as follows:

1. I am currently the Mayor of the City of Youngstown, Ohio.
2. I have held that position since I took office on January 1, 2006.
3. When I entered office, it was my intention to facilitate the achievement of improved court facilities for the Youngstown Municipal Court.
4. During my early discussions with Judge Robert Douglas who acted as spokesperson for the Youngstown Municipal Court judges on this issue, he represented to me that the judges were seeking to carry out plans to build a newly-constructed court house at a site known as the Master's Block. I was provided site plans with a cost estimate

prepared by Raymond Jaminet in which he estimated the cost to build such a facility at \$7,849,274.00.

5. The Youngstown-Warren Regional Chamber of Commerce provided my administration with a report that reflects that the Master's Block project would have cost in excess of Ten Million Dollars (\$10,000,000.00) to complete. I have personally reviewed this report which is attached to this Affidavit as Exhibit One.

6. Said amount of money was and is far beyond the capacity of the City of Youngstown to expend.

7. The City of Youngstown had an analysis prepared by the Public Financial Management (PFM) Group, Plaza One South, 7251 Engle Road, Suite 115, Cleveland, Ohio, 44130, of its financing capacity. I have personally reviewed this analysis which is attached to this Affidavit as Exhibit Two.

8. The PRM Group analysis reflects that, absent direct voter approval, the City of Youngstown would be unable to finance a project of that size until the end of 2011 due to the indirect 10-mill limitation on non-voter approved general obligation debt, and only then if none of the other taxing jurisdictions in Mahoning County, Ohio, issue additional debt.

9. The City of Youngstown requested Architect Gregg Strollo of Strollo Architects, 20 West Federal Street, Suite 604, Youngstown, Ohio, 44503, to analyze the preliminary plans that had been prepared by Raymond Jaminet of Olsavsky Jaminet Architects, 114 East Front Street, Suite 200, Youngstown, Ohio 44503, for the Master's Block project and to work with Mr. Jaminet to see if costs could be reduced while still complying with all standards of the Ohio Supreme Court.

10. An impasse was reached at this point because the Youngstown Municipal Court judges were unwilling to consider any alterations to the Masters Block plans that would reduce the cost.

11. In November of 2007, the Youngstown Municipal Court judges unsuccessfully sought the approval of the Youngstown City Council to expend Four Hundred Ninety-five Thousand Dollars (\$495,000.00) to have architectural drawings prepared by Raymond Jaminet for the Master's Block project despite the fact that the City of Youngstown lacked the finances to commit to carrying out the Masters Block project as envisioned by Mr. Jaminet and the judges and the money for the architectural designs would therefore be wasted.

12. Architect Jaminet had been awarded a contract by the City Board of Control in 2003 to do a preliminary architectural study for construction of municipal court and

police facilities. Although by the end of 2006, he had completed all of the work required under said contract, including a schematic design for the Masters Block project, he continued to advise the municipal court judges and, in my view, to accede to all their wishes regarding the proposed facility whether or not affordable..

13. In my continuing effort to find a feasible method to secure improved facilities for the municipal court, I requested Architect Strollo to analyze the suitability of the Youngstown City Hall Annex, which had once been a federal court building, to house the Youngstown Municipal Court.

14. On October 23, 2008, Architect Strollo produced a preliminary report which reflects that the facilities that had been proposed for the Master's Block project could easily be accommodated, with slight modifications, in the City-owned Youngstown City Hall Annex in compliance with all Ohio Supreme Court standards and at a cost of approximately Six Million Dollars (\$6,000,000.00).

15. Said preliminary report along with renovation plans were promptly provided to the Youngstown Municipal Court judges.

16. I was informed that at a meeting with the Ohio Supreme Court Administrative Director on October 29, 2008, the Youngstown Municipal Court judges expressed a willingness

for the first time during my administration to consider renovating the Youngstown City Hall Annex Building to house the municipal court facilities.

17. In March 2009, I attended a meeting with Administrative Judge Elizabeth Kobly at which I attempted to discuss Architect Strollo's plan to renovate the annex for court facilities and to elicit the Judges' comments on it. Judge Kobly refused to provide any feedback on his plan, failed to request any changes to it, and refused to provide any comment whatsoever other than derisive comments such as referring to the plan as "garbage." She also did not present any alternative plan prepared by Architect Jaminet or anyone else.

18. After suit was filed on this matter, the City obtained a copy of a schematic plan dated July 27, 2009 for renovation of the City Annex to house the municipal court prepared by Architect Jaminet.

19. Said plan has features and amenities far beyond those required to satisfy Ohio Supreme Court standards. For example, it calls for: a number of elevators that far exceeds the amount required to satisfy the Supreme Court security standards, an indoor parking facility to be added as an extension protruding from the side of the historic building in which the facilities are to be housed, and an amount of

space more than double the amount recommended for such a facility.

20. The cost of Architect Jaminet's plans for the City Hall Annex site is uncertain. Architect Jaminet previously estimated that the cost of renovating that site would be in excess of Seven Million Four Hundred Sixty-two Thousand Nine Hundred Eighty-six Dollars (\$7,462,986.00). Architect Strollo has estimated that Architect Jaminet's plans would cost Eight Million Dollars (\$8,000,000.00) to carry out.

21. The Youngstown Municipal Court judges have consistently refused to negotiate the differences between the Strollo and Jaminet plans. They have consistently made it clear that they are only willing to consider the Jaminet plan exactly as written.

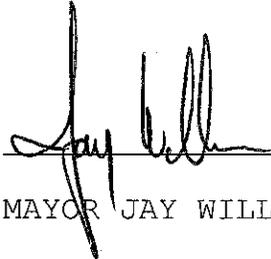
22. The Youngstown Municipal Court judges prevented the City of Youngstown from providing suitable accommodations which comply with all Ohio Supreme Court standards pursuant to the Strollo plan in that carrying out said plan would not have dissuaded the municipal judges from this litigation nor secured the release of the money the Youngstown Municipal Court has accumulated in its Special Project Fund and Capital Improvement Fund for use on this project.

23. The City of Youngstown remains committed to providing a renovated court facility for the Youngstown

Municipal Court that complies with all Supreme Court guidelines, but to do so in a manner that takes into account its precarious financial condition and the People of Youngstown's desperate need for issues of safety and quality of life to be addressed with its limited resources.

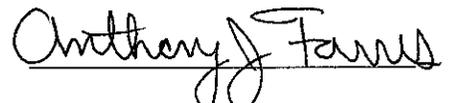
24. All of the foregoing is based on my own personal knowledge and relates to relevant matters about which I am competent to testify.

FURTHER, AFFIANT SAYETH NAUGHT.


MAYOR JAY WILLIAMS

STATE OF OHIO)
) ss:
COUNTY OF MAHONING)

Subscribed and sworn to before me this 22 day of July, 2010.


NOTARY PUBLIC

Whitehead, Jason

From: REID [REID@regionalchamber.com]
Sent: Wednesday, March 22, 2006 11:26 PM
To: Whitehead, Jason
Subject: Municipal Court

Jason,

Attached is a projected budget for a Youngstown Municipal Court project on the Masters Block site owned by the YCACIC. I understand that our estimates are actually higher than the Court's architect, so a little explanation is in order. Note: our assumptions are based on the same design-bid-build-finance approach that you operated for the YCACIC and which was used successfully on the Voinovich Center, Mahoning County Children Services Building and, in slightly altered format, the 7th District Court of Appeals building.

- We used the 7th District Court of Appeals project as a model. The low bidder on that project was Welty Construction, with a base bid of \$210/s.f. excluding remediation and demolition. The second lowest bidder was Murphy Contracting, at \$218/s.f. excluding remediation and demolition. Given the CIC's experience – which includes mediation with Welty, in part over their underestimating the environmental remediation costs by \$3.57/s.f. – we determined that a base cost between \$215 - \$220/s.f. was appropriate and selected the upper boundary to present a conservative estimate.
- We assumed 35,000 gross square feet on two levels (the site is approximately 25,000 s.f.), with 1-level of basement parking at grade in the rear (alley) providing 50+/- spaces. That is the only parking currently budgeted for.
- Based on our experience with the 7th District Court we estimated \$50/s.f. for a 20,000 s.f. basement.
- Other assumptions include: 5% hard cost contingency (\$435,000), \$635,000 in fees/soft costs (including a 5% Developer's Fee), 15-months of construction period interest (\$510,000) that the bidder builds into their proposal – for a total of \$10,280,000.
- The total equates to \$295.48/s.f. By way of comparison, the 7th District Court building will be \$288.54/s.f.
- As always, given that the assumption that the project would be competitively bid, any "savings" (i.e., bids below budget) would either go to reduce debt or be available to enhance the facility, at the City's sole discretion.
- By using the base bids from the 7th District Court as a model, we're projecting a moderate level of finish with limited high-cost space. For example, we have not budgeted for vaulted ceilings, marble or granite floors, or statuary. Likewise, we have not included cost for security or telecommunications systems, though the conduit would be in-place, furniture, or moving expenses.

Assuming the Court has approximately \$1 million to allocate to a new facility, this approach would require financing \$9.28 million – either conventionally through City debt, or through Certificates of Participation. We recognize the financial burden that amount of new debt presents to the City. However, given our (mutual) experience with the Court of Appeals, we opted to avoid any unpleasant surprises and use real data for our analysis.

We would be please to discuss this with you in more detail at your convenience.

<<Muni Court 3-22-06.xls>>

Reid Dulberger

Executive Vice President
Youngstown/Warren Regional Chamber
197 W. Market Street, 7th floor
Warren, OH 44481

3/23/2006



PROJECT DEVELOPMENT BUDGET

Project Name: **Youngstown Municipal Court**

HARD COSTS:

	<u>Sq. Ft.</u>	<u>\$/S.F.</u>	<u>COST</u>
Acquire Site/Buildings			\$0
Environmental Remediation			\$0
Demolition			\$0
New Construction - 2 floors	35,000	\$220.00	\$7,700,000
Basement - Parking, Alley Grade (50 +/- cars)	20,000	\$50.00	\$1,000,000
Other Improvements			\$0
Off-Site Parking			\$0
Off-Site Improvements			\$0
Leasehold Improvements			\$0
Public Infrastructure			\$0
Other			\$0
	34,791	\$250.06	\$8,700,000

Hard Cost Contingency

5.0%	\$12.50	\$435,000
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SOFT COSTS:

Accounting			\$0
Appraisal			\$0
Architectural/Engineering - YCACIC		\$3.31	\$115,000
Debt Service Reserve Fund			\$0
Developer Fee - 5%		\$14.08	\$490,000
Environmental Studies			\$0
Facility Fees & Permits			\$0
Financing Fees			\$0
Interim Taxes			\$0
Legal		\$0.86	\$30,000
Marketing & Promotion			\$0
Misc.			\$0
		\$18.25	\$635,000

CONSTRUCTION INTEREST:

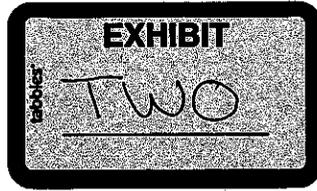
Amount		\$9,600,000
Rate		8.50%
Term (months)		15
Cost	\$14.66	\$510,000

TOTAL DEVELOPMENT COST

\$295.48	\$10,280,000
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Start-Up Capital/Reserve

\$0



City of Youngstown, Ohio



Municipal Court Facility Financial Analysis

March 20, 2008

The PFM Group
Plaza One South
7251 Engle Rd
Suite 115
Cleveland, OH 44130

440-239-7070
440-239-7074 fax
www.pfm.com



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Introduction

At the request of the City of Youngstown and in accordance with the terms of a Memorandum of Understanding established between the Executive and Judicial branches of the City in June of 2006 as well as a subsequent agreement in November 2007, Public Financial Management (PFM) has prepared an analysis of the City's financial capacity as it relates to the construction of a proposed Youngstown Municipal Court Facility ("Facility").

The proposed financing would provide for a new facility to be constructed on the Masters Block site owned by the Youngstown Area Central Improvement Corporation (YACIC). The facility would consist of 35,000 gross square feet on two levels with one 20,000 square foot basement and approximately 50 spaces of surface parking. The most recent project development budget was prepared in 2006 and estimates a total development cost of \$10,280,000. It should be noted, however, that this cost estimate does not include the cost for security and telecommunications systems, furniture, or moving expenses.

The financial capacity analysis consists of three tasks:

- Evaluate the City of Youngstown's legal and practical financing capacity as it relates to the Municipal Court Facility.
- Integrate and evaluate the impact of court facility financing on ongoing city operations (within the constraints of estimating reasonable projections).
- Examine financing scenarios and offer estimates and suggestions as to how and when financing the proposed Municipal Court Facility can be accomplished.

Each of these tasks will be addressed in a subsequent section of this report.

* * * * *



Financing Capacity



Financing Capacity

Evaluate the City of Youngstown's legal and practical financing capacity as it relates to the Municipal Court Facility

The City could legally finance the Municipal Court facility with four methods:

- Funds on Hand
- Voter Approved General Obligation Debt
- Non-Voter Approved General Obligation Debt
- Certificates of Participation

Each of these methods will be reviewed individually as follows:

Funds on Hand

While rare for a project of this magnitude, it would be legal to finance the project with funds on hand if sufficient funds were available. As of December 31, 2007, the balance in the Court Special Projects Fund was \$1,431,688. The only additional funds available to supplement this would be the cash balance of the City's general fund. The cash balance of the general fund as of December 31, 2007, is estimated to be \$472,064.

This fund balance is not only insufficient to fund the Municipal Court project, but has raised concerns at Standard & Poor's, the credit rating agency which rates the City's outstanding bonds. In December of 2007, Standard & Poor's placed the City on negative outlook primarily as a result of this small balance, stating that "The negative outlook reflects the City's decreased liquidity especially when negating the effect of onetime measures. A return to a stable outlook is contingent on the City achieving and maintaining balanced operations while rebuilding liquidity levels. Failure to do so could result in a downgrade."

Voter Approved General Obligation Debt

The City is able to issue general obligation debt (voter approved and non-voter approved combined) in an amount not to exceed 10.5% of the City's assessed value. As of December 31, 2007, the City's assessed value was \$601,628,937 allowing for maximum general obligation debt in the amount of \$63,171,038. Of this amount, the City has outstanding general obligation debt in the amount of \$36,305,000, leaving a capacity of \$26,866,038 available for City projects.

This capacity is sufficient to fund the Municipal Court Project and would provide a source of revenue for the repayment of the debt associated with the project. The ability to proceed with the project would depend upon receiving approval of a majority of voters at either a general or special election.



Non-voter Approved General Obligation Debt

The City's ability to issue General Obligation Debt which is not subject to voter approval is subject to an indirect (10-mill) limit on all overlapping political subdivisions. This limit is explained in a letter to David Bozanich dated January 10, 2008, from Attorney Pam Hanover of Squire, Sanders & Dempsey L.L.P.:

"The City's ability to issue unvoted general obligation debt is restricted indirectly by certain limitations on taxation. Revised Code Section 5705.02 limits the levy of unvoted taxes by all overlapping political subdivisions on any parcel of property to 1% of the assessed valuation of that property. This limitation is often referred to as the "10-mill limitation." Article 12, Section 11 of the Ohio Constitution prohibits the City from incurring debt unless the ordinance authorizing the debt provides for the levy and collection of taxes in an amount sufficient to pay principal and interest on the debt each year. Therefore, an ordinance authorizing unvoted general obligation debt must provide for an unvoted tax levy to pay the related debt service. Any debt issued which would cause the total of such unvoted tax levies by all overlapping political subdivisions to exceed the 10-mill limitation is void. Thus, in combination, these provisions operate as an indirect limit on the amount of unvoted debt the City may issue.

This indirect debt limitation requires a determination that in the theoretical situation in which no other funds are available for payment of debt service on unvoted general obligation debt, the taxes required to be levied to pay that debt service in any year would not exceed 10 mills on any parcel of property subject to taxation in the City. Because the 10-mill limitation refers to a maximum tax on a parcel of property, it is necessary to total the taxes which could be required to be levied by all political subdivisions which overlap the City in the event that all subdivisions, including the City, were required in fact to levy and collect taxes to pay debt service on their respective unvoted general obligation debt. Further, to determine the portion of millage inside the 10-mill limitation which has been allocated to debt service on unvoted general obligation debt, it is necessary to evaluate the year of the highest potential overlapping millage requirements."



Financing Capacity

As of December 2007, the amount included in this calculation is as follows:

Overlapping Subdivisions	Tax Valuation	Present Principal Amount	Debt charges for calendar year in which they will be the highest (2009)		Required Tax Rate in Mills
			For Principal	For Interest	
Mahoning County	\$4,176,044,571	\$50,350,002	\$9,463,554	Amount included in Principal	2.2662
City of Youngstown	\$601,628,937	\$36,305,000	\$1,755,000	\$2,335,530	6.7991
Youngstown City School District (other)	\$638,817,869	None	None	None	0
Total					9.0653

The maximum amount of the tax rate which could be levied under this limit is 0.9347 (the 10-mill limit less 9.0653). Based upon the City's current assessed value this amount would generate \$562,342.57 annually. This amount is insufficient to support the annual payment which would be required for the proposed Municipal Court Project. Even if it were sufficient, it is recommended that the City not levy to the maximum in order to provide the ability for the City (or other taxing entity) to fund unexpected projects.

