

**Cuyahoga Falls City Council
Minutes of the Public Affairs Committee Meeting
November 16, 2009**

Members: Vince Rubino, Chair
Kathy Hummel
Ken Barnhart

Mr. Rubino called the meeting to order at 7:23 p.m. All committee members were present.

The minutes from the October 19, 2009 meeting were approved as submitted.

Legislation to be Discussed:

Temp. Res. B-126

Discussion:

Temp. Res. B-126

A resolution commending and congratulating St. Joseph School for being recognized as a blue ribbon school by the United States Department of Education and declaring an emergency.

Mrs. Klinger stated on September 15, 2009, the National Blue Ribbon schools were announced. In the entire country, only 314 schools were given this recognition. St. Joseph Catholic School is one of those schools. It is a great honor to receive this award. Mrs. Pyke thanked Deacon Kochanski for his hard work. She stated she and Mr. Rubino were graduates of St. Joe's. She researched the award on-line and in every instance the phrase "[t]he Blue Ribbon Award is considered the highest honor an American school can achieve" appeared. Mr. Rubino congratulated Deacon Kochanski for a job well done. He appreciates what the school does on behalf of children.

Deacon Kochanski stated the school considers this to be quite an honor. Of the 314 schools, a maximum of 50 can be private schools. St. Joe's students scored in the top ten percent of the Iowa tests across the country. He stated that is actually on the low side for them. They usually score in the top 96 percentile. He is very proud of the faculty and the support of the Parish, and it gives them an incentive to maintain quality education. Mayor Robart echoed Mrs. Pyke's thoughts. This is good not only for the school but for the entire community.

Committee recommended bringing out Temp. Res. B-126.

Other Business

Mr. Rubino stated he is inviting a discussion regarding the electric billing issue. In September, the City increased its electric bill because the City had been undercharging its customers since December, 2007. He would like to hear from Council, Administration and the community regarding their experiences with their bill and suggestions on how it is being handled or should be handled. Mrs. Hummel stated she did not have anything initially to provide but shared a letter (attached) given to her by a resident right before tonight's meeting. She guessed that Council was going to hear individual stories and also comments about why this should not be collected or collected at a lesser amount. Mrs. Klinger requested that Mrs. Carr begin the discussion about AMP-Ohio, about different the methods, what our operations are, and what procedures have been put into place to insure this does not occur in the future. Mrs. Carr first addressed the AMP-Ohio question. They have been in discussions with AMP-Ohio. Because of the timing when the error was discovered, there are expectations on the City's revenues that relate to its ability to participate in projects in

AMP-Ohio. AMP-Ohio is supportive of the City in the collection of the money. One thing the City is considering is to take the uncollected amount and book it as a receivable. In addition, there is a rate study going on which will be completed in early January. One thing they are looking at in that study is the PCF. She suspects the recommendation will be to eliminate the PCF. The last change to the PCF happened in 1998. At that time, it was generally negative or even. The PCF is the City's cost to purchase power and the price it bills to its customers. The customer's usage is multiplied by the PCF. Even with recouping this money, the City's rates are still even or slightly lower than FirstEnergy. The City is around 10¢ and FirstEnergy is between 10¢ and 15¢. The City is also still the best in terms of rates in the AMP-Ohio communities. She is not trying to make excuses but is just trying to work through this. She hopes the residents can understand. AMP-Ohio is encouraging the City to continue as it is and not change anything until the rate study comes back. It will be better to make changes all at one time than to change something now and then again after the study is received. Mrs. Klinger asked when the study will be coming back. Mrs. Carr stated it will definitely come back in January. She has been pushing them to get it back quickly. Mrs. Klinger asked if there was anything in writing regarding the City's ability to book the amount as a receivable. Mr. Brodzinski stated there is not. Mrs. Klinger stated she feels the City should get it in writing from its auditors. Mrs. Carr stated as far as a process in place to avoid a repeat situation, they have changed the signoff process with PCF. She and Mr. Brodzinski are directly involved with the calculation and signoff, as well as Mr. McHugh. There is no computer program, however, they are looking to see if there is a way to make the process automated. Also, AMP-Ohio has changed the way it bills the City. It is less confusing now. Mr. Walters stated when he receives calls from residents, he forwards them to Mrs. Carr. Mrs. Carr stated she reviews each and every bill that she is contacted on to make sure the customers understand their bills. Mr. Walters stated something that came up is a guy who just moved into the City and was not here to be undercharged so he feels he should not be paying the extra amount. Someone else who was in the City says he realizes he was undercharged and wants to know the amount so he can just pay it in a lump sum. If the PCF is tied to usage and a resident may have used less power during that time, they are being penalized if they happen to be using more power now. Mrs. Carr indicated the ordinance states the PCF is based on usage. It would be difficult to go back and extrapolate the usage each resident used during the period in which the error occurred. She pointed out that sometimes residents get rebates that were based on usage during a time they may not have lived in the City. Mr. Walters stated some just want to know what they were undercharged. Mrs. Carr stated she could give everyone what the PCF would have been. They can then calculate their own bills to see. The billing department is just following the ordinance the way it is set up. Mrs. Carr read the information she reads to customers when they call to help them understand how PCF works. She stated the City's portfolio is more than 20 percent green which helps keep the rates lower. They feel it is necessary to recoup to build investments in the future and keep rates around where they are. Mayor Robart added when he attended a recent AMP-Ohio conference, he was reminded what a huge player the City is in reducing rates. It made him look at the bigger picture. Mr. Mader felt the explanation is confusing and almost misunderstandable. Mrs. Carr agreed. Mr. James stated residents see approximately \$5.1 million in the electric reserve fund and are thinking the City should take the money out of that. Mrs. Carr stated if the City is breaking even at the end of the year, it cannot do future investments. The City has to have something in reserve in case of a natural disaster. Mr. Brodzinski stated that 20% of the fund balance would be \$6.4 million. The money being recouped is to maintain commitments. They understand the frustration of the residents. Mrs. Pyke asked when the problem started. Mr. Brodzinski stated it was in late 2007. Mrs. Pyke asked if those numbers were in the Report 21 under purchased power. Mr. Brodzinski confirmed they were. Mrs. Pyke asked what Administration thought when they did not see the money that was anticipated at the time. Mr. Brodzinski stated they thought it was due to the change in the billing going from a 15-day cycle to a 30-day cycle. Mrs. Pyke asked how much was not recovered in the first year. Mr. Brodzinski stated he did not have that off the top of his head but believed it was over \$2.5 million. Mrs. Pyke asked how the error was found. Mrs. Carr stated when they were preparing the budget information in August, they looked at bills and questioned some things. They did an internal audit on themselves.

