

CUYAHOGA FALLS CITY COUNCIL

Minutes of the Meeting of the Finance & Appropriations Committee

November 16, 2015

Call to Order

The meeting was called to order by Mrs. Klinger, Chair, at 6:35 p.m. A quorum was present.

Approval of the Minutes

Without objection, the minutes of the November 2, 2015 meeting were approved as submitted.

Agenda Items

Temp. Ord. B-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, 2016, and declaring an emergency.

There were no questions from the prior week's budget hearing.

The Chair recognized Mr. Colavecchio regarding the budget of the Income Tax Fund. Mr. Colavecchio stated that since Ms. Goodrich has been hired, income tax receipts have increased from \$25,905 in 2014 to \$227,652 in the first nine months of 2015.

There were no questions regarding the budget of the Income Tax Department.

There were no questions regarding the budget of the Information Services Dept.

There were no questions regarding the budget of the Technical Services Dept.

Regarding the budget of the Police Dept., the Chair noted that a reduction in expenditures for safety clothing is due to moving the expense for the purchase of bullet-proof vests to the Law Enforcement Trust Fund. The Chair recognized Mrs. Pyke, who asked about the components of the Other Operations line item. Police Chief Jack Davis stated that the

budget varies depending on the equipment purchases necessary in any given year. The Chair asked the Chief to identify the additional personnel assigned to narcotics as identified in the response regarding miscellaneous supplies purchases. The Chief stated there is a full-time detective assigned to the Summit County Drug Task Force. The City has two other detectives assigned to narcotics, and a sergeant has now been assigned as well. The Chair recognized Mr. Weinhardt, who asked how money seized in a recent large drug arrest was distributed. Chief Davis stated that the County generally gets 30% for prosecution, but took less in this case due to a plea bargain. The State received 5%. The remainder went to the City's Law Enforcement Trust Fund. Mr. Weinhardt asked what the permissible uses are for this money. Chief Davis stated it may be used for training, equipment, and vehicles, but cannot be used for general operations or regular payroll expense.

Regarding the budget of the Communications Dept., the Chair asked the Chief to explain the Field Training Program. The Chief stated that this not actually field training. The City simply needs to train new employees.

There were no questions regarding the budget of the Fire Dept.

Regarding the budget of the Electric Dept., the Chair asked Finance Director Bryan Hoffman if the information on debt service ratios provided can be made an ongoing part of the budget presentation. Mr. Hoffman stated this can be done. With respect to the Electric Department's 5-year capital plan, the Chair asked for an explanation of vehicle purchases. Electric Superintendent Michael Dougherty stated that in 2016 vehicles #720 and #724 will be replaced at a cost of \$45,000 and \$65,000, respectively. The Chair recognized Mrs. Pyke, who asked if there are any plans to put underground utilities on Front Street. Mr. Dougherty stated previous undergrounding there was achieved by a combination of money from the City's 12.5kv system upgrade project and the developer's installation of an underground duct bank. Future undergrounding would hopefully occur along

the same type of scenario. Mrs. Pyke asked the Mayor to state whether the City is looking at further undergrounding on Front Street. The Mayor stated the City is looking at this on the east side of the street.

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

Without objection, Temp. Ord. B-89 was held in committee.

Temp. Ord. B-99

An ordinance authorizing the Mayor to enter into a contract, through competitive bidding, with Community Insurance Company and/or its subsidiary Anthem, Inc. for the administration of the City's self-insured employee dental insurance plans, for a period not to exceed two years, and declaring an emergency.

Proponent testimony was offered by Vickie Steiner, Director of Human Resources. Ms. Steiner stated that the ordinance would authorize a contract for employee dental coverage effective January 1, 2016. The City hired a consultant, Employee Benefits International, which sought and received four proposals for employee dental coverage. Anthem was deemed the best proposal, with a 24-month rate guarantee and the ability to roll over \$250 in unused dental benefits.