Certificates of Participation

The City could also enter into a lease obligation whereby the City would agree to pay lease rentals under a lease purchase agreement. Certificates of Participation could then be issued based upon the lease (Certificates of Participation allow for the purchasers of the Certificates to receive a fractional share of the lease revenues). Since the security is limited, the Certificates are not considered to be "debt". The Certificates, however, are considered less credit worthy than the City's general obligation debt. As a result, purchasers of these Certificates would require a higher interest rate than would a purchaser of the City's general obligation debt. More important than the interest rate, however, would be the ability of the City to demonstrate sufficient revenues to meet for the lease payments associated with this financing mechanism. As will be discussed further in the next section of this report, absent a new source of revenue, it is extremely unlikely that the City would be able to fund the proposed Municipal Court Project through the issuance of Certificates of Participation.



Ongoing Operations



Ongoing Operations

Integrate and evaluate the impact of court facility financing on ongoing city operations (within the constraints of estimating reasonable projections).

In order to determine the impact that the court facility financing would have on ongoing operations, PFM analyzed the historic data from the financial statements for the operating funds of the City. These operating funds include the general fund, fire levy, police levy and other general governmental funds. They do not include proprietary funds, bond retirement funds, community development funds and convention center project funds, because revenues from these funds would not be available to assist in financing the municipal court facility. The combined revenues and expenditures for these funds since the year 2000 are presented as follows:

	2000	2001	2002	2003	2004	2005	2006
Revenues							
Income taxes	33,022,656	32,276,682	32,321,435	39,785,737	41,001,513	45,391,312	50,285,993
Property and other taxes							
Charges for services	3,829,664	3,474,311	3,475,543	3,741,504	4,284,628	5,250,904	5,328,920
Licenses and permits	392,304	594,105	619,380	595,055	724,987	873,758	588,043
Fines and forfeiture	880,633	957,901	1,005,025	1,063,878	977,724	609,564	680,174
Intergovernmental	22,671,633	19,792,709	17,305,585	13,722,603	13,605,568	11,548,206	13,836,944
Special assessments	0	776,047	1,473				
Investment income	1,058,604	0	284,106	60,348	74,405	273,430	425,786
Rental income	367,144	419,125	440,844	469,861	459,329	573,330	563,831
Contributions and donations	1,500	10,982	50,710	21,218	13,814	55,817	18,865
Franchise fees	649,336	410,899	558,112	577,568	609,619	619,136	596,814
Other	460,069	574,857	683,539	149,890	152,594	343,512	739,077
Total Revenues	63,612,555	59,287,618	56,745,752	60,187,662	61,904,181	65,538,969	73,064,447
Expenditures							
Current:							
General government	10,419,592	10,173,861	10,527,729	13,635,751	10,663,637	11,431,702	11,901,545
Security of persons and property	26,152,548	27,387,175	28,162,820	29,478,891	29,915,547	33,916,676	34,211,391
Public health and welfare	1,824,361	1,800,938	2,247,979	2,161,314	2,098,138	2,236,509	2,362,360
Transportation	7,069,925	7,704,561	6,938,428	6,862,868	6,909,711	6,933,869	6,732,104
Community environment	8,427,143	8,310,547	5,425,276	2,716,054	1,841,098	2,289,381	1,846,162
Leisure time activity	2,575,846	2,759,166	2,608,334	2,894,209	2,961,077	3,055,025	3,277,768
Utility services	2,572,766	2,332,513	2,093,124	2,039,002	2,432,950	2,320,491	2,764,081
Capital outlay	4,838,906	2,793,821	4,594,917	4,120,573	5,162,221	7,560,010	8,501,120
Debt service:							
Principal retirement	1,645,000	1,925,000	1,655,000	614,047	680,984	94,201	35,880
Interest and fiscal charges	754,444	264,259	706,609	43,242	19,040	200,756	74,538
Total Expenditures	66,280,531	65,451,841	64,960,216	64,565,951	62,684,403	70,038,620	71,706,949
Excess (deficiency) of revenues over (under) expenditures	(2,667,976)	(6,164,223)	(8,214,464)	(4,378,289)	(780,222)	(4,499,651)	1,357,498

The historic information clearly shows that the revenues related to these operating funds are insufficient to meet expenditures. The City has regularly relied upon fund transfers and one time revenue sources (i.e., asset sales, fund balance) to balance operations. In order to project the City's ability to fund the proposed municipal court facility in the future, it is necessary to make assumptions based upon an analysis of



Ongoing Operations

historic trends. In developing its projections, PFM used the following assumptions for each revenue and expenditure category.

Revenue Analysis

The operating funds rely heavily upon the City's income tax. During 2005 and 2006 the City's income tax provided approximately 69% of all revenues for these funds. Since 2000, the income tax has increased by 52.28% due in part to a tax rate increase from 2.25% to 2.75% in 2003. Even adjusting for the rate increase, the income tax grew at a rate of 4.1% annually during this time frame. It is important to note that the rate of increase varied significantly from a negative 2.26% to a positive 10.78%.

By way of comparison, the following table shows the City's income taxes compared with all income tax collections for Ohio municipalities for the period of time between 1998 and 2005 (the most recent data available). When adjusted for the income tax rate increase the annual growth in Youngstown's income tax collections was somewhat less than the aggregate municipal income tax collections.

<u>Year</u>	<u>Youngstown</u>	<u>% Change</u>	<u>All Ohio Municipalities</u>	<u>% Change</u>
1998	\$ 30,947,253		\$3,009.40	
1999	32,885,586	6.26%	3,178.80	5.63%
2000	33,022,656	0.42%	3,279.20	3.16%
2001	32,276,682	-2.26%	3,353.90	2.28%
2002	32,321,435	0.14%	3,358.50	0.14%
2003	39,785,737	23.09%	3,443.70	2.54%
2004	41,110,513	3.33%	3,538.30	2.75%
2005	45,391,312	10.41%	3,776.50	6.73%
Total Percentage Change		46.67%		25.49%
Average Annual Change		6.67%		3.64%
Average Adjusted Annual		2.72%		

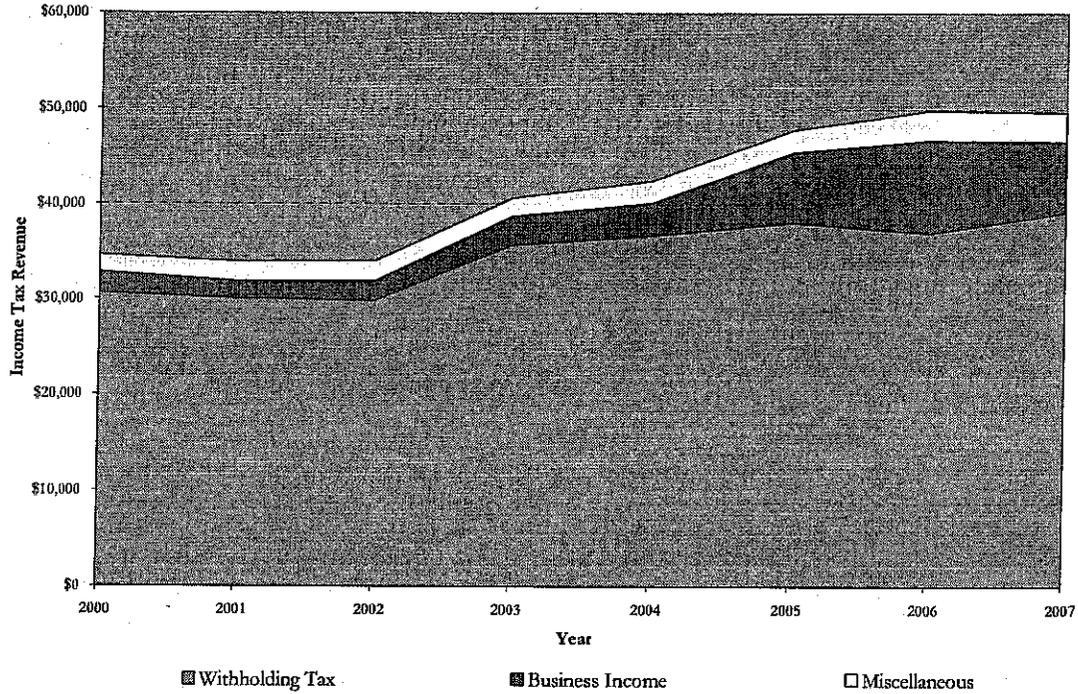
The City's income tax revenues come from three sources: 1) monthly and quarterly withholding, 2) business income, and 3) miscellaneous (self-reporting) income tax. Between 2000 and 2006, the increase in income tax revenues came disproportionately from the business income tax.

The following graphs show the growth in gross income tax revenues between 2000 and 2007 both cumulatively and by individual revenue source (on a cash basis).

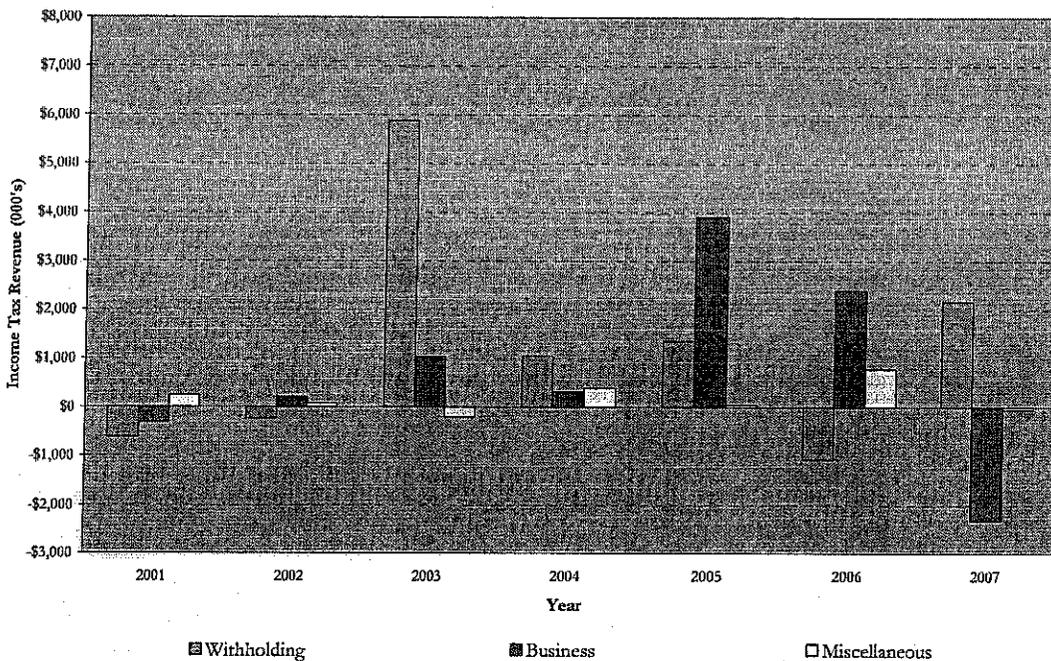


Ongoing Operations

City of Youngstown, Ohio
Historical Income Tax Revenue by Category



City of Youngstown, Ohio
Year Over Year \$ Change in Income Tax Revenue by Category (000's)





Ongoing Operations

In order to estimate income tax revenues going forward, it is necessary to analyze the income tax revenue sources individually. The largest amount of income tax revenues is received from monthly and quarterly withholding. During 2007, this category represented approximately 79% of gross income taxes collected. Between 2000 and 2007 this category grew by 27.86%, after adjusting for the tax rate increase, revenues grew by less than 1% annually.

The Miscellaneous (self-reporting) revenues represented approximately 6.25% of the income tax revenues collected. This portion of the tax revenues increased by approximately 5.65% between 2000 and 2007 with the largest increase (33%) occurring in 2006 due to greater collection efforts by RITA.

The business income tax disproportionately influenced the results of the City's income tax collections during the period of this analysis. In 2000, the business income tax represented 5.46% of the income taxes collected. Between 2000 and 2006, this revenue source grew by 349% (even after adjusting for the income tax rate increase, this represented an annual growth rate of 45%). As a result, in 2006 the business income tax represented 19.5% of all income taxes collected. During 2007, revenues in this category decreased by 25%. Going forward the business tax is not likely to continue to expand at the rapid pace that it did between 2000 and 2006.

For the purpose of this projection, PFM has assumed that the rate of increase for the next five year period will be less than it was during the 2000 to 2006 timeframe as growth will most likely be influenced by the monthly and quarterly withholding revenues and less influenced by rapid growth in the business income tax. The projection assumes that the rate of growth will be more reflective of the growth which occurred between 1998 and 2005, which was an adjusted annual rate of 2.72%.

Other Revenue Sources

Other revenues used to fund the City's operating funds are projected as follows:

- Charges for services increased by 6.52% annually between 2000 and 2006. This trend is anticipated to continue in the future.
- License and permit revenues have fluctuated. For the purposes of projecting revenues going forward, it is assumed that the average amount of revenues would be available.



Ongoing Operations

- Fines and Forfeiture revenues have declined for general operating purposes as a result of a decision in 2005 to allocate a portion of these funds annually to the Court Special Projects Fund. The amount of fines and forfeitures available for the operating funds are anticipated to remain at the 2006 level going forward.
- Intergovernmental revenues have declined substantially for these funds between 2000 and 2003 likely due to a recategorization of these revenues to funds not considered in this analysis. The decline appears to have stabilized since 2003. Going forward it is assumed that the average of the revenues received by the City between 2003 and 2006 would be available.
- Special Assessments have not been used for the City's operating funds since 2002. No revenues were projected for future use.
- Investment income has fluctuated significantly. It was assumed the City would earn the average amount earned during 2000 and 2006 going forward.
- Rental income has fluctuated within a relatively narrow dollar range. It is assumed that the average past rental revenues would be available in the future.
- Contributions and donations provide a very small amount of revenues. The average amount of contributions (\$24,700) was assumed to continue going forward.
- Franchise fees have remained stable since 2002. The average of revenues since 2002 is assumed to be available in the future.
- The "Other Revenues" category has fluctuated significantly. The average of these amounts is assumed to be available going forward.

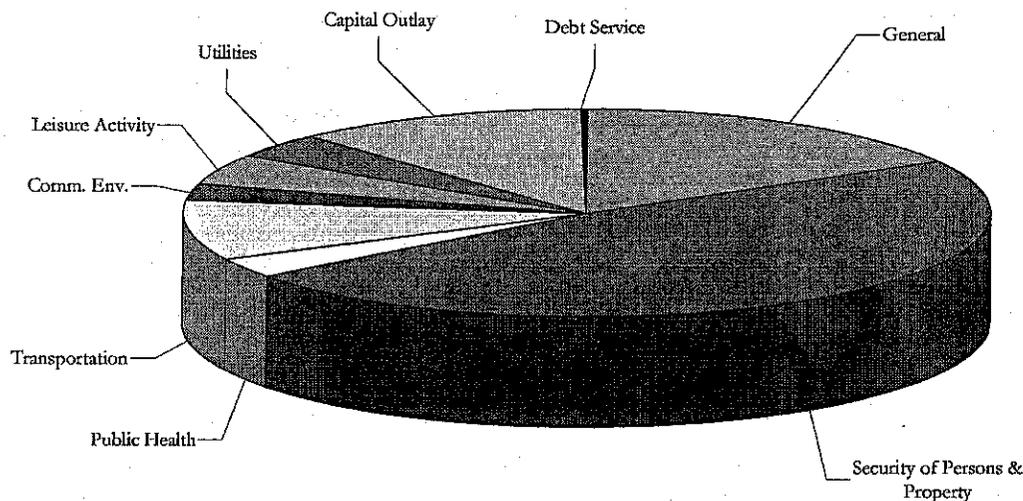


Ongoing Operations

Expenditures

For the purposes of this analysis, PFM assumes that there are no fundamental changes in the existing service levels or method of operation. Expenditures for the City's operating funds for the year 2006 are represented in the following pie chart:

City of Youngstown, Ohio
2006 Expenditures



Clearly the largest expenditure is for the protection of persons and property. Since 2004 the protection of persons and property has consistently represented approximately 48% of the City's operating funds. Between 2000 and 2006, expenditures increased by an average of 5.14%. Going forward it is assumed that this rate of increase will continue.

General Government represents approximately 16.6% of operating expenditures. The expenditures have grown at an average of 2.37% between 2000 and 2006. This rate of growth is assumed to continue.

