

CUYAHOGA FALLS CITY COUNCIL

Minutes of the Meeting of the Finance & Appropriations Committee

October 5, 2015

Call to Order The meeting was called to order by Mrs. Klinger, Chair, at 6:30 p.m. A quorum was present.

Approval of the Minutes Without objection, the minutes of the July 20, 2015 and September 21, 2015 meetings were approved as submitted.

Agenda Items

Temp. Ord. B-78 An ordinance authorizing the Director of Finance to increase appropriations in the Street Construction, Maintenance and Repair Fund and General Fund, and declaring an emergency.

Proponent testimony was offered by Street & Sanitation Superintendent Chuck Novak. Mr. Novak stated that the increase in appropriations would allow the City to purchase salt for winter road maintenance. The City had sought to purchase additional salt in March, but was limited by rationing imposed by the vendor, Cargill. Rather than pay an additional \$10 per ton to avoid rationing, the City waited to rebid the contract. The bid price for white salt did increase by \$4.74 per ton, and bid price for green salt increased by \$7.39 per ton, but the City saved \$26,000 over the purchase that would have been made in March. The total \$313,000 of expenditures includes conveyance costs.

The Chair recognized Mr. James, who asked if there was a surplus of salt in storage now. Mr. Novak stated that the City has 5,000 tons in storage and has a storage capacity of 10,000 tons. Mr. James asked how much salt was used last winter. Mr. Novak stated that the City used 14,758 tons of salt.

The Chair asked the Finance Director Bryan Hoffman to explain the increase in appropriations. Mr. Hoffman stated that a substantial cash balance in the Street Construction, Maintenance and Repair ("SCMR") Fund existed due several mild winters coupled with an annual transfer from the General Fund in the amount of \$600,000. An additional \$400,000 subsidy from the General Fund was placed in this year's and last year's budget. Due to severe winters in the past two years, costs have exceeded revenues in this fund. This \$200,000 transfer from the General Fund to the SCMR Fund will permit the SCMR Fund to deal with a severe upcoming winter while maintaining a healthy fund balance. If the winter is not as severe as feared, this money will be available for use at a future time.

There was no opponent testimony. There was no public comment.

Motion by Mr. James to release Temp. Ord. B-78 with a favorable recommendation.
Seconded by Mr. Iula. Motion adopted by acclamation.

Temp. Ord. B-79

An ordinance providing for supplemental and/or amended appropriations of money for current operating expenses and capital expenditures of the City of Cuyahoga Falls, and authorizing the transfer of appropriations within and for the various funds hereinafter set forth, and declaring an emergency.

Proponent testimony was offered by Finance Director Bryan Hoffman. Mr. Hoffman stated that the mid-year appropriations ordinance makes the following changes: Transfer of \$221,172 from the General Fund to the General Bond Retirement Fund, due to elimination of the Capital Improvement Reserve Fund. Transfer of money from the General Fund to the Capital Projects Fund, also due to elimination of the Capital

Improvement Reserve Fund. Increase in Law Director and Service Director budgets of \$8,518 each due to underbudgeting of employee benefit costs. Transfer of \$50,000 unappropriated balance of the Energy Efficiency Block Grant Fund to Community Development Other Operations for the purpose of issuing loans. \$10,000 of that amount will be used for an environmental study of a property on South Front Street and \$8,000 for a cell tower engineering service fee which will be reimbursed later. Municipal income tax service fund will be increased by \$115,000 due to two large refunds which were not anticipated and adjustment for further refunds from now to the end of the year. Appropriation of unused carryover balances from prior year CDBG grants will be made in the amount of \$220,000. Additional appropriation of \$4,361 in capital outlay line of CDBG funds will be made to complete the Wyoga Lake Multipurpose Trail study, Chestnut Trailhead study, and the Cochran Road extension projects. Capital Projects Fund will refund \$214,000 to the Capital Improvements Reserve Fund to close out an advance that was made to the fund in 2000 and never refunded. The Storm Drainage Utility Fund line item for capital outlay will be moved to debt service to reflect the expected life of the leaf machines purchased with this money. Office Supply Fund has been eliminated and the \$2,810 balance in this fund will be moved to the General Fund. An increase in appropriations will allow the City to expend a grant from the Ohio Bureau of Workers' Compensation for portable traffic signals, with a City match of \$19,830.

