

Cuyahoga Falls City Council
Minutes of the Finance and Appropriations Committee Meeting

November 14, 2016

Members: Carol Klinger, Chair
Russ Iona
Mike Brillhart

Mrs. Klinger called the meeting to order at 6:42 p.m. All members were present.

Legislation Discussed

Temp. Res. A-89

Discussion:

Temp. Ord. A-89

An ordinance establishing annual appropriations of money for the current expenses, capital expenditures and other expenses of the City of Cuyahoga Falls for the fiscal year ending December 31, 2017, and declaring an emergency.

Mrs. Klinger asked Mayor Walters if he would like to start with opening remarks. Mayor Walters stated that he would like to give an overview. First, he would like to thank Finance Director Bryan Hoffman and the Finance Department, as well as the department heads and City Council that have been involved in all the preparation for their hard work. It has gone very smoothly again thanks to their efforts. Along with all the Cabinet Department head managers, he is excited about the City's healthy financial position for the end of 2016. The 2016 General Fund projected ending unencumbered balance is \$8,082,702 and projected cash balance is \$8,307,702. It's important to note that, at the end of 2016, the cash balance will have increased by \$636,993 since his Administration took office in 2014. The cash balance, also known as a rainy-day fund, is the City's savings and provides a cushion during economic downturns. The City's target with Moody's rating agency is to have a balance of 20 percent of the yearly revenues, and they are at 25 percent.

Today, the General Fund is operating on about \$4 million less than it otherwise would due to cuts in local government funds and the estate tax. Due to those cuts, the General Fund relies more heavily on the local income tax than ever before. Historically, the local income tax is made up of about 33 percent of revenues, and it is now roughly 42 percent of revenues. The associated risk with income tax volatility during economic downturns factors into that percentage. The City recently refinanced bonds that will save almost \$1 million over the life of those bonds. Through labor negotiation processes, the City was able to produce reasonable wage increases to bargaining and non-bargaining employees. For the first time, employees are making contributions, receive a wellness benefit and participate in a Health Care Committee. These programs invest in healthy employees while providing cost savings to the City. In 2015, and again in 2016, The City has increased the street paving budget from \$1.5 million to \$2 million, allowing an increase in the number of lane miles from 11.9, in 2014, to over 18 lane miles in 2016. They are projecting the \$2 million to equate to an additional 18 lane miles in 2017. The mild winter last year put the City

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at a unique advantage to withstand any potentially harsh winter this year. All the salt barns are full. Temporary covered areas have been constructed to hold the required purchases for last year. Although the City was fortunate to have not experienced cold and snowy weather yet this year, when our good fortune eventually runs out, they will be prepared in this year's budget.

Mayor Walters stated that substantial development in the city continues. Portage Crossing is performing extremely well and growing, with a new plaza next to the theater scheduled to begin construction soon. There is considerable activity on south Front Street and the Front Street Mall is moving forward. There is new doctor's office planned on Portage Trail Extension, the exciting KFC is nearing completion and there are several new, upscale housing developments on the way. The Front Street Redevelopment Project is not reflected in the 2017 budget. Currently, they are waiting for the completion of the initial engineering phase and design work that Council passed earlier this year. The plan is to fund the remainder using debt and bring appropriation and contracting approval to Council in 2017. The funds to pay for the debt of the project will be made available due to the final payment of the Natatorium debt in 2017. As Council is aware, the City is also in the planning stages of a combined dispatch center that will provide a higher level of safety and an eventual lower cost by combining dispatch services with neighboring communities. Regionalization is both economical and efficient. Estimated capital funds are reflected in the capital budget for that project. Other projects being planned include the analysis of a firing range and a new Fire Station Number 3 to replace the one on Portage Trail, which is 57 years old. Mayor Walters stated that he was available to answer any other inquiries during the budget.