Public Health and Welfare grew at a rate of 4.91% between 2000 and 2006. However much of this growth occurred due to a one time increase in expenditures during 2002. Since 2003, expenditures have increased only slightly. It is assumed that expenditure growth will continue at a 1% annual increase.

Transportation expenses have declined, but have been relatively consistent since 2002. Going forward it is assumed that expenditures will equal the average of expenditures between 2002 and 2006.



Ongoing Operations

Community environment expenditures have declined, primarily as a result of recategorization of a portion of this expense to City funds not considered in this analysis. Since 2003, expenditures in this category have fluctuated within a relatively narrow range. In the future it is assumed that expenditures will equal the average of the expenditures occurring between 2003 and 2006.

Leisure time activity has increased by 4.54% annually. This trend is anticipated to continue in the future.

Utility services have increased at a rate of 1.24% annually. This trend is anticipated to continue.

Capital Outlay represents a broad category of expenditures. This expenditure item has grown at an annual rate of 12.61% since 2000 and now represents approximately 17% of the operating fund expenditures. This amounts to an expenditure increase of approximately \$1,000,000 annually. Going forward, it is anticipated that the expenditure will continue to increase by \$1,000,000 each year.

A small amount of the City's debt service expense has been allocated to the general fund. Most expenses for debt service are paid from the bond retirement fund and supported by a property tax levy. In the future it is assumed that all debt service expenses will be paid from the bond retirement fund.

Based upon this analysis, PFM prepared the following projections of revenues, expenditures and cash flows for the City's operating funds between the years 2008 and 2012. Because events and circumstances frequently do not occur as expected, and those differences are material, the projection cannot be assured.



Ongoing Operations

Projected Revenues and Expenditures in City Operating Funds

	2008	2009	2010	2011	2012
Revenues					
Income taxes	51,447,157	52,846,520	54,283,945	55,760,468	57,277,153
Property and other taxes					
Charges for services	6,046,465	6,440,694	6,860,627	7,307,940	7,784,418
Licenses and permits	626,805	626,805	626,805	626,805	626,805
Fines and forfeiture	680,174	680,174	680,174	680,174	680,174
Intergovernmental	13,178,330	13,178,330	13,178,330	13,178,330	13,178,330
Special assessments					
Investment income	310,954	310,954	310,954	310,954	310,954
Rental income	487,720	487,720	487,720	487,720	487,720
Contributions and donations	24,701	24,701	24,701	24,701	24,701
Franchise fees	574,498	574,498	574,498	574,498	574,498
Other	443,363	443,363	443,363	443,363	443,363
Total Revenues	73,820,166	75,613,758	77,471,116	79,394,953	81,388,115
Expenditures					
Current:					
General government	12,472,475	12,768,130	13,070,793	13,380,631	13,697,813
Security of persons and property	37,815,680	39,757,815	41,799,693	43,946,439	46,203,437
Public health and welfare	2,409,843	2,433,942	2,458,281	2,482,864	2,507,693
Transportation	6,875,396	6,875,396	6,875,396	6,875,396	6,875,396
Community environment	2,173,174	2,173,174	2,173,174	2,173,174	2,173,174
Leisure time activity	3,582,145	3,744,775	3,914,788	4,092,519	4,278,319
Utility services	2,833,055	2,868,185	2,903,751	2,939,757	2,976,210
Capital outlay	10,501,120	11,501,120	12,501,120	13,501,120	14,501,120
Total Expenditures	78,662,889	82,122,536	85,696,996	89,391,900	93,213,162
Excess (deficiency) of revenues over (under) expenditures	(4,842,723)	(6,508,778)	(8,225,880)	(9,996,947)	(11,825,047)

The results of the analysis show that based upon the assumptions previously discussed, the operating funds of the City will continue to provide negative cash flow. The City will likely need to either identify additional revenue sources, expenditure cuts, continue to rely upon fund transfers and one time revenue sources or some combination of these actions in order to balance existing operations.



Financing Scenarios



Financing Scenarios

Examine financing scenarios and offer estimates and suggestions as to how and when financing the proposed Municipal Court Facility can be accomplished.

As previously discussed in this report, the City would need to finance the facility through the issuance of debt. Absent any additional revenue source, it would be necessary to issue general obligation debt. The amount of debt necessary for the construction of the facility is \$9,050,000 based upon the following:

Project Costs

Construction Costs	\$8,700,000
Construction Contingency	435,000
Soft Costs	635,000
Construction Interest	<u>510,000</u>
Total Development Costs	10,280,000
Plus: Financing Costs	201,688
Less: Funds on Hand	(1,431,688)
Total Debt Issuance	<u><u>\$9,050,000</u></u>

As previously indicated, the cost estimate does not include the cost for security and telecommunications systems, furniture, or moving expenses. Furthermore, there have been no estimates yet made as to the operating costs related to the facility. It is not known at this time if the operating costs will be greater or lesser than those of the existing municipal court facility.

Due to the preliminary nature of the estimates, PFM would recommend that this analysis be updated to reflect final costs once they become available.



Financing Scenarios

The Bonds could be amortized over a period of anywhere from five to thirty years based upon the fiscal officer's determination of the building's useful life. Following are three amortization schedules assuming a 15, 20, and 25 year amortization with a 5.5% interest rate. Based upon these amortization schedules and the City's existing assessed value, the impact on the City's tax rate would be:

- 15 year amortization \$1.50 per thousand
- 20 year amortization \$1.26 per thousand
- 25 year amortization \$1.12 per thousand

Year	15 Year Option			20 Year Option			25 Year Option		
	Princ.	Int	Total	Princ.	Int	Total	Princ.	Int	Total
1	405,000	497,750	902,750	260,000	497,750	757,750	175,000	497,750	672,750
2	425,000	475,475	900,475	275,000	483,450	758,450	185,000	488,125	673,125
3	450,000	452,100	902,100	285,000	468,325	753,325	195,000	477,950	672,950
4	475,000	427,350	902,350	305,000	452,650	757,650	210,000	467,225	677,225
5	500,000	401,225	901,225	320,000	435,875	755,875	220,000	455,675	675,675
6	530,000	373,725	903,725	340,000	418,275	758,275	230,000	443,575	673,575
7	555,000	344,575	899,575	355,000	399,575	754,575	245,000	430,925	675,925
8	585,000	314,050	899,050	385,000	380,050	765,050	260,000	417,450	677,450
9	620,000	281,875	901,875	400,000	358,875	758,875	270,000	403,150	673,150
10	655,000	247,775	902,775	420,000	336,875	756,875	285,000	388,300	673,300
11	690,000	211,750	901,750	445,000	313,775	758,775	305,000	372,625	677,625
12	725,000	173,800	898,800	465,000	289,300	754,300	320,000	355,850	675,850
13	770,000	133,925	903,925	495,000	263,725	758,725	335,000	338,250	673,250
14	810,000	91,575	901,575	520,000	236,500	756,500	355,000	319,825	674,825
15	855,000	47,025	902,025	550,000	207,900	757,900	375,000	300,300	675,300
16				580,000	177,650	757,650	395,000	279,675	674,675
17				610,000	145,750	755,750	415,000	257,950	672,950
18				645,000	112,200	757,200	440,000	235,125	675,125
19				680,000	76,725	756,725	465,000	210,925	675,925
20				715,000	39,325	754,325	490,000	185,350	675,350
21							515,000	158,400	673,400
22							545,000	130,075	675,075
23							575,000	100,100	675,100
24							605,000	68,475	673,475
25							640,000	35,200	675,200
Total	9,050,000	4,473,975	13,523,975	9,050,000	6,094,550	15,144,550	9,050,000	7,818,250	16,868,250

The two methods of financing general obligation debt are with voter approval and without voter approval. As previously discussed, the City has sufficient debt capacity to finance the Municipal Court Facility with voter approval. Financing and construction of the facility could commence as soon as practicable after voter approval is received.



Financing Scenarios

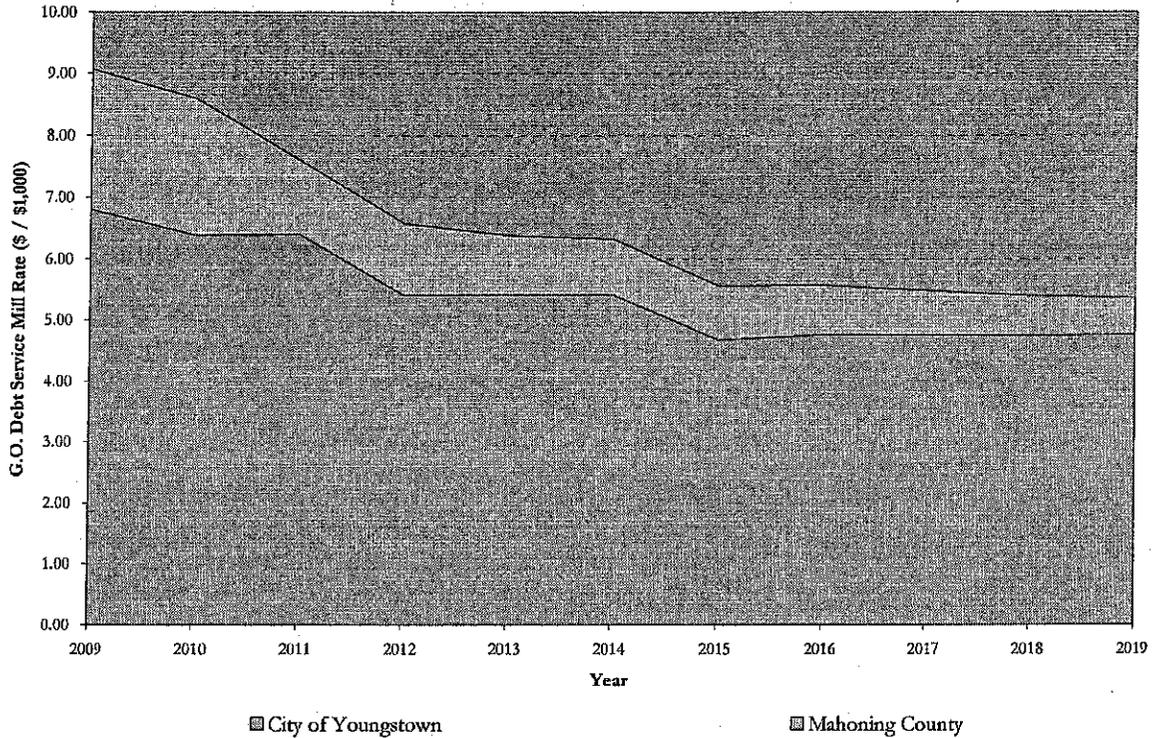
If the City wishes to proceed with the issuance of general obligation debt without voter approval, the financing of the project would need to be delayed until such time as the debt could be issued under the "10-mill limit." If none of the taxing jurisdictions (City, County, or School District) issue additional debt, there would be sufficient ability to issue general obligation debt in 2011 as indicated both numerically and graphically in the following:

Year	Mahoning County			City of Youngstown			Total
	Debt Payments	Tax Valuation	Required Tax Rate	Debt Payments	Tax Valuation	Required Tax Rate	Required Tax Rate
2008	8,262,554	4,176,044,571	1.98	2,405,845	601,628,937	4.00	5.98
2009	9,463,554	4,176,044,571	2.27	4,090,530	601,628,937	6.80	9.07
2010	9,206,047	4,176,044,571	2.20	3,839,693	601,628,937	6.38	8.59
2011	5,080,713	4,176,044,571	1.22	3,844,208	601,628,937	6.39	7.61
2012	4,837,512	4,176,044,571	1.16	3,254,816	601,628,937	5.41	6.57
2013	4,013,689	4,176,044,571	0.96	3,258,211	601,628,937	5.42	6.38
2014	3,785,866	4,176,044,571	0.91	3,257,330	601,628,937	5.41	6.32
2015	3,749,433	4,176,044,571	0.90	2,810,605	601,628,937	4.67	5.57
2016	3,409,541	4,176,044,571	0.82	2,860,586	601,628,937	4.75	5.57
2017	3,065,648	4,176,044,571	0.73	2,858,374	601,628,937	4.75	5.49
2018	2,716,277	4,176,044,571	0.65	2,855,961	601,628,937	4.75	5.40
2019	2,549,041	4,176,044,571	0.61	2,858,118	601,628,937	4.75	5.36
2020	2,519,237	4,176,044,571	0.60	2,858,824	601,628,937	4.75	5.36
2021	2,478,931	4,176,044,571	0.59	2,857,855	601,628,937	4.75	5.34
2022	2,443,084	4,176,044,571	0.59	2,683,455	601,628,937	4.46	5.05
2023	2,411,706	4,176,044,571	0.58	2,200,449	601,628,937	3.66	4.23
2024	2,343,930	4,176,044,571	0.56	2,196,468	601,628,937	3.65	4.21
2025	1,734,432	4,176,044,571	0.42	2,194,636	601,628,937	3.65	4.06
2026	1,693,985	4,176,044,571	0.41	1,970,568	601,628,937	3.28	3.68
2027	1,542,895	4,176,044,571	0.37	1,978,255	601,628,937	3.29	3.66
2028	1,504,948	4,176,044,571	0.36	1,982,735	601,628,937	3.30	3.66
2029	835,000	4,176,044,571	0.20	707,875	601,628,937	1.18	1.38
2030	812,371	4,176,044,571	0.19	701,313	601,628,937	1.17	1.36
2031	789,305	4,176,044,571	0.19	708,900	601,628,937	1.18	1.37
2032	765,801	4,176,044,571	0.18		601,628,937	0.00	1.18
Total	81,249,699			61,235,608			



Financing Scenarios

City of Youngstown, Ohio
Pro Forma G.O. Debt Service Mill Rate (no new debt, no equalized value growth)



There is no assurance that Mahoning County or the Youngstown School District will forgo the issuance of additional debt until after 2011. The City would need to develop a consensus among these entities in order to preserve capacity for the Municipal Court Project.



Summary and Conclusions



Summary and Conclusions

At the request of the City of Youngstown, PFM analyzed the City's financial capacity as it relates to the construction of a proposed Youngstown Municipal Court facility. The facility, as currently envisioned, would consist of 35,000 square feet on two levels with one 20,000 square foot basement and approximately 50 spaces of surface parking. The estimated total development cost is \$10,280,000.

As is often the case in a project of this magnitude, the City does not currently have funds on hand and would need to finance the project through the issuance of debt. Based upon a review of the City's historic revenues and expenditures in its operating funds since 2000, PFM prepared a projection of revenues and expenditures during the next five year period. This projection shows that, absent an additional revenue source, the City will not have sufficient funds available to pay the debt service payments necessary for the project.

In order to finance the project and provide the necessary revenue source to pay the debt service payments, it would be necessary for the City to issue General Obligation Debt. Subject to limitations, this debt can be issued either with or without voter approval. If voter approval is received, the City has sufficient debt capacity to finance the project and begin construction as soon as practicable.

If the debt is issued without voter approval, the debt is subject to an indirect 10-mill limit on all overlapping political subdivisions. Currently there is not enough debt capacity under this limit to finance the municipal court project. Capacity could be available as soon as 2011, but would require consensus of the City, Mahoning County, and the Youngstown City School District that no entity would issue debt until after the financing for the municipal court project is authorized. There is no assurance that such a consensus can be achieved.

* * * * *

IN THE SUPREME COURT OF OHIO

STATE EX REL.	)	CASE NUMBER 2009-0866
ELIZABETH A. KOBLY, ET AL)	
)	
Relators)	
)	
vs.	)	<u>AFFIDAVIT OF</u>
	)	<u>CHIEF OF STAFF</u>
YOUNGSTOWN CITY COUNCIL,	)	<u>JASON WHITEHEAD</u>
ET AL.)	
)	
Respondents)	

Now comes Chief of Staff Jason Whitehead, being first duly sworn, and deposes and says as follows:

1. I am currently the Chief of Staff to the Mayor of the City of Youngstown, Ohio.
2. I have held this position since January 1, 2006, when Mayor Jay Williams took office.
3. In the early days of the administration, I acted as a liaison with the Youngstown Municipal Court judges who were primarily represented by Judge Robert Douglas on matters relating to the need for improved court facilities.
4. At first, Judge Douglas advanced a number of potential sites for a new construction before ultimately deciding to focus on a new construction at a site referred to as the Master's Block.

5. I requested the Youngstown/Warren Regional Chamber to examine the plans prepared by Architect Raymond Jaminet of Olsavsky-Jaminet Architects who had prepared site plans and cost estimates for the Masters Block site at the behest of the Youngstown Municipal Court judges

6. The representative of the Youngstown/Warren Regional Chamber, Reid Dulberger, reported to me that said plan would require a budget in excess of what Architect Jaminet had estimated. The Chamber estimated that a project development budget of Ten Million Two Hundred Eighty Thousand Dollars would be required. I personally received and reviewed the e-mail containing this information which is attached as an exhibit to this Affidavit. And, I shared the information with Mayor Williams.

