

Cuyahoga Falls City Council
Minutes of the Public Affairs Committee Meeting
October 4, 2010

Members: Mark Ihasz, Chair
Kathy Hummel
Jeff Iula

Mr. Ihasz called the meeting to order at 6:55 p.m. All members were present.

The minutes from the September 7, 2010 Committee meeting were approved as submitted.

Legislation Discussed:

Temp. Ord. A-123

Temp. Ord. A-124

Discussion

Temp. Ord. A-123

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the demolition of buildings and removal of demolition debris at various locations in the city, and certifying the cost thereof to the County Fiscal Officer for collection in the manner provided by law, and declaring an emergency.

Kathy Richards spoke on three of the locations. She indicated that 2136 16th St., was for the demolition of a house. The foundation is severely deteriorated. The next location was at 2021 Akron-Peninsula also for the demolition of the house. It is deteriorating, siding is missing, the roof is caving and doors and windows are missing. The third is at 1872 18th St. for the demolition of a garage. Walls are buckling and the wood is rotting. The homes have all been vacant for over a year. Demolition would start within a month.

Mrs. Truby spoke on the remaining two locations. With regard to 2550 Northland, the Department received calls from neighbors in August, 2008 that an elderly man living in the house needed assistance. Officials went to the home to see if the property qualified. However, the owner soon died and the house sat vacant. The Department continued receiving calls about the house. The City issued an ordinance on the exterior, and a foreclosure complaint was filed. Everyone involved was present. In April, 2009, the City issued an ordinance on the interior and exterior. Letters were sent to the banks who had an interest in the property. No progress was made by the banks and the City continued to mow the lawn. In July, 2010, the City posted the property. Complaints still came in from the neighbors in August, 2010. Demolition is \$3,975 and will be paid with CDGB money through its spot slum blight program. The amount will be placed on the property tax duplicate. The second location is on Front Street and is the old Wallace building. It has been vacant for several years and has had high grass and kids breaking in. The City has mowed the grass and posted notices but the owner has ignored them. In August, 2010, the property owner signed an agreement for demolition to occur and the amount placed on the property tax duplicate. The City will not own the property. Funds will come from CDGB. There was no asbestos found and demolition can start next Tuesday. It is for two buildings. Mrs. Hummel stated the estimate for the lien against the property is \$19,000 and asked what amount is owed to the City to date for mowing. Mrs. Truby guessed it would be another \$1,000 to \$1,500 added to the \$19,000.

Mrs. Pyke stated she hated to see properties get so bad that they had to be demolished. She asked when housing first received calls on the 16th Street property. Ms. Richards did not have the date but said the

house was vacant since May, 2009. Mrs. Pyke asked about the Northland property and the garage. Mrs. Truby stated the calls started in August, 2008, and Ms. Richards stated the property with the garage has been vacant since June, 2009. Mrs. Pyke stated that several homes use blue tarp. The City cites these individuals because they are not taking care of their property. They are charged and given a fee. She asked when does it stop so the property doesn't get to that point. Mr. Janis stated it is generally a misdemeanor case. The defendant is charged and pleads guilty and is sentenced with a fine in the hope that it will make them fix the house. The problem is that the person does not usually have the money to do the repair so it is much simpler to pay the fine. It can go on indefinitely. In certain cases, jail time could get the property owner to fix up the property but if they are in jail, they cannot fix the property either.

Mrs. Hummel asked whether any of the properties to which Mrs. Pyke is referring that have the blue tarps are candidates for any low-cost loans or grant moneys the City has available. Mrs. Truby stated they typically work with every property owner if there was a financial issue. She added that the Housing Division works hard in taking things to court four, five and six times but the decision rests with the court. Mrs. Hummel stated the answer is that the problem houses have not been transferred to any of the low cost monies out there. Mrs. Truby stated when they know there is an issue, such as with the Northland property, they try to qualify the home owner with money available.

Mrs. Hummel moved to approve bringing A-123 out of Committee with a favorable recommendation, second by Mr. Iula. Motion passed, voice vote (3-0).

Temp. Ord. A-124

An ordinance authorizing the Director of Public Service to enter into an agreement for professional services with American Municipal Power, Inc. for the establishment, operation and management of an energy efficiency program to be known as "Efficiency Smart Power Plant," and declaring an emergency.

Mrs. Carr stated this is a different investment than in the past. This would help the City meet its future growth needs by having a less need for power. It will bring down some of the loads and will take the City to the next step. The company that AMP-Ohio teamed up with is Vermont Energy Investment Corporation. Jolene Thompson, AMP Senior Vice President, Member Services and External Affairs, gave the presentation. Mr. Ihasz asked what date they needed the municipalities on board by. Randy Corbin, AMP Assistant Vice President of Energy Policy and Sustainability, stated it was by the end of October. Mr. Ihasz asked if they needed payment up front. Mr. Corbin indicated that billing would start when the City starts receiving service in January, 2011. There are also choices of deferral options. Mrs. Hummel asked if the long-term savings of \$62,000 MWh was over a three-year period. Mr. Corbin stated the long-term savings of \$62,000 was over 12 years. The program cost is a three-year program cost and is \$1.8 million for three years. Mrs. Hummel stated this was a lot of information to absorb and hoped that Council would not be voting on this next week. This legislation was totally different from what she was expecting. She thought it was about a replacement plant for the coal plant. Mr. Ihasz asked what municipalities have signed on so far. Mr. Corbin stated that Wadsworth had a first reading. Cities who have signed include Amherst, Brewster, Hudson, Lucas, Monroeville, Niles and Orville. There are others expected to approve it shortly. Mrs. Pyke agreed with Mrs. Hummel. It was not what she expected either. She realizes it is not a rate increase but customers still pay for it through their kWh usage. She needs more time on this.