Mrs. Klinger thanked Mayor Walters and the Finance Director, Mr. Brian Hoffman. Some of the schedules, such as the five-year capital plans for the Enterprise Funds, were individualized and included in the packet this year which was very helpful. Mrs. Klinger stated that she would like to start off with asking Mr. Hoffman what assumptions were used in terms of putting the budget together for the COG and how they might see that ripple through the budget. Concerning the assumption with the COG, Mr. Hoffman stated that, on a capital basis, the initial investment into making purchases for both the CAD System and the consoles will be paid for through the Capital Fund. He put in \$1 million based upon his initial estimates on cost. In the General Fund, under the Communications budget, he left it as is on the operational side. There are some questions unanswered within the COG formation, so he left it as if the City were currently keeping their own dispatch center. If and when the COG is formed and approved by Council, he anticipates bringing appropriation language and changes.

Mrs. Klinger asked how the Front Street project may have impacted other parts of the budget. Mr. Hoffman stated that, in 2016, they used cash to pay for the initial engineering contract that is currently out. They are going to receive a draft report very soon on that project. The remainder of that project they anticipate paying out of debt in the Capital Projects Fund. They currently have \$750,000 in the Capital Projects Fund being used to pay off some Natatorium notes. The current plan is to pay off those notes in 2017, which frees up approximately \$750,000 in the Capital Fund to help to pay for the debt on the Front Street Project. Mrs. Klinger stated that she was more interested in how the project impacted the revenue and expense side of the budget. She asked Mr.

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Hoffman if they are showing a decrease in the revenue in some of the activities that usually take place down on Front Street because of the construction. Mr. Hoffman stated that he did not make any changes to the revenue side of things with a lot of the events and activities that take place down on Front Street. The current plan is to hold events down there for a good portion of the year and to even have the festivals. Mrs. Klinger asked if the Riverfront staffing will stay in place or are they going to be moved over to the Street Department during construction. Mr. Hoffman stated that he did not make changes to staffing. At this time, there is not enough information to make concrete decisions on how the project is going to affect staffing. He believes that there will be many needs along the Riverfront Parkway area and that the staff will be able to be utilized throughout the year.

REVENUES

Mrs. Klinger previously submitted a list of questions to all Departments. That list of questions and the responses given will be attached to the Finance Committee minutes. Permission was given from the members of the Finance Committee to open questions to all of Council as each category is discussed. Her only question in this area concerned liquor permit fees being down. The answer, as indicated on the question-and-answer sheet she submitted, was that it is a timing issue.

Mrs. Pyke asked if the revenues for Fire Transport were the same. Mrs. Klinger stated that they are the same as in past years. Mrs. Pyke asked Fire Chief Moledor if they have seen any increase in the revenues from transport. Chief Moledor stated they have not seen any changes. Mrs. Pyke asked if they are increasing the number of transports. Chief Moledor stated that it fluctuates, but, on a grand scale, it has been steady the last couple years. There has been a slight increase this past year. Mrs. Pyke asked if, when responding to an overdose call and administering Narcan, patients are being transported to the hospital. Chief Moledor stated that, most of the time, they transport to the hospital unless patients are wide awake and refuse to be taken to the hospital. Mrs. Pyke asked if they have considered billing under those circumstances. Chief Moledor stated that they have not, mainly because Western Reserve Hospital supplies them with the medication. Mrs. Pyke stated that there is also the issue of the time that those calls take away from other medical emergencies. Chief Moledor stated that they have not looked at that. They have to do it all the way across the board on non-transports. He stated that he would be happy to set up a time and discuss the matter further with Mrs. Pyke.

CITY COUNCIL

Mrs. Klinger stated that she did not have any questions concerning the City Council budget, but that Mr. Pallotta had a question he would like to ask.

Mr. Pallotta stated that, earlier in the year, there was a special committee formed that researched the communications in the Council Chambers. That research showed that, at some point in time in the near future, they may have to upgrade the wireless devices they use. He asked if there was an area in the budget that would support the purchase of these communication devices in a case where the FCC dismantles their wireless operation. Mr. Hoffman stated that he does not know the exact cost of the full communication system in the Natatorium. He would anticipate that if it rises

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to the level of the definition within their capital policy, that they would pay for it out of the Capital Improvements Fund at that point in time.

MAYOR

There were no questions from Mrs. Klinger or Council submitted under this category.