There was no opponent testimony. There was no public comment.

Motion by Mr. Iula to release Temp. Ord. B-79 with a favorable recommendation. Seconded by Mr. James. Motion adopted by acclamation.

Temp. Res. B-80

A resolution accepting the amounts and rates of taxation as certified by the Summit County Budget Commission, authorizing the necessary tax levies, certifying such authorization to the County Fiscal Officer, and declaring an emergency.

Proponent testimony was offered by Finance Director Bryan Hoffman. Mr. Hoffman stated that the City is required to pass legislation to receive tax revenue from the County.

There was no opponent testimony. There was no public comment.

Motion by Mr. James to release Temp. Res. B-80 with a favorable recommendation. Seconded by Mr. Iula. Motion adopted by acclamation.

Temp. Ord. B-81

An ordinance providing for the issuance and sale of Notes in the principal amount of \$3,300,000, in anticipation of the issuance of Bonds, for the purpose of paying a portion of the costs of constructing a community recreation center and acquiring real estate and interests in real estate therefor, and declaring an emergency.

Proponent testimony was offered by Finance Director Bryan Hoffman. Mr. Hoffman stated that these notes were anticipated in the City's budget including paying down \$1.15 million of the original debt for the Natatorium. After review of the Leisure Time Fund budget, the City determined to pay down an additional \$400,000 of debt, for a total payout of \$1.55 million, which will accelerate the retirement of this debt to 2018.

There was no opponent testimony. There was no public comment.

Motion by Mr. Iula to release Temp. Ord. B-81 with a favorable recommendation. Seconded by Mr. James. Motion adopted by acclamation.

Temp. Ord. B-82

An ordinance providing for the issuance and sale of Notes in the principal amount of \$1,800,000, in anticipation of the issuance of Bonds, for the purpose of paying the costs of constructing waterlines in Graham Road, together with all appurtenances thereto, and declaring an emergency.

Proponent testimony was offered by Finance Director Bryan Hoffman. Mr. Hoffman stated that this issue was also part of the budget plan. The City anticipated borrowing in \$750,000 new debt for the Graham Road water main project. These notes will be issued in December.

There was no opponent testimony. There was no public comment.

Motion by Mr. James to release Temp. Ord. B-82 with a favorable recommendation. Seconded by Mr. Iula. Motion adopted by acclamation.

Temp. Ord. B-83

An ordinance authorizing the Director of Public Service to execute a modification of Contract No. 7157 with Perrin Asphalt Company for the annual resurfacing and/or repair of various streets, and declaring an emergency.

Proponent testimony was offered by City Engineer Tony Demasi. Mr. Demasi stated that this year's paving program included unanticipated full-depth repairs to Keyser Parkway, in the amount of \$300,000, and additional repairs to Marcia, Schiller and other locations in the amount of \$130,000. The City is requesting Council's approval of a change order in the amount of \$430,000. This is the first time in his memory that the City has required a change order to the paving program contract.

The Chair asked why the original roadway base of Keyser Parkway required such extensive repairs. Mr. Demasi stated that the

City Engineer at the time of the street's construction advised against allowing the developer to construct the road during frozen conditions, but the road was still built. The Chair stated that it is disturbing that someone thought they knew better than the engineer and allowed the developer to cut corners.

The Chair asked the Finance Director to explain how this change order will be funded. Mr. Hoffman stated that \$365,000 of the \$430,000 is available from what was originally budgeted for this project. The remainder will be covered by other savings in the Capital Projects Fund, including an anticipated savings of \$500,000 from scope changes associated with the Graham Road Project. \$65,000 of those savings will be directed to this change order.

There was no opponent testimony. There was no public comment.

Motion by Mr. Iula to release Temp. Ord. B-83 with a favorable recommendation. Seconded by Mr. James. Motion adopted by acclamation.

Non-Agenda Items

None

Without objection, the Chair adjourned the meeting at 6:55 p.m.



Carol A. Klinger, Chair



Paul A. Janis, Clerk of Council