7. Said amount of money was and is far beyond the capacity of the City of Youngstown to expend.

8. The City of Youngstown has since that time made proposals to provide renovated court facilities to the Youngstown Municipal Court judges which would comply with all standards and guidelines of the Ohio Supreme Court, but the Youngstown Municipal Court judges refuse to consider any proposal offered by the City of Youngstown.

9. I am no longer involved in the negotiations relating to the court facilities.

10. All of the foregoing is based on my own personal knowledge and related to relevant matters about which I am competent to testify.

FURTHER, AFFIANT SAYETH NAUGHT.



JASON WHITEHEAD

STATE OF OHIO)
) ss:
COUNTY OF MAHONING)

Subscribed and sworn to before me this 26 day of July, 2010.



NOTARY PUBLIC
My Commission Never Expires

Whitehead, Jason

From: REID [REID@regionalchamber.com]
Sent: Wednesday, March 22, 2006 11:26 PM
To: Whitehead, Jason
Subject: Municipal Court

Jason,

Attached is a projected budget for a Youngstown Municipal Court project on the Masters Block site owned by the YCACIC. I understand that our estimates are actually higher than the Court's architect, so a little explanation is in order. Note: our assumptions are based on the same design-bid-build-finance approach that you operated for the YCACIC and which was used successfully on the Voinovich Center, Mahoning County Children Services Building and, in slightly altered format, the 7th District Court of Appeals building.

- We used the 7th District Court of Appeals project as a model. The low bidder on that project was Welty Construction, with a base bid of \$210/s.f. excluding remediation and demolition. The second lowest bidder was Murphy Contracting, at \$218/s.f. excluding remediation and demolition. Given the CIC's experience – which includes mediation with Welty, in part over their underestimating the environmental remediation costs by \$3.57/s.f. – we determined that a base cost between \$215 - \$220/s.f. was appropriate and selected the upper boundary to present a conservative estimate.
- We assumed 35,000 gross square feet on two levels (the site is approximately 25,000 s.f.), with 1-level of basement parking at grade in the rear (alley) providing 50+/- spaces. That is the only parking currently budgeted for.
- Based on our experience with the 7th District Court we estimated \$50/s.f. for a 20,000 s.f. basement.
- Other assumptions include: 5% hard cost contingency (\$435,000), \$635,000 in fees/soft costs (including a 5% Developer's Fee), 15-months of construction period interest (\$510,000) that the bidder builds into their proposal – for a total of \$10,280,000.
- The total equates to \$295.48/s.f. By way of comparison, the 7th District Court building will be \$288.54/s.f.
- As always, given that the assumption that the project would be competitively bid, any "savings" (i.e., bids below budget) would either go to reduce debt or be available to enhance the facility, at the City's sole discretion.
- By using the base bids from the 7th District Court as a model, we're projecting a moderate level of finish with limited high-cost space. For example, we have not budgeted for vaulted ceilings, marble or granite floors, or statuary. Likewise, we have not included cost for security or telecommunications systems, though the conduit would be in-place, furniture, or moving expenses.

Assuming the Court has approximately \$1 million to allocate to a new facility, this approach would require financing \$9.28 million – either conventionally through City debt, or through Certificates of Participation. We recognize the financial burden that amount of new debt presents to the City. However, given our (mutual) experience with the Court of Appeals, we opted to avoid any unpleasant surprises and use real data for our analysis.

We would be please to discuss this with you in more detail at your convenience.

<<Muni Court 3-22-06.xls>>

Reid Dulberger
Executive Vice President
Youngstown/Warren Regional Chamber
197 W. Market Street, 7th floor
Warren, OH 44481

3/23/2006



PROJECT DEVELOPMENT BUDGET

Project Name:

Youngstown Municipal Court

HARD COSTS:

	<u>Sq. Ft.</u>	<u>\$/S.F.</u>	<u>COST</u>
Acquire Site/Buildings			\$0
Environmental Remediation			\$0
Demolition			\$0
New Construction - 2 floors	35,000	\$220.00	\$7,700,000
Basement - Parking, Alley Grade (50 +/- cars)	20,000	\$50.00	\$1,000,000
Other Improvements			\$0
Off-Site Parking			\$0
Off-Site Improvements			\$0
Leasehold Improvements			\$0
Public Infrastructure			\$0
Other			\$0
	34,791	\$250.06	\$8,700,000

Hard Cost Contingency

5.0% \$12.50 \$435,000

SOFT COSTS:

Accounting			\$0
Appraisal			\$0
Architectural/Engineering - YCACIC		\$3.31	\$115,000
Debt Service Reserve Fund			\$0
Developer Fee - 5%		\$14.08	\$490,000
Environmental Studies			\$0
Facility Fees & Permits			\$0
Financing Fees			\$0
Interim Taxes			\$0
Legal		\$0.86	\$30,000
Marketing & Promotion			\$0
Misc.			\$0
		\$18.25	\$635,000

CONSTRUCTION INTEREST:

Amount		\$9,600,000
Rate		8.50%
Term (months)		15
Cost	\$14.66	\$510,000

TOTAL DEVELOPMENT COST

\$295.48 \$10,280,000

Start-Up Capital/Reserve

\$0

3/22/2006

IN THE SUPREME COURT OF OHIO

STATE EX REL.	)	CASE NUMBER 2009-0866
ELIZABETH A. KOBLY, ET AL)	
)	
Relators)	
)	
vs.	)	<u>AFFIDAVIT OF</u>
	)	<u>FINANCE DIRECTOR</u>
YOUNGSTOWN CITY COUNCIL,	)	<u>DAVID BOZANICH</u>
ET AL.)	
)	
Respondents)	

Now comes Youngstown Finance Director David Bozanich, being first duly sworn, and deposes and says as follows:

1. I am currently the Finance Director for the City of Youngstown, Ohio.
2. I have held that position throughout the term of Mayor Jay Williams which commenced January 1, 2006, as well as during portions of each of the two prior mayors' tenure.
3. The City of Youngstown has been in a near-constant state of economic distress for over thirty years.
4. Its population, employment base and tax revenues are fractions of what they once were.
5. As a result, the City of Youngstown has had to increase its municipal income tax rate to 2.75% while reducing the number of employees in its Executive and Legislative

branches by approximately Fifty Percent (50%) in order to survive.

6. During that same period of time, the number of employees of the Judicial branch; the Youngstown Municipal Court and Youngstown Municipal Court Clerk of Courts, have remained the same or increased.

7. The City of Youngstown routinely budgets approximately Four Million Dollars (\$4,000,000.00) a year for those agencies while receiving revenues of about Seven Hundred Fifty Thousand Dollars (\$750,000.00) per year from fines and fees collected by the Court. The result is a yearly cost in excess of Three Million Dollars (\$3,000,000.00) to the City for operation of the Municipal Court and its Clerk of Court.

8. The above circumstances continue despite the facts that the City of Youngstown' population has greatly declined, the Youngstown Municipal Court's docket has greatly declined and continues to decline, and other municipal courts with comparable dockets operate with fewer employees, fewer judges, and at a much lower cost.

9. Partly as a result of the disproportionately high cost of operation of the Youngstown Municipal Court and the Municipal Court Clerk's office, the City of Youngstown is routinely forced to expend funds out of its Capital Improvement Fund to help finance operations in its street and

park and recreation departments aimed at preserving and maintaining its capital assets such as streets, parks and playgrounds.

10. While this use of capital improvement funds is permissible based on the definition of capital improvement used in the Ordinances of the City of Youngstown, it is not a desirable practice and has the unfortunate effect of making the Capital Improvement Fund ineffective in attempting to fund more traditional capital improvements such as building a new court facility or renovating an existing building for use as a court facility.

11. The Youngstown Municipal Court judges have expressed to me on a number of occasions their belief that it should be easy enough to finance their proposed facility out of the Capital Improvement Fund without recognizing that said course of action would entail the virtual dissolution of multiple departments of city government.

12. Other potential sources of raising revenue are also all but impossible for the City of Youngstown.

13. The City of Youngstown already has an extremely high municipal income tax rate. Raising it any higher would extinguish what little economic activity still exists in Youngstown.

14. The City of Youngstown's ability to renovate a court facility or build a new one is also extremely circumscribed by the indirect Ten Mill limit on non-voter approved general obligation debt.

15. This limitation was described in great detail in the Municipal Court Facility Financial Analysis prepared by The Public Financial management (PFM) Group in relation to a proposal for a newly constructed court facility at a site referred to as the Master's Block. I personally received and reviewed The PFM Group Analysis which is attached to this Affidavit as an exhibit.

16. The PFM Group reported that even if the cost of building the Masters Block project were defrayed by use of the court's special project fund so that only Nine Million, fifty thousand dollars had to be financed, the City of Youngstown would not be able to finance such a large project, absent direct voter approval, until at least 2011, and only then if no other taxing jurisdiction in Mahoning County incurs additional general obligation debt prior to that time.

17. In my estimation as Finance Director for the City, it is highly unlikely that the City could get voter approval to finance construction or renovation costs for improved court facilities, or that Mahoning County and the Youngstown School

District have not or will not issue new debt before 2011, thereby allowing the City to issue debt within the ten mill limit.

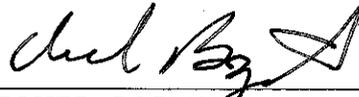
18. As reported by PFM, On December 31, 2007, the City had a cash balance of Four Hundred and seventy-two thousand, sixty-four dollars (\$472,064.00). In 2010 the City is working to make up a \$2.5 million deficit to balance its budget by December 31, 2010. Based on the City's present financial condition and its circumscribed ability to issue debt, in order to move forward on a court facility project, including one that involves only renovation to an existing building, the City needs the cooperation of the municipal judges in agreeing to a project the City can afford and in allowing the court special project and capital improvement funds on hand, which now total in excess of \$2.3 million, to be used to further the project until the City is able to issue new debt.

18. The City of Youngstown has made concerted efforts to propose alternative plans which would still provide the Youngstown Municipal Court with court facilities that comply with all the standards set forth by the Ohio Supreme Court, but the City's proposals have been rejected out of hand. The Youngstown Municipal Court judges have repeatedly expressed that they will not consider any revisions nor make even the slightest

effort to reduce either the cost of renovated facilities or their own budget.

19. All of the foregoing is based on my own personal knowledge and relates to relevant matters about which I am competent to testify.

FURTHER, AFFIANT SAYETH NAUGHT.



DAVID BOZANICH

STATE OF OHIO)
) ss:
COUNTY OF MAHONING)

Subscribed and sworn to before me this 26th day of July, 2010.



NOTARY PUBLIC
Jasmine A. Rodgers
Notary Public, State of Ohio
My Commission Expires Dec. 6, 2011

City of Youngstown, Ohio



Municipal Court Facility Financial Analysis

March 20, 2008

The PFM Group
Plaza One South
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Suite 115
Cleveland, OH 44130

440-239-7070
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EXHIBIT



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Introduction

At the request of the City of Youngstown and in accordance with the terms of a Memorandum of Understanding established between the Executive and Judicial branches of the City in June of 2006 as well as a subsequent agreement in November 2007, Public Financial Management (PFM) has prepared an analysis of the City's financial capacity as it relates to the construction of a proposed Youngstown Municipal Court Facility ("Facility").

The proposed financing would provide for a new facility to be constructed on the Masters Block site owned by the Youngstown Area Central Improvement Corporation (YACIC). The facility would consist of 35,000 gross square feet on two levels with one 20,000 square foot basement and approximately 50 spaces of surface parking. The most recent project development budget was prepared in 2006 and estimates a total development cost of \$10,280,000. It should be noted, however, that this cost estimate does not include the cost for security and telecommunications systems, furniture, or moving expenses.

The financial capacity analysis consists of three tasks:

- Evaluate the City of Youngstown's legal and practical financing capacity as it relates to the Municipal Court Facility.
- Integrate and evaluate the impact of court facility financing on ongoing city operations (within the constraints of estimating reasonable projections).
- Examine financing scenarios and offer estimates and suggestions as to how and when financing the proposed Municipal Court Facility can be accomplished.

Each of these tasks will be addressed in a subsequent section of this report.



Financing Capacity



Evaluate the City of Youngstown's legal and practical financing capacity as it relates to the Municipal Court Facility

The City could legally finance the Municipal Court facility with four methods:

- Funds on Hand
- Voter Approved General Obligation Debt
- Non-Voter Approved General Obligation Debt
- Certificates of Participation

Each of these methods will be reviewed individually as follows:

Funds on Hand

While rare for a project of this magnitude, it would be legal to finance the project with funds on hand if sufficient funds were available. As of December 31, 2007, the balance in the Court Special Projects Fund was \$1,431,688. The only additional funds available to supplement this would be the cash balance of the City's general fund. The cash balance of the general fund as of December 31, 2007, is estimated to be \$472,064.

This fund balance is not only insufficient to fund the Municipal Court project, but has raised concerns at Standard & Poor's, the credit rating agency which rates the City's outstanding bonds. In December of 2007, Standard & Poor's placed the City on negative outlook primarily as a result of this small balance, stating that "The negative outlook reflects the City's decreased liquidity especially when negating the effect of onetime measures. A return to a stable outlook is contingent on the City achieving and maintaining balanced operations while rebuilding liquidity levels. Failure to do so could result in a downgrade."

Voter Approved General Obligation Debt

The City is able to issue general obligation debt (voter approved and non-voter approved combined) in an amount not to exceed 10.5% of the City's assessed value. As of December 31, 2007, the City's assessed value was \$601,628,937 allowing for maximum general obligation debt in the amount of \$63,171,038. Of this amount, the City has outstanding general obligation debt in the amount of \$36,305,000, leaving a capacity of \$26,866,038 available for City projects.

This capacity is sufficient to fund the Municipal Court Project and would provide a source of revenue for the repayment of the debt associated with the project. The ability to proceed with the project would depend upon receiving approval of a majority of voters at either a general or special election.



Non-voter Approved General Obligation Debt

The City's ability to issue General Obligation Debt which is not subject to voter approval is subject to an indirect (10-mill) limit on all overlapping political subdivisions. This limit is explained in a letter to David Bozanich dated January 10, 2008, from Attorney Pam Hanover of Squire, Sanders & Dempsey L.L.P.:

"The City's ability to issue unvoted general obligation debt is restricted indirectly by certain limitations on taxation. Revised Code Section 5705.02 limits the levy of unvoted taxes by all overlapping political subdivisions on any parcel of property to 1% of the assessed valuation of that property. This limitation is often referred to as the "10-mill limitation." Article 12, Section 11 of the Ohio Constitution prohibits the City from incurring debt unless the ordinance authorizing the debt provides for the levy and collection of taxes in an amount sufficient to pay principal and interest on the debt each year. Therefore, an ordinance authorizing unvoted general obligation debt must provide for an unvoted tax levy to pay the related debt service. Any debt issued which would cause the total of such unvoted tax levies by all overlapping political subdivisions to exceed the 10-mill limitation is void. Thus, in combination, these provisions operate as an indirect limit on the amount of unvoted debt the City may issue.

This indirect debt limitation requires a determination that in the theoretical situation in which no other funds are available for payment of debt service on unvoted general obligation debt, the taxes required to be levied to pay that debt service in any year would not exceed 10 mills on any parcel of property subject to taxation in the City. Because the 10-mill limitation refers to a maximum tax on a parcel of property, it is necessary to total the taxes which could be required to be levied by all political subdivisions which overlap the City in the event that all subdivisions, including the City, were required in fact to levy and collect taxes to pay debt service on their respective unvoted general obligation debt. Further, to determine the portion of millage inside the 10-mill limitation which has been allocated to debt service on unvoted general obligation debt, it is necessary to evaluate the year of the highest potential overlapping millage requirements."



Financing Capacity

As of December 2007, the amount included in this calculation is as follows:

Overlapping Subdivisions	Tax Valuation	Present Principal Amount	Debt charges for calendar year in which they will be the highest (2009)		Required Tax Rate in Mills
			For Principal	For Interest	
Mahoning County	\$4,176,044,571	\$50,350,002	\$9,463,554	Amount included in Principal	2.2662
City of Youngstown	\$601,628,937	\$36,305,000	\$1,755,000	\$2,335,530	6.7991
Youngstown City School District (other)	\$638,817,869	None	None	None	0
Total					9.0653

The maximum amount of the tax rate which could be levied under this limit is 0.9347 (the 10-mill limit less 9.0653). Based upon the City's current assessed value this amount would generate \$562,342.57 annually. This amount is insufficient to support the annual payment which would be required for the proposed Municipal Court Project. Even if it were sufficient, it is recommended that the City not levy to the maximum in order to provide the ability for the City (or other taxing entity) to fund unexpected projects.