CIVIL SERVICE

Mrs. Klinger stated that her question regarding Civil Service concerned a vacancy, but that was filled at tonight's meeting.

Mrs. Pyke asked what the payment is for the Civil Service Commission. Mrs. Klinger stated that it was stipend that is divided by the number of the months of the years. Mr. Hoffman stated that that was correct. It is a per-month stipend in the amount of \$150.

HUMAN RESOURCES

Mrs. Klinger stated that she had submitted a question regarding Computer System Support that was budgeted, this year at \$9,900 versus last year at \$227. This is the support piece for the Innoprise Payroll/HR module. Previously, these fees were in the Finance Department and they have now been pushed out to the Human Resource Department and Finance Department.

MAYOR'S COURT

Mrs. Klinger stated that they are projecting a healthy increase in the Mayor's Court for next year. She inquired if there were any changes in the policy or are they are just seeing more activity coming through the court. Mayor Walters stated that Andrea Conti, Clerk of the Mayor's Court, was present tonight and can speak on that. They did increase the court fees. In addition, Ms. Conti can share the numbers on the housing cases that they have had. Ms. Conti stated that there were 12 new housing cases for 2016. In 2015, there were 21 new housing cases coming through the Mayor's Court. There was an increase in court costs and there has been a slight increase in the tickets. Mrs. Pyke asked Ms. Conti if she anticipated these amounts going up more than what is budgeted. Ms. Conti stated there was an increase in the court costs that accounted for the increase in the revenue. Mrs. Pyke requested a list of those increases in the court costs by next week. Mr. Hoffman stated that he would like to comment on the increase in costs in the Mayor's Court. In 2015, there was a vacancy in that office. In 2016, it was felt that a full-time clerk was needed and to have a part-time person to fill the vacancy. They split the salary and wages with income tax to help on that side. As 2016 started and went on, it was determined that a full-time employee was needed in the Mayor's Court to help cover vacation and time off and to help handle the amount of paperwork that was processed. That is one of the reasons for the uptick in the salary and wages side.

FINANCE

There were no questions from Mrs. Klinger or Council submitted under this category.

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SERVICE DIRECTOR

Mrs. Klinger stated that that she submitted no questions under this category. Mrs. Pyke asked the Administration if Mr. Czetli's replacement will be paid at the same rate as Mr. Czetli or a lower amount. Mr. Hoffman stated that the amount of pay for the Directors are set by ordinance and they are all paid the same amount.

LAW DEPARTMENT

Mrs. Klinger stated that she submitted no questions for the Law Department. Mrs. Pyke asked if there are any contractual services outstanding. Mr. Balthis, Law Director, stated that there are several cases that are pending right now, some of which are paid with insurance. They have a contract, right now, with Roetzel & Andress that's helping them through JCI, but that's being paid through Water and Sewer; not the Law Department. As of right now, he believes everything is pretty much concluded. They do have a small engagement with the bond counsel working on documents for Mill Pond/Mud Brook TIF agreement. Mrs. Pyke stated that since it is budgeted, perhaps something on it could be done this year. Mr. Balthis stated because it is not always easy to predict when something will turn into litigation or when it will be able to be settled, he usually tries to stick with the same number in the hopes that they will come in with significant savings. Occasionally, when they have gone the other way, they have had to come back and ask for more funds. He stated that they should be able to turn in substantial savings this year. There are no matters that need to be rushed to get it under this year. They should also have significant savings next year on contractual services.

BUILDING AND GROUNDS

There were no questions from Mrs. Klinger or Council submitted under this category.

POLICE

Mrs. Klinger stated that she did list a few questions on her sheet for Police. The first question she had was why the Training line decreased. The response was that some of that training was moved over to the Law Enforcement Assistance Special Revenue Fund. The increase in Property Building Maintenance and Repair was for some electrical work that needs to be done to the SWAT truck. Under Office Equipment, there is an \$8,000 budget in there which is for monitors, PCs, laptops and other devices needed to support the new camera system that Council voted on earlier this year. Mrs. Klinger stated that if members of Council had any questions on the Drug Enforcement Fund, the Law Enforcement Trust Fund, Enforcement Education and Enforcement Assistance Fund and have not had had a chance to review them tonight, they may ask questions about them next week.