Mr. Walters explained to the residents that the City owns its electric utility so this is like borrowing from a 401k. It is the City's money so we are paying ourselves back. The money is not going into someone else's pocket. Mr. James stated that considering the economic times, this is a bad time for this to show up. He asked if it had to be recouped within twelve months or could it be done over the next couple of years. Mrs. Carr stated if they book it as a receivable, they may be able to slow it down. As far as higher bills, she stated they are working with residents all the time. They have a lot of people on budget billing. If they are having a problem, they need to call the billing department. She also stated that the PCF is starting to creep back down as they recoup money. Mr. James asked why not wait to recoup until the rate study is done. Mrs. Carr stated she felt it needed to be recouped immediately so she made the decision to start it. Mrs. Colavecchio asked if there was a disadvantage to booking the amount as a receivable. Mr. Brodzinski stated there was not. It is measurable and is revenue so it would be booked for 2009 and remain there until that revenue is recaptured.

Barry Braunstein, 1405 Buckingham Gate Blvd, stated he appreciated the explanation given this evening. However, he still does not agree with the residents being penalized for what is the City's error.

Barb Reed, 924 Roosevelt, commented about residents, particularly senior citizens, who are on budget billing. She asked if something was being done to prevent them owing a large amount when the bill is reconciled. Mrs. Carr stated the true-up is in January and June, and some people have already called to change their budget amount in anticipation of an increase.

Randy Blake, 1946 Tudor Street, asked about the length of time to collect the money. Mr. Brodzinski stated it depended on usage.

Mr. Rubino thanked everyone for coming and talking about the PCF issue. It is healthy to have this dialogue.

Mrs. Pyke stated she had contacted Mrs. Carr about a resident who had had their electric shut off due to a lack of access for the City to do an actual read on the meter. She felt the City should refrain from turning utilities off on a Friday. Mrs. Carr stated they try not to do that but the holiday threw the schedule off so this shut-off occurred that Friday. They have made a change to prevent that from happening again. She pointed out that a Friday turn-off rarely happens.

Mrs. Hummel asked about the leaf pick-up schedule being behind. She stated an e-mail had gone out indicating the City was running two days behind, however, judging from how long the leaves have been on the curb in her neighborhood, it appeared it was more like a week. Mrs. Carr stated it is only a couple days and that she would check what is going on in Mrs. Hummel's neighborhood. She stated they are running behind because they are not doing any overtime. Mrs. Hummel stated she appreciated that.

Meeting adjourned at 8:30.

October 26, 2009

Utility Billing Department
City of Cuyahoga Falls
2310 Second Street
Cuyahoga Falls, Ohio 44221

Gentlemen:

I am submitting my payment for electric service under extreme protest. I am told by representatives of the current administration that I must pay an additional amount to make up for a mistake in City of Cuyahoga Falls' billing dating back to 2007.

Although I am proud to say that I have been a resident of Cuyahoga Falls for my entire life, I feel that your attempts to collect payments from me to reconcile your mistake are an affront. I proudly served my Country in the United States Army from 2004 until 2008. This service included 12 months in the current conflict in the Middle East where I was deployed to a combat unit in Iraq.

I fail to comprehend how the City of Cuyahoga Falls has determined that I have, in any way or to any degree, benefited from any "under-billing" of its electric customers. I did not return to my hometown until May of 2009. I therefore respectfully request an exemption from your current attempt to recoup the deficit resulting from the City's admitted mistake.

Respectfully,

Brock D. Pike
1815 Bailey Rd.
Cuyahoga Falls, Ohio 44222