

**Cuyahoga Falls City Council  
Minutes of the Finance Committee Meeting  
November 18, 2013**

**Members:** Carol Klinger, Chair  
Jerry James  
Vince Rubino

Mrs. Klinger called the meeting to order at 7:13 p.m. All members were present.

The minutes from the October 7, 2013 and October 28, 2013 committee meetings were approved as submitted. The minutes from the October 21, 2013 committee meeting were revised to correct a typo in the first sentence of the second paragraph.

**Legislation Discussed:**

Temp. Ord. B-79  
Temp. Ord. B-80  
Temp. Ord. B-81  
Temp. Ord. B-82  
Temp. Ord. B-83

**Discussion**

**Temp. Ord. B-79**

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the City's requirements for maintenance of the heating and air conditioning systems and automatic control systems in municipal buildings, and declaring an emergency.

Mr. Demasi stated the current contract expires December 31, 2013. It was originally awarded in 2008 and was a two year contract which was extended three times. This is for a new contract with an initial term for 2014 and 2015. It consists of two parts: scheduled maintenance and emergency repairs. Bids were opened last week and he looks forward to approval of the ordinance and then the signing of the contract shortly thereafter. Mrs. Klinger asked if the amount was still \$33,750. Mr. Demasi stated it was. Mrs. Klinger asked how many instances per year there was for scheduled maintenance. Mr. Demasi indicated it was four times a year. Replacement of filters is included. There is a set rate for labor on emergency repairs and an upcharge for any materials needed. The City always gets a quote prior to work commencing. The labor rate on parts is less than \$50/hr. There is a 25% upcharge on parts. This contract is really close to the current contract. The lowest bidder was Best Commercial Emergency Systems.

Mr. James moved to bring out Temp. Ord. B-79 with a favorable recommendation, second by Mr. Rubino. Motion passed (3-0).

**Temp. Ord. B-80**

An ordinance authorizing the Director of Finance to enter into a contract without competitive bidding with New World Systems Corp. for software maintenance and customer support of the City's licensed public safety systems software, and declaring an emergency.

John Konich stated this is for a renewal of the City's contract for software maintenance for public safety software. It is a five-year contract with a 60 day termination clause. They want to lock-in at 2013 prices. Mr. Colavecchio asked what the termination fee was. Mrs. Klinger indicated there is no termination fee.

Mr. Rubino moved to bring out Temp. Ord. B-80 with a favorable recommendation, second by Mr. James. Motion passed (3-0).

**Temp. Ord. B-81**

An ordinance authorizing the Mayor to enter into a settlement agreement in the case of *In re Estate of Ferrato*, and declaring an emergency.

Mrs. Klinger moved to adjourn into executive session in order to discuss pending or eminent litigation involving the City, second by Mr. James. Roll call: Mrs. Snyder, yes; Mrs. Klinger, yes; Mr. Iula, yes; Mr. Rubino, yes; Mrs. Pyke, yes; Mr. Pallotta, yes; Ms. Nichols-Rhodes, yes; Mr. Colavecchio, no; Mr. Walters, yes; Mr. James, yes; Mr. Mader, yes. Motion passed (10-1).

Council adjourned into executive session at 7:30 p.m.

Mrs. Klinger moved to adjourn out of executive session in order to discuss pending or eminent litigation involving the City, second by Mr. James. Roll call: Mrs. Snyder, yes; Mrs. Klinger, yes; Mr. Iula, yes; Mr. Rubino, yes; Mrs. Pyke, yes; Mr. Pallotta, yes; Ms. Nichols-Rhodes, yes; Mr. Colavecchio, yes; Mr. Walters, yes; Mr. James, yes; Mr. Mader, yes. Motion passed (11-0).

Council adjourned out of executive session at 8:19 p.m.

Mrs. Klinger stated that Temp. Ord. B-81 will be held for discussion in two weeks.

**Temp. Ord. B-82**

An ordinance amending Section 923.10 of Title Five, Part Nine of the Codified Ordinances, relating to water rates in the Northeast High Pressure Water District, and declaring an emergency.