Certificates of Participation

The City could also enter into a lease obligation whereby the City would agree to pay lease rentals under a lease purchase agreement. Certificates of Participation could then be issued based upon the lease (Certificates of Participation allow for the purchasers of the Certificates to receive a fractional share of the lease revenues). Since the security is limited, the Certificates are not considered to be "debt". The Certificates, however, are considered less credit worthy than the City's general obligation debt. As a result, purchasers of these Certificates would require a higher interest rate than would a purchaser of the City's general obligation debt. More important than the interest rate, however, would be the ability of the City to demonstrate sufficient revenues to meet for the lease payments associated with this financing mechanism. As will be discussed further in the next section of this report, absent a new source of revenue, it is extremely unlikely that the City would be able to fund the proposed Municipal Court Project through the issuance of Certificates of Participation.

* * * * *



Ongoing Operations



Ongoing Operations

Integrate and evaluate the impact of court facility financing on ongoing city operations (within the constraints of estimating reasonable projections).

In order to determine the impact that the court facility financing would have on ongoing operations, PFM analyzed the historic data from the financial statements for the operating funds of the City. These operating funds include the general fund, fire levy, police levy and other general governmental funds. They do not include proprietary funds, bond retirement funds, community development funds and convention center project funds, because revenues from these funds would not be available to assist in financing the municipal court facility. The combined revenues and expenditures for these funds since the year 2000 are presented as follows:

	2000	2001	2002	2003	2004	2005	2006
Revenues							
Income taxes	33,022,656	32,276,682	32,321,435	39,785,737	41,001,513	45,391,312	50,285,993
Property and other taxes							
Charges for services	3,829,664	3,474,311	3,475,543	3,741,504	4,284,628	5,250,904	5,328,920
Licenses and permits	392,304	594,105	619,380	595,055	724,987	873,758	588,043
Fines and forfeiture	880,633	957,901	1,005,025	1,063,878	977,724	609,564	680,174
Intergovernmental	22,671,633	19,792,709	17,305,585	13,722,603	13,605,568	11,548,206	13,836,944
Special assessments	0	776,047	1,473				
Investment income	1,058,604	0	284,106	60,348	74,405	273,430	425,786
Rental income	367,144	419,125	440,844	469,861	459,329	573,330	563,831
Contributions and donations	1,500	10,982	50,710	21,218	13,814	55,817	18,865
Franchise fees	649,336	410,899	558,112	577,568	609,619	619,136	596,814
Other	460,069	574,857	683,539	149,890	152,594	343,512	739,077
Total Revenues	63,612,555	59,287,618	56,745,752	60,187,662	61,904,181	65,538,969	73,064,447
Expenditures							
Current:							
General government	10,419,592	10,173,861	10,527,729	13,635,751	10,663,637	11,431,702	11,901,545
Security of persons and property	26,152,548	27,387,175	28,162,820	29,478,891	29,915,547	33,916,676	34,211,391
Public health and welfare	1,824,361	1,800,938	2,247,979	2,161,314	2,098,138	2,236,509	2,362,360
Transportation	7,069,925	7,704,561	6,938,428	6,862,868	6,909,711	6,933,869	6,732,104
Community environment	8,427,143	8,310,547	5,425,276	2,716,054	1,841,098	2,289,381	1,846,162
Leisure time activity	2,575,846	2,759,166	2,608,334	2,894,209	2,961,077	3,055,025	3,277,768
Utility services	2,572,766	2,332,513	2,093,124	2,039,002	2,432,950	2,320,491	2,764,081
Capital outlay	4,838,906	2,793,821	4,594,917	4,120,573	5,162,221	7,560,010	8,501,120
Debt service:							
Principal retirement	1,645,000	1,925,000	1,655,000	614,047	680,984	94,201	35,880
Interest and fiscal charges	754,444	264,259	706,609	43,242	19,040	200,756	74,538
Total Expenditures	66,280,531	65,451,841	64,960,216	64,565,951	62,684,403	70,038,620	71,706,949
'Excess (deficiency) of revenues over (under) expenditures	(2,667,976)	(6,164,223)	(8,214,464)	(4,378,289)	(780,222)	(4,499,651)	1,357,498

The historic information clearly shows that the revenues related to these operating funds are insufficient to meet expenditures. The City has regularly relied upon fund transfers and one time revenue sources (i.e., asset sales, fund balance) to balance operations. In order to project the City's ability to fund the proposed municipal court facility in the future, it is necessary to make assumptions based upon an analysis of



Ongoing Operations

historic trends. In developing its projections, PFM used the following assumptions for each revenue and expenditure category.

Revenue Analysis

The operating funds rely heavily upon the City's income tax. During 2005 and 2006 the City's income tax provided approximately 69% of all revenues for these funds. Since 2000, the income tax has increased by 52.28% due in part to a tax rate increase from 2.25% to 2.75% in 2003. Even adjusting for the rate increase, the income tax grew at a rate of 4.1% annually during this time frame. It is important to note that the rate of increase varied significantly from a negative 2.26% to a positive 10.78%.

By way of comparison, the following table shows the City's income taxes compared with all income tax collections for Ohio municipalities for the period of time between 1998 and 2005 (the most recent data available). When adjusted for the income tax rate increase the annual growth in Youngstown's income tax collections was somewhat less than the aggregate municipal income tax collections.

<u>Year</u>	<u>Youngstown</u>	<u>% Change</u>	<u>All Ohio Municipalities</u>	<u>% Change</u>
1998	\$ 30,947,253		\$3,009.40	
1999	32,885,586	6.26%	3,178.80	5.63%
2000	33,022,656	0.42%	3,279.20	3.16%
2001	32,276,682	-2.26%	3,353.90	2.28%
2002	32,321,435	0.14%	3,358.50	0.14%
2003	39,785,737	23.09%	3,443.70	2.54%
2004	41,110,513	3.33%	3,538.30	2.75%
2005	45,391,312	10.41%	3,776.50	6.73%
Total Percentage Change		46.67%		25.49%
Average Annual Change		6.67%		3.64%
Average Adjusted Annual		2.72%		

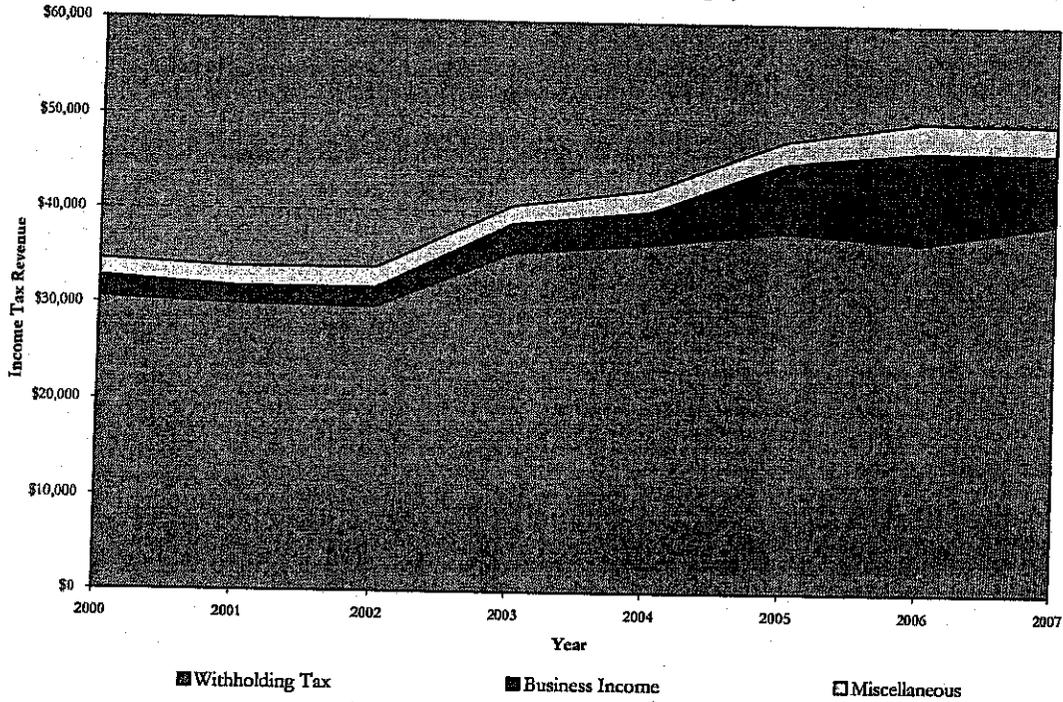
The City's income tax revenues come from three sources: 1) monthly and quarterly withholding, 2) business income, and 3) miscellaneous (self-reporting) income tax. Between 2000 and 2006, the increase in income tax revenues came disproportionately from the business income tax.

The following graphs show the growth in gross income tax revenues between 2000 and 2007 both cumulatively and by individual revenue source (on a cash basis).

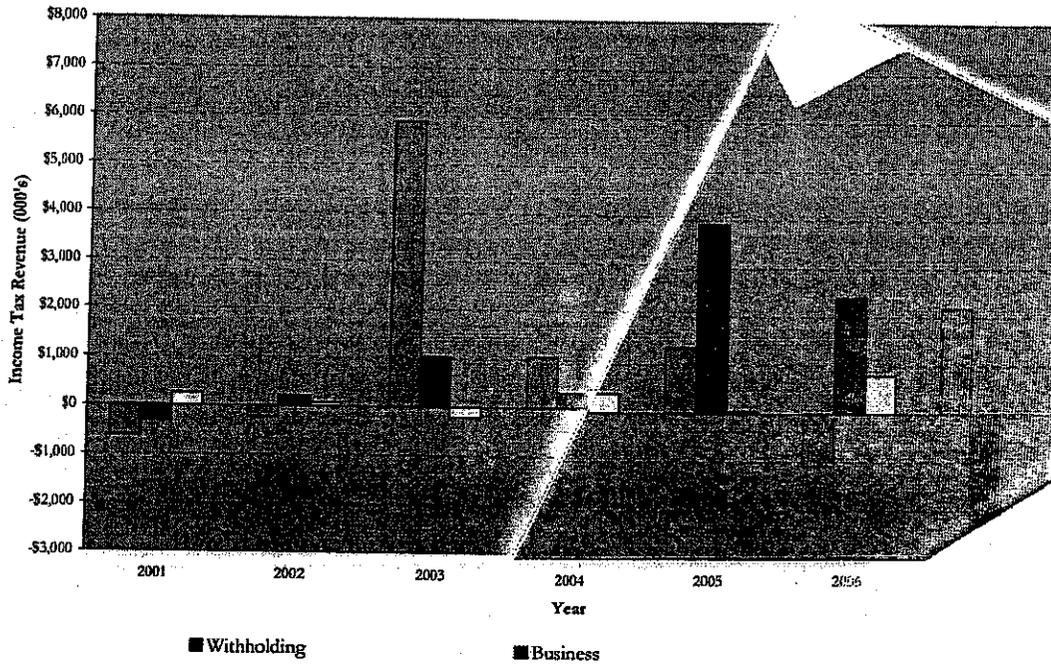


Ongoing Operations

City of Youngstown, Ohio
Historical Income Tax Revenue by Category



City of Youngstown, Ohio
Year Over Year \$ Change in Income Tax Revenue by Category (000's)





Ongoing Operations

In order to estimate income tax revenues going forward, it is necessary to analyze the income tax revenue sources individually. The largest amount of income tax revenues is received from monthly and quarterly withholding. During 2007, this category represented approximately 79% of gross income taxes collected. Between 2000 and 2007 this category grew by 27.86%, after adjusting for the tax rate increase, revenues grew by less than 1% annually.

The Miscellaneous (self-reporting) revenues represented approximately 6.25% of the income tax revenues collected. This portion of the tax revenues increased by approximately 5.65% between 2000 and 2007 with the largest increase (33%) occurring in 2006 due to greater collection efforts by RITA.

The business income tax disproportionately influenced the results of the City's income tax collections during the period of this analysis. In 2000, the business income tax represented 5.46% of the income taxes collected. Between 2000 and 2006, this revenue source grew by 349% (even after adjusting for the income tax rate increase, this represented an annual growth rate of 45%). As a result, in 2006 the business income tax represented 19.5% of all income taxes collected. During 2007, revenues in this category decreased by 25%. Going forward the business tax is not likely to continue to expand at the rapid pace that it did between 2000 and 2006.

For the purpose of this projection, PFM has assumed that the rate of increase for the next five year period will be less than it was during the 2000 to 2006 timeframe as growth will most likely be influenced by the monthly and quarterly withholding revenues and less influenced by rapid growth in the business income tax. The projection assumes that the rate of growth will be more reflective of the growth which occurred between 1998 and 2005, which was an adjusted annual rate of 2.72%.

Other Revenue Sources

Other revenues used to fund the City's operating funds are projected as follows:

- Charges for services increased by 6.52% annually between 2000 and 2006. This trend is anticipated to continue in the future.
- License and permit revenues have fluctuated. For the purposes of projecting revenues going forward, it is assumed that the average amount of revenues would be available.



Ongoing Operations

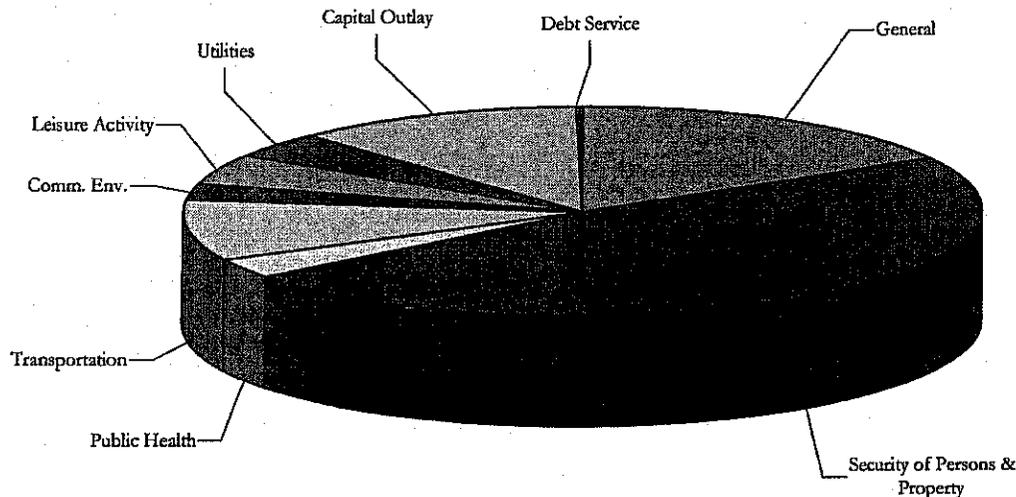
- Fines and Forfeiture revenues have declined for general operating purposes as a result of a decision in 2005 to allocate a portion of these funds annually to the Court Special Projects Fund. The amount of fines and forfeitures available for the operating funds are anticipated to remain at the 2006 level going forward.
- Intergovernmental revenues have declined substantially for these funds between 2000 and 2003 likely due to a recategorization of these revenues to funds not considered in this analysis. The decline appears to have stabilized since 2003. Going forward it is assumed that the average of the revenues received by the City between 2003 and 2006 would be available.
- Special Assessments have not been used for the City's operating funds since 2002. No revenues were projected for future use.
- Investment income has fluctuated significantly. It was assumed the City would earn the average amount earned during 2000 and 2006 going forward.
- Rental income has fluctuated within a relatively narrow dollar range. It is assumed that the average past rental revenues would be available in the future.
- Contributions and donations provide a very small amount of revenues. The average amount of contributions (\$24,700) was assumed to continue going forward.
- Franchise fees have remained stable since 2002. The average of revenues since 2002 is assumed to be available in the future.
- The "Other Revenues" category has fluctuated significantly. The average of these amounts is assumed to be available going forward.



Expenditures

For the purposes of this analysis, PFM assumes that there are no fundamental changes in the existing service levels or method of operation. Expenditures for the City's operating funds for the year 2006 are represented in the following pie chart:

City of Youngstown, Ohio
2006 Expenditures



Clearly the largest expenditure is for the protection of persons and property. Since 2004 the protection of persons and property has consistently represented approximately 48% of the City's operating funds. Between 2000 and 2006, expenditures increased by an average of 5.14%. Going forward it is assumed that this rate of increase will continue.

General Government represents approximately 16.6% of operating expenditures. The expenditures have grown at an average of 2.37% between 2000 and 2006. This rate of growth is assumed to continue.

Public Health and Welfare grew at a rate of 4.91% between 2000 and 2006. However much of this growth occurred due to a one time increase in expenditures during 2002. Since 2003, expenditures have increased only slightly. It is assumed that expenditure growth will continue at a 1% annual increase.

Transportation expenses have declined, but have been relatively consistent since 2002. Going forward it is assumed that expenditures will equal the average of expenditures between 2002 and 2006.



Ongoing Operations

Community environment expenditures have declined, primarily as a result of recategorization of a portion of this expense to City funds not considered in this analysis. Since 2003, expenditures in this category have fluctuated within a relatively narrow range. In the future it is assumed that expenditures will equal the average of the expenditures occurring between 2003 and 2006.