The Chair asked if Council was provided a spreadsheet detailing the proposals. Mr. Hoffman stated it was sent only to the Chair. Ms. Steiner stated that the current plan from Medical Mutual is 100% self-funded. Another plan quoted was from Met Life, which included a 24-month rate guarantee which included slightly lower premiums, but no rollover option. A second Met Life option included a 26-month rate guarantee, but no rollover option. The AFSCME proposal had lower levels of coverage with premiums only slightly lower than Anthem, and only a 12-month rate guarantee.

The Chair stated that union contracts did not provide for vision coverage for police and fire employees. Under this arrangement, all employees will have

vision and dental coverage. Ms. Steiner stated this is correct. The vision plan was also competitively bid and will be provided by Eye Med Vision. The rates and coverage are comparable to the City's current plans.

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

Motion by Mr. James to release Temp. Ord. B-99 with a favorable recommendation. Seconded by Mr. Iula. Motion adopted by acclamation.

Temp. Ord. B-100

An ordinance authorizing the Mayor to enter into a contract, through competitive bidding, with Fidelity Security Insurance Company and/or its subsidiary EyeMed Vision Care for the administration of the City's self-insured employee vision care services insurance plans, for a period not to exceed four years, and declaring an emergency.

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

Motion by Mr. James to release Temp. Ord. B-100 with a favorable recommendation. Seconded by Mr. Iula. Motion adopted by acclamation.

Temp. Ord. B-101

An ordinance authorizing the Service Director to enter into a contract, without competitive bidding, with Midwest Direct for processing daily mail for various departments of the city, and declaring an emergency. There was no opponent testimony. There was no public comment.

Proponent testimony was offered by Mr. Hoffman. He stated that Midwest Direct picks up first class mail without charge and provides a better rate on postage to the City by bundling the City's mail with that of other companies.

The Chair recognized Mr. Weinhardt, who asked Mr. Hoffman to explain the necessity of this service. Mr. Hoffman stated that the City previously spent over \$3,000 annually on a service contract for a postage meter machine. Hiring a pre-sort mailing company

achieves a better rate on postage and eliminates the postage meter maintenance contract.

Motion by Mr. Iula to release Temp. Ord. B-101 with a favorable recommendation. Seconded by Mr. James. Motion adopted by acclamation.

Temp. Ord. B-102

An ordinance amending and/or supplementing Title 7 Taxation, Chapter 161 Income Tax, and enacting Chapter 164, Municipal Income Tax, to comply with state law mandates, and declaring an emergency.

The Chair stated that the legislature has mandated the standardization of all municipal income tax ordinances effective January 1, 2016. The City's existing ordinance will be in effect until the end of the year. Council has been provided a spreadsheet showing the differences between the new ordinance and the existing ordinance. Notably, the Income Tax Board of Revision will now have two members appointed by Council. The Mayor will appoint one member.

Proponent testimony was offered by Income Tax Administrator Shelley Goodrich. Ms. Goodrich stated that the ordinance is based on a sample ordinance provided by the Ohio Municipal League. Highlighted changes include reduction of interest and penalties. Penalties for employer's failure to withhold are being increased to 50% of what is owed. Employer withholding changes will begin in 2016 and the first returns filed under the new ordinance will be the returns filed in 2017 for tax year 2016. The department is engaging in significant outreach to ensure that taxpayers and employers are aware of the changes.

The Chair noted that under the new ordinance, a taxpayer may work in another city for 20 days before income tax liability arises.

The Chair recognized Mrs. Pyke, who asked if there have been issues with returns not being properly logged in. Ms. Goodrich stated that every return received is logged. Some taxpayers did not realize that private tax preparers did not file returns for the

taxpayer. Further, the City in previous years did not send mass non-filing letters.

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

Motion by Mr. James to release Temp. Ord. B-102 with a favorable recommendation. Seconded by Mr. Iula. Motion adopted by acclamation.

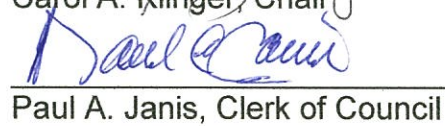
Non-Agenda Items

None

Without objection, the Chair adjourned the meeting at 7:14 p.m.



Carol A. Klinger, Chair



Paul A. Janis, Clerk of Council