COMMUNICATIONS

Mrs. Klinger stated that that her only question in Communications was, in 2016, they were going to buy five PCs. Mr. Hoffman's response was that they were able to do some upgrades and didn't have to purchase those PCs in 2016.

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FIRE

Mrs. Klinger stated that her question under this category was in regards to the Computer Support line item and the increase in the Computer line item. This involved moving the FireHouse software to the Cloud in 2015 and implementing FireHouse Medic in 2016. Mrs. Klinger asked Mr. Hoffman if he could elaborate on that. Mr. Hoffman stated that Chief Moledor may be able to help on the timeline with the software. They went on the FireHouse Cloud in 2015. On the charting side of things, Firehouse was paid for by Akron General Medical Center, and that included tablets in the field that helped. The second part of that, in 2017, they are moving to a new product on the tablet side called ESO. They are also being reimbursed by Akron General Medical Center for that product.

Mrs. Klinger asked if \$47,000 is going to be the norm going forward or a one-time hit that will drop down next year. Chief Moledor stated that there are two components. The first component is FireHouse, which runs all the day-to-day operations. They have had that for a very long time and have always paid maintenance on that. In 2015, they did move that to the Cloud. It was a wash between having to have servers here. They have always had that reoccurring cost. What is different is that they also tried a product that had similar name called FireHouse Medic, which didn't work the way they wanted it to work, but was reimbursed by Akron General Medical Center. They are now going to go to ESO. Akron General Medical Center is going to reimburse them for the ESO electronic software. They are going to use the same iPads. Mrs. Klinger stated that, to put everything in perspective, in 2015, they spent \$33,000 to upgrade FireHouse to the Cloud. In 2016, the amended budget is \$28,000, and then, in 2017, the proposed budget is \$47,000. Her question is if part of the ESO is reimbursed, is that where the future is going to be now in terms of maintenance for these systems. Chief Moledor stated that he believes so. Hopefully, they will continue to get reimbursed from Akron General Medical Center, but there is no guarantee that will happen in 2017. Mrs. Klinger asked if what Chief Moledor was stating is that \$47,000 is what they will see going forward every year from now on. Chief Moledor stated yes, because there is also some new open ET software to maintain coming online. There is the FireHouse and the ESO now, but, also, Kronos and other various things. Mrs. Klinger asked if ESO and FireHouse were the big pieces. Chief Moledor stated ESO, FireHouse and the New World MDT record software.

Mrs. Pyke asked if the captain and lieutenant positions that are open will be filled soon. Chief Moledor stated that the lieutenants have already been tested and they are in the middle of the testing for captain. They are actively hiring firefighters, as well. Mrs. Pyke asked how long the captain and lieutenant positions have been open. Chief Moledor stated that the caption position has been open since August. That is when they requested a test for Civil Service. The lieutenant opening will become available once they promote a captain. Captain Dave Smith will be retiring next week. Captain Jim Messenger retired in August. Mr. Iona asked Chief Moledor if he could be supplied a copy of the five-year plan in terms of the improvements for each station, et cetera. Mrs. Klinger stated that that is contained within the Capital Improvements Fund that will be discussed on November 28th. Mr. Iona stated he wanted to make sure there was enough money. Mrs. Klinger stated that the full five-year plan is detailed under Fire at the bottom of page 45 in the 2017 Proposed Budget binder.

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Mayor Walters stated that they are planning on purchasing a drone next year for the Fire Department. A lot of departments can use it for a lot of reasons. He did training through the Ohio Municipal League on the privacy issues. A good example of what a drone would be used for would be a Gorge rescue. When there is someone over the banks, they don't know if they need a backboard or they're just sitting on a ledge waiting for a rope. So, it is going to help with rescue, and, certainly, SWAT. Other applications include transformer inspections and bridge inspections. Using a drone is safer and less expensive.

