

CUYAHOGA FALLS CITY COUNCIL

Minutes of the Council Meeting

November 28, 2016

- Call to Order:** Mrs. Pyke at 6:30 p.m.
- Roll Call:** Mr. Rubino, present; Mr. Pallotta, present; Ms. Nichols-Rhodes, present; Mr. Brillhart, present; Mr. Miller, present; Mr. James, present; Mr. Iona, present; Mr. Colavecchio, present; Mrs. Klinger, present; Mr. Iula, present; Mrs. Pyke, present.
- Invocation:** Mr. Iona
- Pledge of Allegiance:** Mary Nichols-Rhodes
- Approval of Minutes:** The minutes from the November 14, 2016 Council meeting and Committee-of-the-Whole meeting were approved as submitted.
- Reports and Communications:** An e-mail dated November 22, 2016, from Mr. Edward A. Sturkey to Council President Pyke requesting an audit of the City's Utility Billing by the Auditor of the State of Ohio.
- A Notice from the Ohio Division of Liquor Control regarding a stock ownership transfer application to J.M. Krieger LLC. dba Krieger's Health Foods, 615 Graham Road, Cuyahoga Falls, Ohio, 44221.

New Legislation

(First Reading)

Temp. Ord. A-92 (Planning & Zoning)

An Temp ordinance accepting the Planning Commission second one year extension for the Menards site plan at 75 Graham Road, and declaring an emergency.

Temp. Ord. A-93 (Planning & Zoning)

An ordinance authorizing and approving the conditional zoning certificate to operate a wine bar at 4964 State Road (Parcel 37-00223) in an MU-1 Rural Neighborhood Center, and declaring an emergency.

Temp. Ord. A-94 (Community Development)

An ordinance authorizing the Director of Community Development to amend the Community Reinvestment Area Tax Exemption Agreement with Menard Incorporated, and declaring an emergency.

Reports of Council's Standing Committees
(Third Reading)

Planning & Zoning

No Report

Finance & Appropriations:

Temp. Res. A-88

A resolution requesting the Summit County Fiscal Officer to make advance distribution of tax receipts payable to the City of Cuyahoga Falls, and declaring an emergency.

Mrs. Klinger moved to adopt Temp. Res. A-88, second by Iona. Motion passed, voice vote (11-0).

Public & Industrial Improvements:

No Report

Public Affairs

Temp. Ord. A-90

An ordinance authorizing the Mayor to enter into a license agreement with Alan Ederer for the use of three feet of City right-of-way for the purpose of constructing and operating a parking lot in the Cody Avenue right-of-way abutting the property at 1928 Portage Trail (Parcel No. 02-20463), and declaring an emergency.

Mr. Pallotta moved to adopt Temp. Ord. A-90, second by Mr. Miller. Motion passed, voice vote (11-0).

Temp Ord. A-91

An ordinance authorizing the Mayor to enter into a license agreement with Valley Park LTD. for the purpose of installing and maintaining a business identification sign in the public right-of way of State Road, and declaring an emergency.

Mr. Pallotta moved to adopt Temp. Ord. A-91, second by Mr. Miller. Motion passed, voice vote (11-0).

Community Development

No Report

Schedule of Committee Meetings

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| Planning & Zoning: | December 5, 2016, 6:30 p.m. |
| Finance: | December 5, 2016, 6:35 p.m. |
| Public Improvements: | Subject to Call. |
| Public Affairs: | Subject to Call. |
| Community Development: | December 5, 2016, 6:36 p.m. |

Miscellaneous Business

Mr. Hoffman stated that Council has been given a paper summarizing bullet points for Report 21. As it is getting closer to the end of the year, they are starting to finalize some of the numbers. Under the General Fund, in the Interest category, the amount of \$404,000 in interest income was anticipated for this year and has already been exceeded. Admission Tax is 30.6 percent over 2015, and that has made up some revenues this year. One of the items they have been watching very closely has been the County Local Government Fund. Currently, distributions are down \$24,000 for this year, but it was anticipated they were going to be flat for 2016 as compared to 2015. On the Municipal Income Tax, currently, income tax revenue collections are up 127 percent. That has come down a little. They had brought back an ordinance that moved the filing deadline from the 15th of the month to the end of the month, so they anticipate seeing some changes in that and seeing some timing issues that will be brought back in November. In the Leisure Time Fund, the Natatorium, Brookledge and Downview are all maintaining close to what they reported last month. Service charges for the Natatorium are up 2.4 percent, Brookledge is up 4.1 percent and Downview is still down 12.9 percent. Last month, Downview was down over 13 percent, so they did have a good month in October. In the Street Construction Maintenance Repair Fund, there was an increase in the line item Fees, Licenses and Permits in the last year. That is the line item that the cable franchise fees come into. That's down about \$54,000 this year as opposed to last year. That is a line item that, over the past several years, has seen a trend of coming down. This year, it has come down even more than they have seen in the trend. On the hotel-motel tax, they are over \$69,000 this year. Some of that is attributed to the RNC. Those incomes are making up for the Fees, Licenses and Permits line item. On the expense side, there are no General Fund issues to report on. Under the Insurance Fund, there is no change from last month. Claims in Hospitalization are up 18 percent. Those have flattened as anticipated. Prescription Drugs is down 31 percent, so they've balanced each other out. All other funds are reporting and trending as normal. Mr. Rubino asked if they can forecast, at this point, what the unencumbered balance at the end of the year will be in dollars. Mr. Hoffman stated that they have done some projections last month and this month. They are trending to see that unencumbered fund at \$8 million to \$8.1 million this year.