Leisure time activity has increased by 4.54% annually. This trend is anticipated to continue in the future.

Utility services have increased at a rate of 1.24% annually. This trend is anticipated to continue.

Capital Outlay represents a broad category of expenditures. This expenditure item has grown at an annual rate of 12.61% since 2000 and now represents approximately 17% of the operating fund expenditures. This amounts to an expenditure increase of approximately \$1,000,000 annually. Going forward, it is anticipated that the expenditure will continue to increase by \$1,000,000 each year.

A small amount of the City's debt service expense has been allocated to the general fund. Most expenses for debt service are paid from the bond retirement fund and supported by a property tax levy. In the future it is assumed that all debt service expenses will be paid from the bond retirement fund.

Based upon this analysis, PFM prepared the following projections of revenues, expenditures and cash flows for the City's operating funds between the years 2008 and 2012. Because events and circumstances frequently do not occur as expected, and those differences are material, the projection cannot be assured.



Ongoing Operations

Projected Revenues and Expenditures in City Operating Funds

	2008	2009	2010	2011	2012
Revenues					
Income taxes	51,447,157	52,846,520	54,283,945	55,760,468	57,277,153
Property and other taxes					
Charges for services	6,046,465	6,440,694	6,860,627	7,307,940	7,784,418
Licenses and permits	626,805	626,805	626,805	626,805	626,805
Fines and forfeiture	680,174	680,174	680,174	680,174	680,174
Intergovernmental	13,178,330	13,178,330	13,178,330	13,178,330	13,178,330
Special assessments					
Investment income	310,954	310,954	310,954	310,954	310,954
Rental income	487,720	487,720	487,720	487,720	487,720
Contributions and donations	24,701	24,701	24,701	24,701	24,701
Franchise fees	574,498	574,498	574,498	574,498	574,498
Other	443,363	443,363	443,363	443,363	443,363
Total Revenues	73,820,166	75,613,758	77,471,116	79,394,953	81,388,115
Expenditures					
Current:					
General government	12,472,475	12,768,130	13,070,793	13,380,631	13,697,813
Security of persons and property	37,815,680	39,757,815	41,799,693	43,946,439	46,203,437
Public health and welfare	2,409,843	2,433,942	2,458,281	2,482,864	2,507,693
Transportation	6,875,396	6,875,396	6,875,396	6,875,396	6,875,396
Community environment	2,173,174	2,173,174	2,173,174	2,173,174	2,173,174
Leisure time activity	3,582,145	3,744,775	3,914,788	4,092,519	4,278,319
Utility services	2,833,055	2,868,185	2,903,751	2,939,757	2,976,210
Capital outlay	10,501,120	11,501,120	12,501,120	13,501,120	14,501,120
Total Expenditures	78,662,889	82,122,536	85,696,996	89,391,900	93,213,162
Excess (deficiency) of revenues over (under) expenditures	(4,842,723)	(6,508,778)	(8,225,880)	(9,996,947)	(11,825,047)

The results of the analysis show that based upon the assumptions previously discussed, the operating funds of the City will continue to provide negative cash flow. The City will likely need to either identify additional revenue sources, expenditure cuts, continue to rely upon fund transfers and one time revenue sources or some combination of these actions in order to balance existing operations.

* * * * *



Financing Scenarios



Examine financing scenarios and offer estimates and suggestions as to how and when financing the proposed Municipal Court Facility can be accomplished

As previously discussed in this report, the City would need to finance the facility through the issuance of debt. Absent any additional revenue source, it would be necessary to issue general obligation debt. The amount of debt necessary for the construction of the facility is \$9,050,000 based upon the following:

Project Costs

Construction Costs	\$8,700,000
Construction Contingency	435,000
Soft Costs	635,000
Construction Interest	<u>510,000</u>
Total Development Costs	10,280,000
Plus: Financing Costs	201,688
Less: Funds on Hand	(1,431,688)
Total Debt Issuance	<u><u>\$9,050,000</u></u>

As previously indicated, the cost estimate does not include the cost for security and telecommunications systems, furniture, or moving expenses. Furthermore, there have been no estimates yet made as to the operating costs related to the facility. It is not known at this time if the operating costs will be greater or lesser than those of the existing municipal court facility.

Due to the preliminary nature of the estimates, PFM would recommend that this analysis be updated to reflect final costs once they become available.



Financing Scenarios

The Bonds could be amortized over a period of anywhere from five to thirty years based upon the fiscal officer's determination of the building's useful life. Following are three amortization schedules assuming a 15, 20, and 25 year amortization with a 5.5% interest rate. Based upon these amortization schedules and the City's existing assessed value, the impact on the City's tax rate would be:

- 15 year amortization \$1.50 per thousand
- 20 year amortization \$1.26 per thousand
- 25 year amortization \$1.12 per thousand

Year	15 Year Option			20 Year Option			25 Year Option		
	Princ.	Int	Total	Princ.	Int	Total	Princ.	Int	Total
1	405,000	497,750	902,750	260,000	497,750	757,750	175,000	497,750	672,750
2	425,000	475,475	900,475	275,000	483,450	758,450	185,000	488,125	673,125
3	450,000	452,100	902,100	285,000	468,325	753,325	195,000	477,950	672,950
4	475,000	427,350	902,350	305,000	452,650	757,650	210,000	467,225	677,225
5	500,000	401,225	901,225	320,000	435,875	755,875	220,000	455,675	675,675
6	530,000	373,725	903,725	340,000	418,275	758,275	230,000	443,575	673,575
7	555,000	344,575	899,575	355,000	399,575	754,575	245,000	430,925	675,925
8	585,000	314,050	899,050	385,000	380,050	765,050	260,000	417,450	677,450
9	620,000	281,875	901,875	400,000	358,875	758,875	270,000	403,150	673,150
10	655,000	247,775	902,775	420,000	336,875	756,875	285,000	388,300	673,300
11	690,000	211,750	901,750	445,000	313,775	758,775	305,000	372,625	677,625
12	725,000	173,800	898,800	465,000	289,300	754,300	320,000	355,850	675,850
13	770,000	133,925	903,925	495,000	263,725	758,725	335,000	338,250	673,250
14	810,000	91,575	901,575	520,000	236,500	756,500	355,000	319,825	674,825
15	855,000	47,025	902,025	550,000	207,900	757,900	375,000	300,300	675,300
16				580,000	177,650	757,650	395,000	279,675	674,675
17				610,000	145,750	755,750	415,000	257,950	672,950
18				645,000	112,200	757,200	440,000	235,125	675,125
19				680,000	76,725	756,725	465,000	210,925	675,925
20				715,000	39,325	754,325	490,000	185,350	675,350
21							515,000	158,400	673,400
22							545,000	130,075	675,075
23							575,000	100,100	675,100
24							605,000	68,475	673,475
25							640,000	35,200	675,200
Total	9,050,000	4,473,975	13,523,975	9,050,000	6,094,550	15,144,550	9,050,000	7,818,250	16,868,250

The two methods of financing general obligation debt are with voter approval and without voter approval. As previously discussed, the City has sufficient debt capacity to finance the Municipal Court Facility with voter approval. Financing and construction of the facility could commence as soon as practicable after voter approval is received.



Financing Scenarios

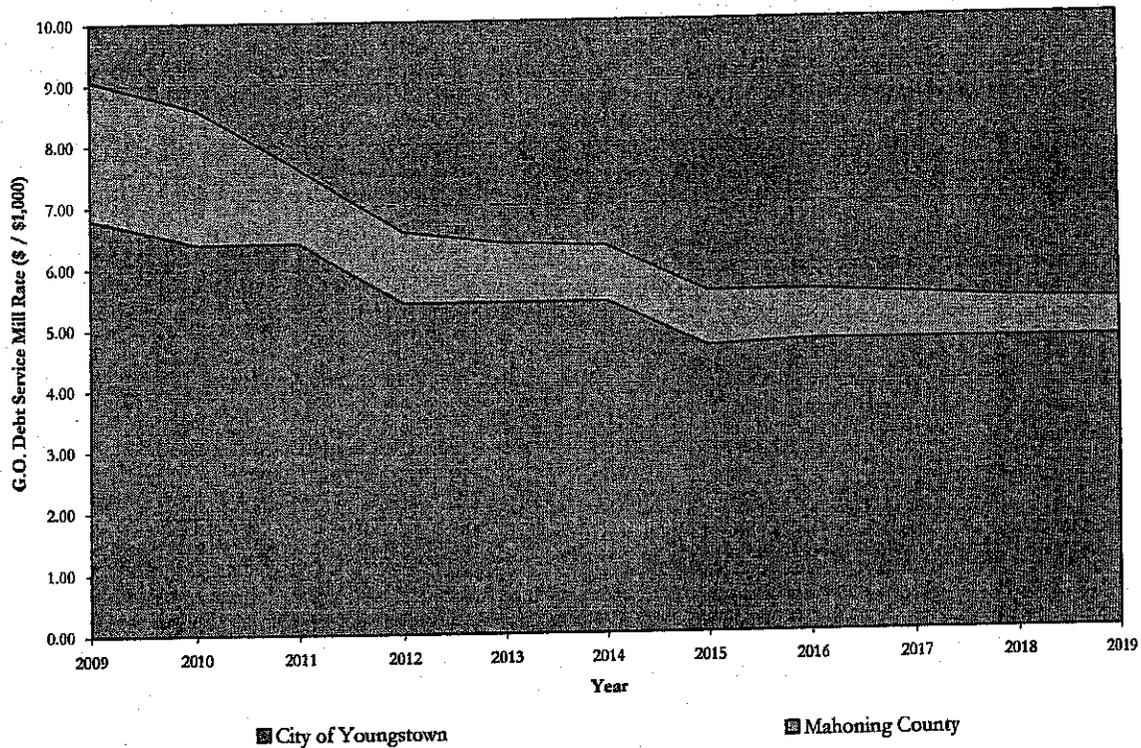
If the City wishes to proceed with the issuance of general obligation debt without voter approval, the financing of the project would need to be delayed until such time as the debt could be issued under the "10-mill limit." If none of the taxing jurisdictions (City, County, or School District) issue additional debt, there would be sufficient ability to issue general obligation debt in 2011 as indicated both numerically and graphically in the following:

Year	Mahoning County			City of Youngstown			Total
	Debt Payments	Tax Valuation	Required Tax Rate	Debt Payments	Tax Valuation	Required Tax Rate	Required Tax Rate
2008	8,262,554	4,176,044,571	1.98	2,405,845	601,628,937	4.00	5.98
2009	9,463,554	4,176,044,571	2.27	4,090,530	601,628,937	6.80	9.07
2010	9,206,047	4,176,044,571	2.20	3,839,693	601,628,937	6.38	8.59
2011	5,080,713	4,176,044,571	1.22	3,844,208	601,628,937	6.39	7.61
2012	4,837,512	4,176,044,571	1.16	3,254,816	601,628,937	5.41	6.57
2013	4,013,689	4,176,044,571	0.96	3,258,211	601,628,937	5.42	6.38
2014	3,785,866	4,176,044,571	0.91	3,257,330	601,628,937	5.41	6.32
2015	3,749,433	4,176,044,571	0.90	2,810,605	601,628,937	4.67	5.57
2016	3,409,541	4,176,044,571	0.82	2,860,586	601,628,937	4.75	5.57
2017	3,065,648	4,176,044,571	0.73	2,858,374	601,628,937	4.75	5.49
2018	2,716,277	4,176,044,571	0.65	2,855,961	601,628,937	4.75	5.40
2019	2,549,041	4,176,044,571	0.61	2,858,118	601,628,937	4.75	5.36
2020	2,519,237	4,176,044,571	0.60	2,858,824	601,628,937	4.75	5.36
2021	2,478,931	4,176,044,571	0.59	2,857,855	601,628,937	4.75	5.34
2022	2,443,084	4,176,044,571	0.59	2,683,455	601,628,937	4.46	5.05
2023	2,411,706	4,176,044,571	0.58	2,200,449	601,628,937	3.66	4.23
2024	2,343,930	4,176,044,571	0.56	2,196,468	601,628,937	3.65	4.21
2025	1,734,432	4,176,044,571	0.42	2,194,636	601,628,937	3.65	4.06
2026	1,693,985	4,176,044,571	0.41	1,970,568	601,628,937	3.28	3.68
2027	1,542,895	4,176,044,571	0.37	1,978,255	601,628,937	3.29	3.66
2028	1,504,948	4,176,044,571	0.36	1,982,735	601,628,937	3.30	3.66
2029	835,000	4,176,044,571	0.20	707,875	601,628,937	1.18	1.38
2030	812,371	4,176,044,571	0.19	701,313	601,628,937	1.17	1.36
2031	789,305	4,176,044,571	0.19	708,900	601,628,937	1.18	1.37
2032	765,801	4,176,044,571	0.18		601,628,937	0.00	0.18
Total	81,249,699			61,235,608			



Financing Scenarios

City of Youngstown, Ohio
Pro Forma G.O. Debt Service Mill Rate (no new debt, no equalized value growth)



There is no assurance that Mahoning County or the Youngstown School District will forgo the issuance of additional debt until after 2011. The City would need to develop a consensus among these entities in order to preserve capacity for the Municipal Court Project.



Summary and Conclusions



Summary and Conclusions

At the request of the City of Youngstown, PFM analyzed the City's financial capacity as it relates to the construction of a proposed Youngstown Municipal Court facility. The facility, as currently envisioned, would consist of 35,000 square feet on two levels with one 20,000 square foot basement and approximately 50 spaces of surface parking. The estimated total development cost is \$10,280,000.

As is often the case in a project of this magnitude, the City does not currently have funds on hand and would need to finance the project through the issuance of debt. Based upon a review of the City's historic revenues and expenditures in its operating funds since 2000, PFM prepared a projection of revenues and expenditures during the next five year period. This projection shows that, absent an additional revenue source, the City will not have sufficient funds available to pay the debt service payments necessary for the project.

In order to finance the project and provide the necessary revenue source to pay the debt service payments, it would be necessary for the City to issue General Obligation Debt. Subject to limitations, this debt can be issued either with or without voter approval. If voter approval is received, the City has sufficient debt capacity to finance the project and begin construction as soon as practicable.

If the debt is issued without voter approval, the debt is subject to an indirect 10-mill limit on all overlapping political subdivisions. Currently there is not enough debt capacity under this limit to finance the municipal court project. Capacity could be available as soon as 2011, but would require consensus of the City, Mahoning County, and the Youngstown City School District that no entity would issue debt until after the financing for the municipal court project is authorized. There is no assurance that such a consensus can be achieved.

IN THE SUPREME COURT OF OHIO

STATE EX REL.	)	CASE NUMBER 2009-0866
ELIZABETH A. KOBLY, ET AL)	
)	
Relators)	
)	
vs.	)	<u>AFFIDAVIT OF</u>
	)	<u>GREGG STROLLO</u>
YOUNGSTOWN CITY COUNCIL,)	
ET AL.)	
)	
Respondents)	

Now comes Gregg Strollo, being first duly sworn, and deposes and says as follows:

1. I am an architect and a principal in the architectural firm known as Strollo Architects, 20 West Federal Street, Suite 604, Youngstown, Ohio, 44503.

2. My primary role in the firm is as a Project Administrator. In that capacity, I have worked on over one thousand projects since 1979 worth over One Billion Dollars. My areas of expertise are in staffing, program analysis, planning, architectural design, handicapped access and ADA compliance, with a high concentration in public works including corrections and justice.

3. My firm designed the Wayne County Municipal Court and prepared the schematic design for the Seventh District Court of Appeals, as well as participating in numerous other projects

relating to court house facilities and/or the criminal justice system.

4. In 2006, the City of Youngstown, Ohio, requested that I review preliminary plans for a new Youngstown Municipal Court building at site known as the Master's Block prepared by Olsavsky-Jamnet Architects in order to determine whether it was possible to scale back the cost of said project.

5. Subsequently, the City of Youngstown requested that Strollo Architects analyze the suitability of the building known as the City Hall Annex as the location of a renovated court facility that would satisfy the standards of the Ohio Supreme Court in order that it might be proposed as an alternative site.

6. Strollo Architects analyzed the suitability of the City Hall Annex by taking the preliminary plans that had been prepared for the Master's Block project and seeing if a similar design could be carried out in the City Hall Annex.

7. Strollo Architects determined that the City Hall Annex could easily accommodate said facilities. This determination is set forth in the City Hall Annex Building Analysis which I personally participated in preparing. It is attached to this Affidavit as Exhibit 1.

8. Upon determining that the City Hall Annex site was suitable, my colleague and partner Kirk Kreuzwieser and I

prepared a schematic plan for the Youngstown Municipal Court at that location. It is attached to this Affidavit as Exhibit 2.