POLICE FIRE AND PENSION

There were no questions from Mrs. Klinger or Council submitted under this category. Mrs. Klinger stated that there will be an opportunity for open questions next week after Council has had the opportunity to review questions and responses she previously submitted to the various departments.

The meeting was adjourned at 7:22 p.m.

2017 Budget Questions; (responses in blue)

- Overall

- What are the assumptions for the five year general fund forecast?
 - Property Taxes: 3% re-appraisal in 2018, 3% re-appraisal in 2021
 - Local Gov't County – 1% annual increase
 - Outside Service Services: 3% increase for known contracts
 - Internal Service Charges: 2% anticipated annual increase for Indirect Cost Allocation
 - Interest Revenue: 3% annual increase
 - Income Tax Transfer: 2.5% annual increase
 - Personal Services: 2% annual increase
- Property Tax assumption
 - Assume 98% collection of taxes generated from County assessed valuation, plus \$270,000 of delinquent taxes
- Income Tax assumption
 - Assume 2.5% increase on withholding taxes only. All other taxes projected flat from 2016 anticipated collections
- Wage increase assumption
 - All scheduled union and non-bargaining pay increases are budgeted. They are as follows:
City Council, Mayor (MSG), and Senior Cabinet (ESG) – 1/1/17 2%.
AFSCME - 1/1/17 is current rate, 7/1/17 2%.
Non Bargaining - 1/1/17 is current rate, 7/1/17 2%.
Police Blue - 1/1/17 is current rate, 7/1/17 2.5%.
Police Gold - 1/1/17 is current rate, 7/1/17 2.5%.
Firefighters - 1/1/17 is current rate, 7/1/17 2%.
Dispatchers - 1/1/17 is current rate, 7/1/17 2%.
Electric - 1/1/17 is current rate, 7/1/17 2.5%.
- Benefits assumption
 - **Wage based benefits: Pension** - OPERS 14%, OP&F Police 19.50%, OP&F Fire 24.00%.
Medicare 1.45% for all but a few employees hired before April 1986. **Workers' Compensation** 1%. **Other Bi-weekly benefits: Medical, Dental and Vision** is based on the plan the respective employee signed up for in open enrollment last November with an increase of 6.8% to Medical, no change to Dental and a 11.7% reduction to vision rates.
Monthly benefits: Life insurance generally .0145 per \$1,000, with a cap for some unions.
- Please provide an update 2016 Debt Schedule and projected 2017 Debt Schedule
 - Completed 11/3/16. To be handed out 11/14/16.

- Revenues

- Why are liquor permit fees down in 2016? Is this a timing issue?
 - This is a timing issue. The final distribution is sent by the State in November. As of 10/31/16, we received \$18,225.26 compared to \$14,346.23 at this point in 2015 and \$9,526.30 at this point in 2014.

- Self Insurance Fund
 - Per last year's budget discussion, Miscellaneous Contractual Services was mostly for wellness services with Vitality Wellness IQ. Is that still the case, and is there an issue with billing that it is so far below the 2016 budget with an increase for the 2017 budget?
 - The expenses associated with Vitality Wellness IQ were moved to 705-1200-54999 when the Purchase Order was issued. As of 10/31/16, we paid \$21,054.00 for these services. Due to an oversight, these costs are included in the budget under account 705-1200-54005 in the amount of \$25,674.00
- Worker's Compensation Fund
 - 706-1200-49204 No refund this year and \$121k budgeted for 2017, why?
 - We transitioned to the Group Retro Pool in 2015. The first evaluation of our group performance is in 2017 for the 2015 PY plan. This is the estimated rebate that will be received in June 2017.
 - 706-1299-54009 Why are we budgeting for legal expenses when we haven't had incurred them?
 - Historically, we budget \$5,000 as a contingency for the potential of incurring legal expenses.
 - 706-1200-51111 Last year we discussed the increase due to some individual large claim payout? Is this projected down for 2017 because we have changed pools?
 - No, this is the "tail retro claim payments" for 2006-2015, during the period we were self-insured.
- Compensated Absences Fund
 - Why was there such an increase in Sick Leave Cash Out (combine 032 & 033) from 2015 to 2016? What is the rationale for the 2017 amount?
 - We have experienced an increase in the number of employees that are eligible to start drawing down on their sick leave balance by one-third (9 in 2016 vs. 3 in 2015). We also experienced an increase in employee retirement/termination that met the eligibility requirements to receive their sick leave (13 in 2016 vs. 9 in 2015).
 - Given the recent increase in employees who received their first distribution, it is very likely that these same employees will request a second distribution in 2017. Turn-over and unknown retirements are always wild cards, but we feel confident that our amount of \$362,151 is a conservative estimate for 2017.
- Information Services
 - 101-5800-53021 Last year this was \$5k for maintenance to the fiber network as needed, which would continue. However, \$2,500 was for a specific fiber connection between Tech Services and the Service complex, so why is this cost repeated for 2017?
 - We didn't upgrade/replaced the fiber in 2016. Projects were postponed due to other projects.
 - 101-5800-53037 Why the increase in 2017?
 - The capital lease for city wide copiers ends in February 2017. Based on analysis, we anticipate entering into a maintenance agreement rather than replacing copiers. Because of this, there is a decrease in the capital lease line item.