Mayor Walters stated that there are three documents Council should have received: The report of the Summit County Internal Audit Department; the results of a certified meter testing vendor and a Comprehensive Overview that has been prepared to tie that all together. Mayor Walters also asked that Council forward him the e-mail about the State Audit, and he will respond to the gentleman who sent it. Mayor Walters stated that he would like to introduce Mr. Montgomery

with BDO Advisory Services. His company was hired to assess the operations and procedures with the new software, as well as report and provide documentation to affirm the reporting capabilities and controls. He has already performed extensive data analysis and will be able to answer any software questions as they arise. Mayor Walters stated they he will give an overview and, if there are any questions, he can direct them to whoever specifically would be best to answer those in detail. The meter testing was done to rule out any discrepancies in the electric meters. What they found is that either electric meters work or they don't. It's like a 60-watt light bulb; it is 60 watts or zero. Those meters are tested in-house, but they wanted to test the equipment and randomly test some meters in the field. Council has those results, and those were all well within the limits. The next two documents are the report, itself, and the comprehensive overview. These three documents will be available to the public on the website first thing in the morning. Mayor Walters stated that, to begin, he would like offer the credentials of the Internal Audit Department as being CIA, Certified Internal Auditor; SFE, Certified Fraud Examiner and CGAP, Certified Government Auditing Professionals. The scope of this report is, "1. An overview of the internal control structure for the utility billing process (e.g., input/upload of meter readings, preparation of bills, data input of Council-approved rates, etc.); 2. Documentation of the timeline of events that have occurred respective to the billing system conversion, along with customer complaints/concerns received and how they've been addressed (e.g., billing cycles, payments posted, upload of meter data); 3. Performance of detail testing to ensure proper/accurate billing (e.g., proper rates charged, correct meter readings utilized, payments received credited to the accounts, etc.); 4. Recommendations in accordance with best practices, applicable legislation and accounting principles will be provided."

Mayor Walters stated they he would next like to run down the timeline located on page 4 of the report from the beginning until now and then cover it in more detail in the overview. In 2011, the City of Cuyahoga Falls entered a contract with Innoprise Software, Inc. for the purchase of a web-based Enterprise Resource Planning system. In 2013, the Finance module of Innoprise went live. In 2014, Community Development and the Engineering modules went live on Innoprise with the City. May of 2015, the Payroll module went live with the vendor onsite to assist with the Utility Billing conversion. At that time, testing revealed there were issues causing delays and further testing needed to be performed. In April of 2016, issues were resolved. The conversion was scheduled to go live the week of 6/10 of this year and the go-live date was set for 6/13 of this year. In May of this year, the testing verification and onsite training took place. In June of 2016, there are a couple items listed there. On June 7th, training and testing were completed. The go-live date was confirmed by the vendor and the City. On June 12th, the conversion was completed with no initial issues. The results were approved by the Utility Billing Department. On June 13th, the vendor was onsite to go live and discovered some conversion data on some meter reads were incomplete and the meter read system needed upgraded to interface with the new billing system. On June 15th, the upgrade was complete, Further issues and delays were noted and the billing cycle was delayed. That is Cycle 10, which was to be the first on the new software. From June 20th to 24th, the bills were issued for Cycles 10, 15 and 20. There were further delays noted. Manual checks for approximately 2,500 accounts needed to be completed to verify data. July of 2016, bills were estimated due to the meter-read issues and the bills were issued off cycle, which means that they did not have the data to upload from Aclara to Innoprise. To get those bills and

avoid any further delay in future cycles, they were estimated with some minimum usage. In September of 2016, Kevin's Meter Testing was retained to test the accuracy of the single-phase meters at the full and the light load test. In October of 2016, the Summit County Internal Audit Bureau was retained to evaluate and test the current process and procedures. BDO Accounting, Tax, Audit and Consulting firm was retained to look at the process and procedures, make recommendations and help implement changes, if needed.