Mrs. Carr stated this has been long awaited by the people in Ward 8. In April 1996, Cuyahoga Falls purchased a portion of the County water system and its assets. On April 22, 1996, the City established the High Pressure Water District. On March 25, 1997, the conversion was activated. Between May, 1996 and December 1997, eleven ordinances were passed establishing high pressure water lines. There are 1,500 accounts currently in the High Pressure Water District. The City has met its requirements with debt retirements in December, 2013, which is three years early. Average households will see a reduction of approximately \$15.00 per month. Mr. Brodzinski stated that bonds were issued in 1997 and 1998. They were called when rates were favorable. Currently, there is \$2.3 million outstanding of debt payments of \$480,000 - \$490,000 on an annualized basis with the last year of \$390,000. When you factor in the money coming in for surcharges and service charges, the City will have approximately \$110,000 - \$115,000 remaining. Taps next year for Hidden Lakes and Boulder Estates are estimated to be \$130,000. There were high years of \$900,000 of taps and low years of \$90,000. The average is \$118,000 - \$230,000 on taps, and \$425,000 - \$430,000 on high pressure service fees. That that all being factored in, that debt is defeased. Mrs. Klinger was surprised the room was not packed with people celebrating this moment. Mr. Mader stated he was happy to see this happen. He receives several calls each year, as do other members on Council. This is cause for some form of celebration to see the fee disappear.

Mr. Rubino moved to bring out Temp. Ord. B-82 with a favorable recommendation, second by Mr. James. Motion passed (3-0).

**Temp. Ord. B-83**

An ordinance authorizing the Director of Public Service to enter into a third modification of Contract No. 6548 with GGC Engineers, Inc., and declaring an emergency.

Mr. Demasi stated that GGC was retained by the City in 2010 to prepare plans and provide construction oversight. Construction began in 2012. The first modification was a small one in 2011 for additional survey work due to the project's expansion. The second modification was in 2012 due to the inability of Menard's to make it on the site which caused changes to the plans. Earlier this year, two additional changes were done regarding a new traffic signal on State Road and the relocation of the Portage Trail signal. This is final and is for completing those updates and submitting them to the contractor for construction. Mrs. Klinger asked if the status of infrastructure construction was completed. Mr. Demasi stated the roadways were paved and curbs and drives as well. Some sidewalks were in. They are waiting for building to begin along Portage Trail before putting in the remainder of the sidewalks. Traffic signal poles and light poles are in and they should be going up shortly. Mrs. Klinger asked who authorized the changes. Mr. Demasi stated he did under the direction of the team. Mrs. Klinger stated that work has already been completed which means money was spent without Council's approval. Mr. Demasi concurred. He added that the money spent this year was for engineering. They are working on the final invoices. Mrs. Klinger asked if they knew about the change in scope last summer. Mr. Demasi stated they knew about it but wanted to come to Council only once. Mrs. Klinger stated it is a little frustrating that this contract started out at \$193,000 and, to this point, the City has spent \$362,000 and is now adding an additional \$46,000 for a total of \$409,000. That is 202% increase. It makes her concerned about an engineering run of \$46,000 at an 8% rate, which means the City has a \$580,000 overrun. Mr. Demasi stated the majority of change modifications were done before the project was bid because the project was continuing to expand. From the beginning of construction until now, the only modification was \$46,000. Construction has not seen an expansion since the June. Mrs. Klinger asked what if the developer says it got a different tenant so they need to move an intersection X feet. Mrs. Truby stated that timing is everything. When they went for the grant for the public improvements, they looked into timing. They had to spend the money or lose the grant. Whether future work is done would be up to someone to decide. It would depend on what the request might be. Mrs. Klinger asked at what point is the City done. Mrs. Truby did not think it will ever be done. She hopes this begins to expand even more. She hopes this Council has to deal with future enhancements as a result of this contract. Mrs. Klinger agreed but was asking with respect to this development on this land, at what point is the City done. Mrs. Truby stated the City is 99% finished. If something needs to be added to another property, that may open a whole new ballgame. Mr. Demasi added that at the end of the project, GGC will be providing the City with as-built drawings. That way, if something changes in the future, it could be handled by City personnel. The City would not need to hire a consultant to do it.