9. It is my opinion that the plan prepared by Strollo Architects for renovated court facilities in the City Hall Annex will provide the Youngstown Municipal Court with suitable accommodations that comply with all standards set forth by the Ohio Supreme Court.

10. The City Hall Annex Building Analysis and schematic plan were made available to the Youngstown Municipal Court judges in October 2008.

11. In April of 2009, Architect Raymond Jaminet and I met under the supervision of the then-President of Youngstown State University, Dr. David Sweet, to examine the differences between our respective schematic plans in order to facilitate agreed modifications that would result in a settlement. At that time, Architect Jaminet and I agreed that the plans were quite similar except for approximately five significant differences.

12. The Strollo schematic calls for renovations/additions to the first and third floor of the City Hall Annex, while the Jaminet schematic calls for renovations/additions to the majority of the entire four-story building and the 75,000 square feet it encompasses.

13. The Strollo schematic plan would provide secure adjacent outdoor parking for the municipal judges and clerk of

courts, while the Jaminet schematic would require that an enclosed attached garage be constructed for the judges and affixed somehow to the historic building in which the municipal court is to be housed.

14. The Strollo schematic calls for prisoners to be escorted into the building through an entrance located within a secured parking area, while the Jaminet schematic would require that a new opening be cut into the south face of the stone building in order to create an overhead door/sally port.

15. The Strollo schematic calls for the municipal Court to utilize two elevators, while the Jaminet schematic calls for the use of four elevators which requires that two new elevator shafts be cut into the historic stone building.

16. The Strollo schematic uses the existing walls to a great extent, while the Jaminet schematic would require that a much greater percentage of the walls and spaces be renovated.

17. Our My schematic design estimate for the construction and design of the Strollo renovation plan is Six Million Dollars (\$6,000,000.00). The final costs will ultimately be determined by market conditions at the time of building.

18. Based on the schematic design of Architect Jaminet, I believe that an appropriate opinion of probable cost would exceed Eight Million Dollars (\$8,000,000.00) to renovate the building in that fashion assuming interior and exterior

finishes/furnishings are treated in like kind, including mechanically and electrically. Given the fact that this schematic deals with approximately ten thousand square feet more than the Strollo schematic, and has the differences noted above, Eight Million Dollars (\$8,000,000.00) will likely be inadequate to carry it out.

19. None of the Youngstown Municipal Court judges ever provided me with any feedback on the Strollo schematic plan or requested any changes to it.

20. The first feedback we heard from any Youngstown Municipal Court judge came from being informed of the flaws that a Youngstown Municipal Court judge, Judge Elizabeth Kobly, claimed existed in our plan when questioned about them during her deposition. Judge Kobly prepared a list of her objections to the "Strollo Plan" which we had the opportunity to review, and which I have attached hereto as exhibit 3.

21. While some of her comments reference Ohio Supreme Court Facility or Security Standards, it is clear that none of the purported flaws Judge Kobly raised are actually violations of the referenced standards. She appears to have merely referenced whatever standard deals with the aspect of a courthouse she was not satisfied with in my schematic and described it as a violation. My responses to her specific objections are as follow.

22. Judge Kobly's first objection is to language found in the Plan analysis prepared by Strollo Architects that refers to the fact that there is ample capacity in the annex to "substantively comply with the intent of the standards" as set forth by the Supreme Court. The language means that the Strollo Plan meets the substantive parts of the standards that are specific as to what spaces are to be provided and is intended to meet the intent of the standards in providing for the efficient and effective administration of justice; providing a suitable judicial atmosphere and suitable facilities to properly serve the public; as well as providing for the safety and security of those who use the facility.

23. Judge Kobly's second objection is to the outside conveyance of prisoners. She objects that there is no "sallyport" and that violates Standard 8 of the Court Security Standards. Standard eight requires that prisoners should not be transported into and within a court facility through areas that are accessible to the public. Although the Strollo Plan does not provide for a sallyport as a completely closed off area into which vehicles conveying prisoners can be brought, the plan provides for prisoner conveyance vehicles to be able to park next to a dedicated entrance where prisoners can exit the vehicle and immediately enter into secured area, not accessible to the public. A physical barrier to separate the

police parking from that of the judges and other court personnel is easily fitted into the Strollo plan without disturbing or adding to the existing historic building.

24. Judge Kobly objects that there is no private parking for judges, and that their parking spaces are labeled as "Judges parking" in violation of Standard 12. Standard 12 actually addresses procedures to increase the personal security of judges and does not address parking. The commentary to Standard 11 indicates that judges parking spaces should be located as close as possible to an entrance and that they should not be differentiated by judge signage. The parking spaces designated for judges' use in the Strollo Plan are near and adjacent to two entrances into the building, and they are designated as such for the schematic; there is no intention to label them as such. There is no court facility or security standard that requires garage parking for the judges.

25. In her fourth objection, Judge Kobly states that the Strollo plan calls for the same elevator to be used by the judges and prisoners and violates Standard 8. Standard 8 states that prisoners should be transported within the facility through areas not accessible to "the public" and should be held in a secure area. It does not dictate that prisoners cannot use the same elevators as the judges, or even the same hallways. Nevertheless, the Strollo plan does provide for

secure areas for prisoners and for their transportation by different secured hallways from the judges as well. The elevator to be installed under the Strollo plan has two doors, one opening into a secure hallway of the judges and the other into a secure holding area for the prisoners both on the first and courtroom floors. The doors are to be operated by keylocks that would prohibit the judges and prisoners accessing the elevator at the same time.

26. Judge Kobly's fifth objection is that the prisoner holding area is right outside the judges' offices which violates standard 13. While the schematic does show the prisoner holding area next to a judge's office, it also indicates that there is a separating wall between them and that the holding area is secure from the hallway from which the judge's office is accessed. Standard thirteen provides that "judges, juries, court personnel and prisoners should have routes to and from the courtroom separate from the public". It does not require that judges have separate routes from prisoners, probably because judges and prisoners rarely enter the court at the same time. Nevertheless, the Strollo plan provides for separate corridors for judges and court personnel and prisoners and provides for those corridors to be locked down while prisoners enter the courts.

27. Judge Kobly claims that the Stollo plan violates Standard 13 because it did not consider use of the mezzanine floor. Standard 13 does not call for consideration of all space in a government building in remodeling for court facilities but rather for consideration of "circulation patterns that govern the movement of people to, from, and in the courtroom" The use of the mezzanine floor in architect Jaminet's schematic does not include any use of space for the movement of people to, from and in courtrooms. It is for administrative purposes.

28. The remainder of Judge Kobly's objections relate to the size and location of various areas and offices, all of which were modeled based on the schematic drawings of the rooms and areas provided for in the Masters Block project for a new courthouse that the judges had approved, and none for which there is any provision in the Court facility or safety standards as to their size or location. Two courtrooms are smaller than the large central courtroom because the Stollo plan utilizes existing walls as much as possible both to save costs and to preserve the integrity of the building. Architect Jaminet's plan also calls for one larger and two smaller courtrooms. The Stollo plan courtrooms have four conference rooms for attorneys and their non-prisoner clients, accessed from the public hallway, while the Jaminet plan has none.

Other objections question the existence of a copy room (there was a copy room in the Master Block plan); steno offices with waiting areas and secretaries (these were areas in the Court Administrator's suite which can be used for steno's secretaries or put to any other use the administrator prefers); whether the stairway on the first floor has access to the mezzanine or courtroom floor (it does not). The offices for the magistrate can be easily relocated, and there is parking space available next to the building that can be made handicap accessible for him. The jury assembly room doubling as a hearing room was also a design that existed in the Masters Block plan.

29. Judge Kobly's 22nd objection is that the storage provided is as small as a judge's chamber. In the Strollo plan there is a storage area designated as such, but there is also significant additional non-allocated space within the building that can be used for storage. In addition the plan calls for cleaning and painting the basement of the building which can also be used for storage.

30. Finally Judge Kobly objects that there is no separate violations bureau provided for. It is our understanding that the violations bureau is part of the Clerk of Courts office which in the Strollo plan utilizes the former Post Office configuration that has space designed to accommodate a walk-up clientele at a service counter. The violations bureau in the

Strollo plan has the same proximity to public parking as any other plan which calls for renovation of the annex building has.

31. All of the foregoing is based on my personal knowledge and relates to relevant matters about which I am competent to testify.

FURTHER, AFFIANT SAYETH NAUGHT.

G. Strollo

GREGG STROLLO

STATE OF OHIO)
) ss:
COUNTY OF MAHONING)

Subscribed and sworn to before me this 27 day of July, 2010.

Anthony J. Jarvis
NOTARY PUBLIC
My Commission Never Expires

YOUNGSTOWN OFFICE

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**CITY HALL ANNEX
BUILDING ANALYSIS**

AS RELATED TO THE

**YOUNGSTOWN MUNICIPAL
COURTS
AND
CLERK OF COURTS**

ARCHITECTURE

ENGINEERING

INTERIOR DESIGN

PLANNING

YOUNGSTOWN, OH
ORLANDO, FL
MEADVILLE, PA
COLUMBIANA, OH
RICHMOND, VA
WASHINGTON D.C.

PERRY DOUGLASS
RODNEY LAMBERSON
TOM MADEJ
TERRY MCCOY
GREGG STROLLO
J. PAT STROLLO
LAWRENCE STROLLO
JOSEPH A. YANK



OCTOBER 23, 2008

WWW.STROLLOARCHITECTS.COM

CITY HALL ANNEX BUILDING ANALYSIS relative to THE YOUNGSTOWN MUNICIPAL COURTS/CLERK OF COURTS

SCOPE OF WORK

In 2006, Strollo Architects was asked by the City of Youngstown to provide oversight into the planning process for the Municipal Courts. The project, which has been underway for several administrations was, and is, an arrangement between The Courts and Olsavsky Jaminet Architects of Youngstown. Our directive was, and is, to provide a second opinion, suggestions and review of the effort, which to date has not yet developed an alternative that was deemed financially feasible to the City.

Our initial role took the form of review and analysis of plans developed to that date. In general, our observations, strategies and suggestions were primarily a recommendation of space reduction and consolidation, highlighted by a range of sizes in the courts, rather than equally sized and equipped courtrooms. On or about February 16, 2007, Mr. Jaminet wrote and offered to discuss with the Courts/Clerk the prospect of incorporating some of these recommendations into the next revision of the plan. Based upon our review of that revised version, the resulting solution (placed on the former Masters Block) was even larger than prior versions. The explanation was that the suggestions were not acceptable to the courts, and that the Masters Block solution was the direction the courts would pursue, perhaps in conjunction with litigation against the city, for failing in it's charge to provide the Municipal Courts with appropriate space.

At this time, we were also informed orally that the City Hall Annex was examined by The City Engineering Department and the architect, and discussed as an option with the Courts. It was reported to us that the Annex was rejected as being unacceptable. We asked at that time for any written notification of the reasoning behind the rejection. To date, we are unaware of any written rationale behind the opinion that the building was unacceptable. Again, on or around this time, we were asked to re-analyze the building for space capacity and suitability for the courts. The following information is the result of that effort.

* Please note that following review of the draft of this document, a letter dated June 6, 2006 to the courts was shared with us. That letter suggests that the Annex would be acceptable, provided a more detailed analysis was able to confirm that initial 2006 opinion. This document confirms it's suitability.

SPACE CAPACITY

The City Hall Annex (Formerly Youngstown's Main Post Office and Federal Bankruptcy Court) is a Stone Building with a footprint of approximately 24,000 square feet.

There is a Basement, which currently serves as a storage facility for city record and unused equipment/furnishings. There is a small sub-basement, which houses the decommissioned mechanical system that formerly heated the building. The total area for basement and sub-basement is also approximately 24,000 square feet.

The first floor, which is now largely occupied by a tenant, is also 24,000 square feet.

The second floor is significantly smaller, currently housing miscellaneous city offices. Its size is approximately 9,000 square feet.

The third floor, which formerly housed the Federal Bankruptcy Court, is approximately 22,000 square feet.

There is a small mechanical penthouse, housing elevator equipment.

THE COMBINED GROSS FLOOR AREA OF THE BUILDING IS IN EXCESS OF 75,000 SQUARE FEET. As a frame of reference, the current square footage assigned to the Municipal Court and the Clerk of Court is approximately 10,000 square feet. Another reference is the gross square footage of the programmed solution at the Masters Block, which we believe to be approximately 36,000.

APPROACH

For the purpose of this analysis, only the ground and third floor are being discussed, with the fundamental premise that a suitable plan solution can be developed within the total square footage available on those floors.

Using the **COURT SECURITY STANDARDS OF THE OHIO SUPREME COURT, DATED OCTOBER 17, 1994** and the **COURT FACILITY STANDARDS, UNDATED, NOTED AS APPENDIX D**, this office took the assigned program square footages developed by the Municipal Courts and Mr. Jaminet and "tested" a fit on the ground and third floor of the City Hall Annex.

Our logic was to separate the Clerk and Probation functions from the court, placing them on the Ground/Street Level. In its original capacity as a Post Office, the space was

designed to accommodate a walk-up clientele at a service counter. The large corridor that served as a queuing area still exists, and would serve the same function for the Clerk of Courts. The original service areas "behind" the service counter can comfortably accommodate the clerks staffing demands, and there is ample separated space to accommodate Probation and support services.

The Courtrooms and Judges Chambers have been "tested" on the third floor, the former home of the Federal Bankruptcy Court. By utilizing the former courtroom, and roofing over the adjacent "light courts", you are able to have three large courtrooms, similar in size. Using a reconfigured floor plan, a secure corridor can connect the vertical circulation core, and allow separated access to staff (i.e. judges) and escorted prisoners. There is also clear separation between public and staff.

We enclose as a part of this report, our schematic floor plans illustrating all assigned spaces on the abovementioned floors, to accommodate the Courts, Clerk of Courts, and associated support by the prosecutor and probation departments. Again, by way of reference, we believe that all of the assigned spaces accommodated in the Masters Block solution, have been similarly accommodated within these schematic plans.

PLEASE NOTE THE COURTS HAVE NOT REVIEWED THESE SCHEMATIC PLANS. They are not intended as a design solution, but clearly illustrate that there is ample capacity on these floors to substantively comply with the intent of the standards as set forth by the Supreme Court of Ohio.

STATEMENT OF PROBABLE COSTS

To assess/establish a rational budget to improve the Annex, we have conducted a series of visual inspections. Included were registered Engineering design professionals, contractors, architects and building officials.

It has been our approach to determine a cost to improve the entire building, with the clear intent that any solution must achieve a level of quality the addresses the "Dignity of the Courts". In point of fact, this structure, by way of its original design and material palate, has that character in its DNA. The Palladian Windows, Grand Public Spaces, Brass, Terrazzo, Ceiling heights and Exterior Stone, are precisely the quality features, which distinguish this structure and make it a logical fit for the Municipal Courts.

With that in mind, we would budget for the following:

Masonry / Parapet Stabilization	\$ 300,000
Window Replacement/Repair	275,000
Fire Alarm/Emergency Lighting And all Electrical/Data	900,000
Gas Fired rooftop units (9) And all Mechanical	775,000
Roof Tear-Off and Replacement	250,000
Sprinkler System	200,000
Security System	200,000
Basement/Mezzanine (clean/paint)	150,000
General Conditions	245,000
General Contracting, to include:	3,640,000
Metal Studs/Drywall	
Carpentry	
Acoustic Tile	
Doors/Frames	
Flooring	
Painting	
Concrete Repair/Ramps	
Elevator/Stairs	
Canopy Repair	
Concrete at new floor	
Necessary Demolition	
Miscellaneous Repairs	
TOTAL IMPROVEMENTS	\$5,434,000

The above referenced costs are specific schematic layout as shown in the accompanying drawings. Not included in these figures are permits, A/E fees and contractors overhead and profit. Common professional service percentages for projects of this scale and complexity range from 8% - 12%, based upon scope of services required. Contractor's overhead and profit commonly range from 5% - 7%, and are subject to bidding climate. We would recommend a 10% for a renovation of this nature, or \$534,000. Also please note that an asbestos analysis has been completed for this building. It is unclear whether or not this has been acted upon. It should be updated, and status confirmed.

ADDITIONAL OBSERVATIONS

The renovation and use of this building would represent a "highest and best" use of this neo-classical structure.

The project would be an example of responsible stewardship of both property, and public funds.

Although parking is not addressed in detail, the condition of and access to parking (by radius) at the Annex appear to be an improvement to the situation as currently exists at City Hall.

The time required to renovate, versus build new, should favor renovation.