Mr. Nelsch, North Haven Blvd., stated he was confused and asked what was it that the company did. Mr. Corbin stated they provide a technical service for commercial and industrial customers. Bowling Green is a subscriber. They were approached by one of their biggest customers. That customer's savings from replacing lights and putting in motion sensors was 50%. On the residential side, it is the goal, when a resident needs a new appliance, to get them to buy the most energy-efficient unit vs. the cheapest model.

Also, how to make changes to their energy usage in order to be more efficient. They are trying to get people to change their behavior. Mrs. Carr stated she wants Council to have a comfort level, and she apologized for the confusion. The City is still working on the plant and is expecting something soon on the natural gas plant to get finalized.

Mrs. Colavecchio asked if the representatives from Vermont Energy had any testimonies or references available showing how well this program has done in Vermont. She would like to see exactly what those testimonials had in savings. Mr. Corbin indicated they do have documents. They have a survey with the top industrial customers in Vermont. Also, in May, 2010, the Vermont regulators did a benchmarking to see how Vermont Energy compared. It turned out they were one of the top two in the country. He will provide both documents to Council. Mrs. Colavecchio stated it sounds like an industry has to spend money to get the savings. Dave Coyle, Acting Director of Efficiency Smart, stated there is a partnership on both sides. Everyone shares in the benefits of the returns. They have private industries from all across the country who come to them. They work on a consulting basis.

Mrs. Klinger asked what the payback would be. Mr. Coyle stated some companies have very short payback of about one year. Sometimes it can be quite quick. Mrs. Klinger asked about how the program works with residential customers. Mr. Coyle stated their general method is to work with local retailers, but they can offer special incentives to residential customers. Mr. Mader asked how this program would work with the electric in the City. Mrs. Carr stated it would be a joint program. Most likely there would be public relations promoting this. Ms. Thompson stated they would be keeping records to the extent they have a call center. Mrs. Carr stated with regard to the City's key accounts, they have open communication with them and work with them on a daily basis. They would not send those customers to a call center. They would probably bring people in from Vermont and sit with them. Vermont Energy can give them the expertise that the City does not have in-house. The City cannot do anything more for some customers, and those customers can always switch to FirstEnergy. The City currently has customers looking for a program like this. It is not uncommon for FirstEnergy to come in to show that they can provide it. She reassured Council that they would never throw a customer to call an 800 number. Mrs. Hummel asked if Vermont Energy has done this program with municipalities in other states. Mr. Coyle stated they have done this in New Jersey. Mrs. Hummel asked if Council could be provided with a budget cost sheet that will show the expenses for this program for the City, who will be paying for it in terms of what it will do to their share for residential users, small commercial, medium and large users and show how money is going to come back in. She would like to see it all on one sheet of paper.

Mrs. Klinger asked for clarification on slide 48. Mr. Coyle stated at the end of three years, the cumulative savings is \$5,168 MWh. He did not have a number for kWh but he could get that. Mrs. Klinger asked how things move forward past the three year period. Ms. Thompson stated they would come back with a list of suggestions and would talk about the next term of contract. Mr. Coyle stated it is their responsibility to get the targets in the community and hit them before three years but some may need a two to three year planning horizon so they would need to come back. Mr. Walters stated he understood industries would be dealt with individually but wondered how it would be rolled out to residential customers. Mrs. Carr stated Vermont would work with the City on public relations and customizing it. They would want to make sure people knew what was available to them. Mr. Rubino asked what AMP-Ohio's rate of return would be on the \$1.8 million the City pays to Vermont. Ms. Thompson stated they are completely nonprofit. They would not make any money on this.

Rick Tate, 8th Street, asked where the call center would be located. Ms. Thompson stated it would be located at their offices in Columbus. Mr. Nelsch asked how the City would recover the \$1.8 million it has to pay over the three years. Ms. Thompson stated that the City has to buy power on the market, and that power is not cheap. The City will reduce the amount of power it has to buy in the future so the expenditures will go down. A resident's bill would go down, which is good because it reduces the

amount of power the City would need to buy in the future. Mrs. Carr added that it is her job to explain to the residents the benefits individually and to the City. Mrs. Colavecchio stated she is struggling with this program and does not feel comfortable bring it out either. She would like to see some testimonies. Mrs. Carr stated the Administration had the same questions Council did at first, and they struggled as well. She is viewing this as an investment to protect the City against what could happen. She does not want FirstEnergy to take the City's large customers away. The program's primary targets will be commercial and industrial customers but they do not want to leave the residential customers out. Mrs. Colavecchio stated she would continue to keep an open mind.

Committee recommended holding Temp. Ord. A-124.

Barry Braunstein of Buckingham Gate had expressed an interest to speak to Council, however, most of his questions had been answered via other avenues. The only issue left was that he wanted to tell Council to research safeguards for certain City outcomes, such as the Board of Zoning Appeals decision regarding Third Street to make sure something similar does not happen in the future.

Meeting adjourned at 8:35 p.m.