- 101-5800-54005 Why the increase in 2017? I thought the cloud computing would lower our overall costs.
 - A majority of the savings going to a cloud based system is the need to purchase capital equipment in future years.
- Income Tax
 - 201-3100-54005 What is this for?
 - Total budget request \$7,400. An amount of \$1,400 is requested for legal research services (LexisNexis) for tracking noncompliant taxpayers. An amount of \$6,000 is requested for data processing of zero returns to allow staff to work on compliance and collections.
- Police
 - 101-1500-53015 Why did this decrease?
 - The decrease was due to us using the 222 (Law Enforcement Assistance Special Revenue Fund) which may only be used for training purposes
 - 101-1500-53021 Why did this increase?
 - Increase is for some electrical work to provide a means to charge the SWAT truck.
 - 101-1500-53032 What are we buying?
 - We are purchasing monitors, PCs, a laptop, and a HDMI from VGA switch for our camera system.
- Communications
 - Are you assuming the staff will not move to the regional dispatch center in 2017?
 - We are still anticipating the switch to a COG in 2017. Appropriation changes will be made once legislation to create and fund the COG is approved.
 - 101-1800-53032 We said we were purchasing 5 PC's in 2016, is this going to happen?
 - Information Services Department was able to do some upgrades to the computers instead of replacing them so we will not be purchasing them in 2016.
- Fire
 - 54004 Computer System Support – Did we implement the FireHouse software in 2016? If so, it this the on-going cost?
 - We moved FireHouse to cloud in 2015. This manages all fire department needs other than electronic charting. It has been a recurring cost since then. We implemented FireHouse medic in 2016. We were reimbursed the cost by AGMC- Cleveland Clinic. The product under performed. We are going with an electronic charting called ESO. This will be reimbursed by AGMC also.
- Human Resources
 - 54004 Computer System Support – Why did this increase?
 - This is related to the support fees for Innoprise: Payroll / HR module. This was expensed entirely to Finance Department (0400) in 2016 in the amount of \$16,683. We felt we were better served splitting this function in half to record some maintenance fees in the Human Resources cost center. Both Finance and Human Resources are budgeted \$9,655 each for these fees in 2017.
- Sanitation
 - Revenue – Are there any proposed rate changes?
 - No planned rate changes in 2017.