Mrs. Klinger was glad to hear that. She is taken aback that the City spent money when that money wasn't appropriated. She is greatly concerned about that. Mr. Brodzinski stated it is not an appropriation issue within the capital projects fund. It is a contractual issue. Mrs. Klinger stated that Council did not approve to spend this much money. A commitment has been made. She asked if the vendor has been paid. Mr. Brodzinski indicated it has not. Mr. Rubino commented that the City has a contractual obligation to pay. Mrs. Klinger stated that someone has a contractual obligation but did not know if an employee was responsible. Mr. Janis stated the ordinance authorizes an amendment to a contract to pay a vendor for work that he had done. If the vendor does it without a contract, that is on him. It cannot be paid unless Council approves the ordinance. Mr. Rubino asked what the mechanism was to authorize work. Mr. Demasi stated it was that this be done first. Mr. Rubino asked how the vendor received the go-ahead to do the work. Mr. Demasi stated it was done per the weekly meetings held and by phone conversations. Mr. Rubino stated it was not per a document but rather by discussion. Mr. Demasi indicated it was. Mr. Brodzinski stated that obviously this project has more sensitivity but whenever the City does a clean-up ordinance, some accounts go up and some go down. Accounts that go up are due to an over-expenditure that Council cleans up. Some go up due to overtime. That is the same thing that is happening here but it is just a more sensitive project. He assured everyone that no money has been spent.

Mrs. Pyke stated in Section 1 of the ordinance, it says modifications shall be in writing by the Director of Public Service. She asked if it was already signed. Mr. Demasi indicated it was not. Mr. Colavecchio stated it was interesting if Council did not approve it, that Mr. Janis might be assuming the risk. Mr. Janis stated the if the contractor does work without a contract, he does so at his own risk.

Mr. Walters asked if the City has looked at anything as far as traffic count and signal timing, regarding cars coming from the valley. Mr. Demasi stated the new signals were not up yet and new coordination is not in. There is new pavement and markings but the old signals are still being used. It can be done once the construction and infrastructure are done. Mrs. Pyke asked if the City was receiving a lot of feedback regarding the cement medium. Mr. Demasi stated there will be additional signage regarding the concrete medium that will tell drivers to move to the right a little. Mrs. Pyke stated she's received several complaints about that. Mr. Demasi stated signage will be up in the next few weeks.

Mr. James moved to bring out Temp. Ord. B-83 with a favorable recommendation, second by Mr. Rubino. Motion passed, voice vote (3-0).

#### Miscellaneous Business

Mrs. Klinger stated that Council has received Report 21 through October 28 and that tonight they also received a variance worksheet. One of the biggest items is a huge change in Estate Tax. Mr. Brodzinski stated that was the second half settlement of estate tax. 2012 is the last official year for the estate tax. This is clean-up for all estate taxes that are out there. In past years, it was two to three years to get the money. This would be the last high-end year of that because estates are trying to clean up as quickly as possible. Mrs. Klinger stated that Mayor's Court is running very strong and will more than exceed budget. She asked if they were anticipating to hold there through December. Mayor Robart stated he authorized Chief Pozza to waive traffic tickets if the offender drops off a giving tree gift so the numbers may go down slightly next month. Mrs. Klinger stated that income tax is still strong and running significantly more. She assumed that will hold through the end of the year. Mr. Brodzinski pointed out that was based on variance of 2012 and not the budget. The increase had to do with net profit. It was a reaction on how businesses were going to handle the new health care. He does not see an additional jump for next year but was glad it occurred this year. Mrs. Klinger commented that the Natatorium was still down 5% from last year.

The meeting adjourned at 8:49 p.m.