PROPOSED MUNICIPAL COURT RENOVATION

YOUNGSTOWN, OHIO
OCT. 23, 2008

COLOR CODE FOR
ATTACHED PLANS

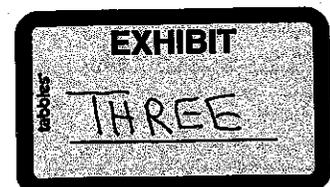
- JUDGE / STAFF AREAS
- SECONDARY COURT ROOMS /
UNRECORDED
- SECURE / OBSERVANT QUARTERS
- PUBLIC
- COURT ADMIN. / SECURITY
- COURTROOM / CLERK OF
COURTS AREA
- PROSECUTOR'S AREA

SITE LOCATION

STROLLO
ARCHITECTS
www.strolloarchitects.com

STROLLO DRAFT AND DRAWINGS

- 1 By definition, not fully compliant with modern court standards. Only intended to "substantively comply with the intent of the standards," whatever that means.
- 2 Safety hazard with outside prisoner conveyance. No sally port. Violation of Std. 8 of the Court Security Standards.
- 3 No private parking for judges. Presumably the same signs as at present designating in bold letters "Judge parking" on the outside of the building. Violation of Std. 12.
- 4 Judges and prisoners using the same elevator. Violation of Std. 8.
- 5 Judge/prisoner elevator opens up onto the judge's office. Violation of std. 8.
- 6 Prisoner holding area is right outside the judge's offices. Violation of Std. 13.
- 7 No consideration of using the mezzanine floor. Violation of Std. 13
- 8 What are the sizes of anything? Why is one courtroom bigger than the others?
- 9 Why does the big courtroom have no conference rooms, like the other 2?
- 10 The chief bailiff's office needs to be adjacent to the service bailiffs office and also to the jury assembly room.
- 11 The service bailiff's office is probably too small to accommodate 3 people.
- 12 The assignment office is probably too small to accommodate 2 windows to deal with the public, and also private work space.
- 13 The waiting area at the entrance to the probation dept. needs to be big enough to seat 12 people.
- 14 The waiting area at the entrance to the probation dept. must adjoin the intake officer's office, with a glass separation window akin to a doctor's office window.
- 15 There's a starway on the top left corner of the first floor. Does it go to the basement? It can't go to the 2d floor because that's where the "mech/elec" room is located. (Plus, the drawing indicates that this is a secure area).
- 16 Steno offices with a waiting area and secretary space??
- 17 Prosecutor's offices for 5 prosecutors is way too small.
- 18 What is a "copy room?"
- 19 The magistrate is handicapped. He is assisted daily by the assignment office and chief bailiff. His office and courtroom must be near these offices.
- 20 The magistrate has no secretary.
- 21 The magistrate must have a secure parking spot that is handicap accessible.
- 22 The one storage area for the entire court is as small as a judge's chamber. Violation of Appendix D (I).



23 Jury assembly room doubles as a hearing room? Comfortable chairs, tables, reading materials, telephones, televisions, maybe vending machines, in a courtroom?

24. NO violating Bureau anywhere

IN THE SUPREME COURT OF OHIO

STATE EX REL.	)	CASE NUMBER 2009-0866
ELIZABETH A. KOBLY, ET AL)	
)	
Relators)	
)	
vs.	)	<u>AFFIDAVIT OF</u>
	)	<u>KIRK KREUZWIESER</u>
YOUNGSTOWN CITY COUNCIL,)	
ET AL.)	
)	
Respondents)	

Now comes Kirk Kreuzwieser, being first duly sworn, and deposes and says as follows:

1. I am an architect and a principal in the architectural firm known as Strollo Architects, 20 west Federal Street, Suite 604, Youngstown, Ohio, 44503.

2. Since 1980, I have designed a wide variety of government, education, recreation, office, cultural, health care and correction projects throughout the country.

3. Over the past few years, I have been involved in a number of Court projects. These include my work in designing the Wayne County Municipal Court, preparing the schematic plan for the Seventh District Court of Appeals, and other similar projects.

4. In 2008, my colleague Gregg Strollo requested that I serve as lead designer and planner for a possible renovation of a building known as the City Hall Annex in order that it might provide suitable accommodations for the Youngstown Municipal Court.

5. The City Hall Annex is a former federal court building constructed largely of stone and marble which would provide a respectable and dignified setting for the Youngstown Municipal Court.

6. I personally prepared a schematic plan for the renovation of the City Hall Annex to serve as the new home of the Youngstown Municipal Court. A copy of said schematic plan is attached to this Affidavit as an exhibit.

7. I can say without hesitation that the plan I prepared for the Youngstown Municipal Court in the renovated City Hall Annex would comply with all standards promulgated by the Ohio Supreme Court.

8. Subsequent to my preparation of the plan, I received no response from the Youngstown Municipal Court judges which has had the effect of hampering my efforts to address their wants and needs.

9. The first feedback I heard from any Youngstown Municipal Court judge came from being informed of the flaws that a Youngstown Municipal Court judge, Judge Elizabeth Kobly, claimed existed in my plan when questioned about them during her deposition.

10. While some of her comments reference Ohio Supreme Court Facility or Security Standards, it is clear that none of the purported flaws Judge Kobly raised are actually violations of the referenced standards. She appears to have merely referenced whatever standard deals with the aspect of a courthouse she was not satisfied with in my schematic and described it as a violation.

11. While the schematic I prepared is in full compliance with all standards set forth by the Ohio Supreme Court, I am capable and willing to make changes to my schematic design to more fully satisfy the wants and needs of the Youngstown Municipal Court judges.

12. I am nonetheless confident in saying that the schematic plan I prepared constitutes suitable accommodations and complies with all standards set forth by the Ohio Supreme Court.

13. All of the foregoing is based on my personal knowledge and relates to relevant matters about which I am competent to testify.

FURTHER, AFFIANT SAYETH NAUGHT.


KIRK KREUZWIESER

STATE OF OHIO)
) ss:
COUNTY OF MAHONING)

Subscribed and sworn to before me this 8th day of
July, 2010.


NOTARY PUBLIC
Mahoning County, Ohio
My Commission Never Expires



PROPOSED MUNICIPAL COURT RENOVATION

YOUNGSTOWN, OHIO
OCT. 23, 2008

COLOR CODE FOR
ATTACHED PLANS

- JUDGE / STAFF AREAS
- SECONDARY COURT ROOMS / UNPROGRAMMED
- SECURE/DEFENDANT QUARTERS
- PUBLIC
- COURT ADMIN. / SECURITY
- COURTROOM / CLERK OF COURTS AREA
- PROSECUTOR'S AREA

 SITE LOCATION

STROLLO
ARCHITECTS
www.strolloarchitects.com

IN THE SUPREME COURT OF OHIO

STATE EX REL.	)	CASE NUMBER 2009-0866
ELIZABETH A. KOBLY, ET AL)	
)	
Relators)	
)	
vs.	)	<u>AFFIDAVIT OF</u>
	)	<u>SEAN MCKINNEY</u>
YOUNGSTOWN CITY COUNCIL,)	
ET AL.)	
)	
Respondents)	

Now comes Sean McKinney, being first duly sworn, and deposes and says as follows:

1. I am currently the Commissioner of Building and Grounds for the City of Youngstown, Ohio.

2. The Building and Grounds Department is the operations and maintenance side of City government and functions as stewards of its buildings and physical assets and a provider of support services. In everything we do, we strive to deliver high quality, reliable and innovative services that are responsive to the changing needs of Youngstown City Hall and the Youngstown Municipal Court.

3. It is my understanding that during administrations prior to Mayor Williams taking office, the Youngstown Municipal Court area was often neglected and poorly maintained.

4. I and the entire Building and Grounds Department of the City of Youngstown are committed to ensuring that situation never reoccurs.

5. The Building and Grounds Department has staff available to offer services related to the Architectural Trades (carpentry, glass, building security, paint and sign) and the Building Engineering Trades (electrical shop, HVAC and plumbing).

6. The Building and Grounds Department also manages additional services which it provides through outside contracts, such as garbage, recycling, custodial, relamping, pest control, D.I. water, fire doors, elevator maintenance and alarms and service problems.

7. The Building and Grounds Department has, in recent years, provided the following specific services to the Youngstown Municipal Court and the areas of City Hall which connect to it: (1) painting the lobby, stairwell, restrooms, offices and common areas; (2) new flooring in the open portions of the Youngstown Municipal Court area; (3) new heating and air conditioning for all judges' chambers and courtrooms; (4) updated the entrance to the court area through the Police Department with new carpet, paint, tile, furniture, receptacles, lights and new ceilings; (5) updated the lighting to make it energy efficient; (6) installed new bathroom fixtures; (7) installed new fire alarm systems; (8) installed eighteen-ton compressor HVAC used for Court

Administrator's Office and the Clerk of Courts Office to maintain proper air flow and increase energy efficiency; (9) changed all traps on radiators to increase energy efficiency; (10) implemented a system requiring ID badges for all employees; (11) implemented twenty-four hours security system; (12) provided parking accommodations for all judges, court administrator and magistrate; and (13) continued to provide all janitorial, carpet cleaning and maintenance services.

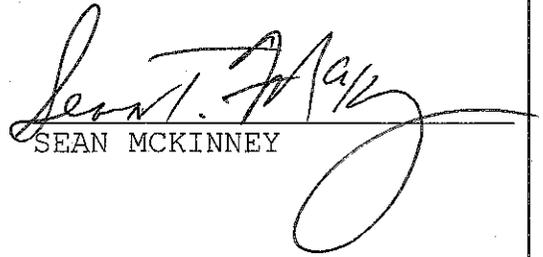
8. The Building and Grounds Department also maintains the outdoor landscape around City buildings, including City Hall, by planting trees, maintaining plant life, maintaining pavement, snow removal/ice control and maintaining all outdoor structures and furnishings.

9. The Building and Grounds Department diligently maintains the Youngstown Municipal Court facilities and is dedicated to continuing to do so.

10. I and the Building and Grounds Department are committed to making every effort to provide the Youngstown Municipal Court with safe, effective and aesthetically pleasing facilities.

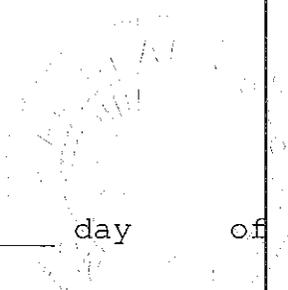
11. All of the foregoing is based on my own personal knowledge and related to relevant matters about which I am competent to testify.

FURTHER, AFFIANT SAYETH NAUGHT.


SEAN MCKINNEY

STATE OF OHIO)
) ss:
COUNTY OF MAHONING)

Subscribed and sworn to before me this 8th day of
July, 2010.



NOTARY PUBLIC
Mahoning County, Ohio
My Commission Never Expires

IN THE SUPREME COURT OF OHIO

STATE EX REL.	)	CASE NUMBER 2009-0866
ELIZABETH A. KOBLY, ET AL.)	
)	
Relators)	
)	
vs.	)	<u>AFFIDAVIT OF</u>
	)	<u>KYLE L. MIASEK</u>
YOUNGSTOWN CITY COUNCIL,)	
ET. AL.)	
)	
Respondents)	

Now comes, Kyle L. Miasek, being first duly sworn and states that the following is true to the best of his personal knowledge:

1. That I am currently employed by the City of Youngstown, Ohio in the position of Deputy Finance Director and have been so employed since January 2006.

2. That as part of my responsibilities in the aforesaid position I monitor and report the revenue and expenditures of the City of Youngstown.

3. That I prepared a summary of the City of Youngstown's Revenue and Expenditures for the years 2008, 2009 and budgeted Revenues and Expenditures for the year 2010.

4. That a true copy of said summary is attached hereto and incorporated herein as Affidavit Exhibit 1.

5. That the summary I prepared was generated by me after a review of the financial records of the City of Youngstown.

6. That my review, as verified by said Affidavit Exhibit 1, indicates that for the year 2008 the ending balance for the funds supported by income tax left the City with a deficit of \$356,569.00.

7. That my review, as verified by said Affidavit Exhibit 1, indicates that for the year 2009 the ending balance for the funds supported by income tax left the City with a deficit of \$1,273,558.00.

8. That my review, as verified by said Affidavit Exhibit 1, indicates that for the year 2010 (although a balanced budget was passed) the projected ending balance for the funds supported by income tax will leave the City with a projected deficit of \$2,225,314.00.

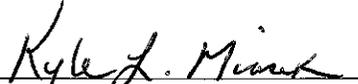
9. Although it may appear that the City has allocated and spent substantial amounts out of Fund 417 for economic development, the majority of the monies deposited into that fund were received as governmental, state or federal grants earmarked for specific projects.

10. That the attached Affidavit Exhibit 1 and the figures provided in said Exhibit were collected and prepared by me after a review of the relevant financial records of the City of

Youngstown and said Exhibit accurately reflects the financial records maintained by the City.

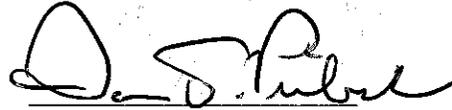
11. All of the foregoing is based on my personal knowledge and relates to relevant matters about which I am competent to testify.

FURTHER, AFFIANT SAYETH NAUGHT.


KYLE L. MIASEK

STATE OF OHIO)
) ss:
COUNTY OF MAHONING)

Subscribed and sworn to before me this 23rd day of July, 2010.


NOTARY PUBLIC
ATTORNEY AT LAW
MY COMMISSION HAS
NO EXPIRATION DATE

**CITY OF YOUNGSTOWN, OHIO
REVENUE AND EXPENDITURES
FOR YEAR 2008**

		Cash			
		Balance	Actual	Actual	Ending
<u>OPERATING & IMPROVEMENT FUNDS:</u>		<u>Jan. 1st</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Balance</u>
101	GENERAL FUND + LETTERS OF CREDIT	\$472,064	\$41,835,106 *	\$41,594,007	\$713,162
102	PARK & RECREATION	46,538	2,867,766	2,763,545	150,760
106	STREET CONST,MAINT,REPAIR	318,682	6,077,056	6,179,671	216,067
109	POLICE LEVY	378,090	20,840,090	20,958,716	259,464
110	FIRE LEVY	315,076	13,579,275	13,827,112	67,238
219	EMERGENCY 911 SYSTEM	14,582	1,109,950	1,112,797	11,735
402	CAPITAL IMPROVEMENT LEVY	72,614	5,048,060	5,098,097	22,577
417	ECONOMIC DEVELOPMENT	<u>(1,314,100)</u>	<u>5,017,779</u>	<u>5,501,252</u>	<u>(1,797,573)</u>
	TOTAL	\$303,546	\$96,375,082	\$97,035,197	(\$356,569)

* Note: City generated \$3,326,766 in one-time revenue with sale of easement and YMHA service agreement

**REVENUE AND EXPENDITURES
FOR YEAR 2009**

		Cash			
		Balance	Actual	Actual	Ending
<u>OPERATING & IMPROVEMENT FUNDS:</u>		<u>Jan. 1st</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Balance</u>
101	GENERAL FUND	\$713,162	\$39,735,983 *	\$40,427,105	\$22,041
102	PARK & RECREATION	150,760	2,525,592	2,658,956	17,395
106	STREET CONST,MAINT,REPAIR	216,067	5,394,206	5,610,261	11
109	POLICE LEVY	259,464	18,722,164	20,070,907	(1,089,278)
110	FIRE LEVY	67,238	13,280,436	13,334,634	13,040
219	EMERGENCY 911 SYSTEM	11,735	1,093,161	1,101,350	3,546
402	CAPITAL IMPROVEMENT LEVY	22,577	4,414,944	4,435,950	1,572
417	ECONOMIC DEVELOPMENT	<u>(1,797,573)</u>	<u>12,099,553</u>	<u>10,543,865</u>	<u>(241,885)</u>
	TOTAL	(\$356,569)	\$97,266,040	\$98,183,028	(\$1,273,558)

* Note: City generated \$1,000,000 in one-time revenue with sale of asset

**BUDGETED REVENUE AND EXPENDITURES
FOR YEAR 2010**

		Cash			
		Balance	Budgeted	Budgeted	Ending
<u>OPERATING & IMPROVEMENT FUNDS:</u>		<u>Jan. 1st</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Balance</u>
101	GENERAL FUND	\$22,041	\$36,415,961 *	\$38,722,231	(\$2,284,229)
102	PARK & RECREATION	17,395	2,053,850	2,068,840	2,405
106	STREET CONST,MAINT,REPAIR	11	5,509,500	5,509,262	249
109	POLICE LEVY	(1,089,278)	19,314,016	18,222,554	2,184
110	FIRE LEVY	13,040	12,726,336	12,738,144	1,232
219	EMERGENCY 911 SYSTEM	3,546	1,169,000	1,156,317	16,229
402	CAPITAL IMPROVEMENT LEVY	1,572	4,332,401	4,333,000	973
417	ECONOMIC DEVELOPMENT	<u>(241,885)</u>	<u>6,709,021</u>	<u>6,431,493</u>	<u>35,643</u>
	TOTAL	(\$1,273,558)	\$88,230,085	\$89,181,841	(\$2,225,314)

* Note: City closed budget gap with \$2,325,000 in one-time revenue from possible sale of asset and hopeful income tax growth