- 52041 What is the plan for purchasing refuse containers this year?
 - The plan is very similar to year's past. 1000 Yard Waste carts (\$55,000), 1500 replacement carts (\$82,500), (1) 20-yard roll off container (\$4,800), and the rest is to purchase various size front load containers to replace boxes at all the City buildings since we are switching from rear load trucks to front load trucks.
- Capital – please be prepared describe the office renovation at the meeting. Do you have a quote for the work?
 - Chuck will describe the renovation. The design would be in 2017. At this point, we do not have a quote.
- Sewer
 - Revenue – Are there any proposed rate changes?
 - We are in the final stages of negotiating a multi-year master meter rate with the City of Akron. At this point, all indications are that we will need to increase the Sewer Treatment portion of our rate by roughly 9% in 2017, with no projected increase in 2018 and 2019.
 - Budget Fund Balance – Is it enough?
 - There are some projected retro-active costs that will be paid in 2017, but will be made up in collections during 2018 and 2019.
 - Capital
 - Isn't Beau Ravine a newer subdivision? What happened to cause this expenditure? The pump station was put into service in 1999. In recent years, the pump has not been running as efficiently and has failed on occasion.
 - At the meeting please explain the "Sewer Dig-up Material in Well Field" project. John Christopher will address this project.
 - 53021 Property/Building Maintenance and Repair – Why the increase?
 - \$6,000 more for root foaming, \$25,000 more for manhole castings, and \$15,000 for sewer dig material removal. This will be necessary in the well field to make room for future dig-ups.
 - 53047 Tools & Equipment – Why the increase?
 - The purchase of sewer pumps to have on hand and installed by the department.
 - 53048 Tools & Equipment Maintenance & Repairs – Why the increase?
 - Repairs at the 21 sewer pump stations as necessary.
- Water
 - Capital – Oak Park Water Tank – Last year we said it was inspected and only needed painting, what happened?
 - During preliminary plans to pain the tank, the retaining ring inside the tank needed to be replaced. This issue was studied and the best route forward was to take the tank out of service.
 - Revenue – Are there any proposed rate changes? Since Residential is slightly down from 2016 budget it doesn't look like it.
 - There is no projected rate increase in 2017.
 - 52013 Meter Supplies – What is the plan for 2017 with meter replacement?
 - Older water meters will continue to be replaced as necessary.
- Electric
 - Revenue – Are there any proposed rate changes?
 - The increase in 2017 is 1.5%. It was approved by City Council in 2014.

- What is the projected debt service based on the 2017 budget? Are you projecting we will be below the requirement in 2016?
 - The projected 2017 debt service for JV5 and JV2 is \$1,886,900. Based on calculations, we will meet the debt coverage covenant. We anticipate meeting the requirements in 2016 for two reasons: 1. Implementation of GASB 62, and 2. The rate stabilization loan.
- Capital – During the meeting please explain the Peaking Generation project \$1M.
 - Mike Dougherty will discuss this at the meeting.
- Utility Billing
 - 54005 Misc Contractual Services – What is the \$26k for?
 - The \$26k is the combined amount of per record cost for SmartBill to do our bill print annually.
- Community Development
 - 54005 Misc Contractual Services – What makes up the \$121k, please round to \$(000).
 - \$50,000 - Miscellaneous contract services to support planning and economic development activities throughout the city, including, but not limited to, appraisals, grant application assistance, environmental assessments. \$3,000 - Reimbursable fees associated with providing the AMHA environmental review assistance per HUD. Fees will be reimbursed to the City. \$20,000 - Consulting fees with Deb Sanborn to assist with various DHRB-related activities. \$48,000 - Broker fees to assist the City with retail recruitment for the downtown redevelopment project.
- CDBG
 - What land are we buying and the purpose?
 - Funds will be used to purchase property for the creation of additional surface parking on South Front Street. Several properties are currently under consideration at this time.
- Rec Levy
 - 54002 Architectural/Eng Services – What are we doing with the \$20k?
 - The 20k will be used for the design work on the Kelsey Creek shelter replacement that we received a grant from ODNR in the amount of \$59,114.00, construction to take place in 2018. Also we hope to use some of the funds for documents needed in grant applications for future Keyser Park development.
 - 54301 Refunds – What is the \$750k?
 - This is an accounting correction. Based upon State Audit recommendations, the “transfer” from the Rec Levy Fund to the Leisure Time Fund cannot be classified as a true transfer. It can be classified as a reimbursement, and you will see a subsequent revenue reclassification in the Leisure Time Fund to address this correction.
- Leisure Time
 - Are there any rate changes planned in Leisure Time?
 - We are providing the rate changes for the Parks and Recreation Department which were approved by the Park Board on 11/10/16.