Mayor Walters stated that the Comprehensive Overview runs with the audit, and he will go over some of the highlights of that. As was mentioned in the timeline, 2011 was when the City purchased the Innoprise Software System. Down towards the bottom, moving forward, there is mention that certain accounts were flagged by the system as being outside of certain parameters. Those are called manual review accounts and those are things that don't happen electronically. They must be looked at by billing personnel, which is very time consuming. They are not heavily staffed, so they do the billing processes and they do this as one of their duties, as well. Manual input is not something that's designed in the system. Just to reiterate, there are six different billing cycles. They do not bill the city all at once. Those six cycles are defined as the 1st, the 5th, the 10th, the 15th, 20th and 25th. That is when those bills are due to go out, and, as reported every Monday for the last 17 billing cycles back to September 1st, those have gone out within the 28-to-32-day window. Again, based on a holiday or a weekend, when those cycle days will hit varies. Mayor Walters stated that, moving forward on the overview, the next page does have a timeline in more detail than what was stated on the audit. It shows that, around the go-live date, the cycles were being delayed, especially Cycle 15, which is the largest billing cycle, was delayed and there were bills that were not being populated electronically. Those manual reads on a cycle that big are huge, and it put all the cycles behind thereafter. It states at the bottom of that page, "These manual reviews were time intensive as each account had to be individually reviewed and corrected and due to the time involved to take corrective action, billing cycles continued to be delayed in July and August." There were a lot of reasons for that. A lot of them pointed to Aclara, which is the software that gives the meter reads electronically. When the new AMR readers were purchased, they eliminated the need for meter readers walking through backyards, which is labor intensive. A key component is to get the reads from the meters to apply to the bills through Innoprise to be billed out to our customers on time. When they don't get the reads, they must be read manually. The City does not have the capability of the meter readers as they did in the past when all the meters had to be read manually. The reason for that is listed on the next page "Aclara Meter Read Data Cap." They found that they were not getting the reads for over 2,000 bills for one of the cycles. They could be seen in the system, but they were not populating into the Innoprise software to get those bills out. It was discovered that Aclara had an arbitrary cap of 10,000 bills that they would release at any one time. They didn't know it. The City didn't know it. Innoprise didn't know it. It took some time to find out why they were not getting all those reads. When they did, they removed the cap and got those reads, which delayed the cycle even further.

Mayor Walters read from the next paragraph entitled, "Length of Billing Cycles. The manual review of multiple billing cycles delayed when bills were sent to customers. It also affected the length of the billing cycles and the amounts that were billed to customers. The delay in billing essentially extended or lessened the respective billing cycles. For example, July's Cycle 15 was

not billed until July 28 causing the July 15 Cycle to be approximately 45 days in length instead of the normal 30 days. As issues were resolved and billing cycles began to be returned to their proper mail dates, residents may have been subjected to shorter billing cycles due to the previous month's extended cycle. This meant that residents might have received two bills in one month. The issues have been resolved, and customers are on regular billing cycle schedules.” Mayor Walters stated that this paragraph deals with what caused most of confusion; especially on the residential accounts. Residents are used to a bill approximately every 30 days. They budget for that and they expect that. That did not happen in June, July and August for some of the reasons previously mentioned. The issues are resolved and everyone is on their regular cycle as of now. The Power Cost Factor was checked. Calculations were performed. Those were all double checked to make sure that they were accurate and being applied properly. The reports stated that they were correct.

Mayor Walters stated that another issue that was encountered with the newer digital meters are they have six dials. The system was not capable of reading that extra digit, which put them into the error codes in the manual review accounts, which meant it was out of their parameters. That meant that that was another thing that had to be reviewed individually to see what the problem was with that account. In 2011, the first MTU transmitters started to go in. There are approximately 4,500 meters now. Some of the transmitters are failing. The meters are fine, but they are not transmitting the readings here at City Hall. They have accommodated for that by hiring meter readers. They have accounts that they know that they must read each month. Each month, they are getting more of those that do not transmit. They are accommodating that by adding to the routes and getting those read and imputed in a timely manner. The sprinkler meters aren't used in the wintertime. Anything with zero consumption on a bill would show as being outside of the parameters and as a potential error, which would kick it into the manual review, as well. Those have been corrected. There are 20 to 25 customers that use the water truck. Those accounts have been corrected and are all being billed properly.

Mayor Walters stated that the large commercial accounts and the rate structure was provided to Innoprise as per ordinance. The problem that was encountered was the software was not calculating the commercial accounts with demand charges properly. Mr. Michael Dougherty, Electric Superintendent, stated that demand can be one of three things: The highest measured 15-minute kilowatt demand metered during the month; 60 percent of the highest billing demand from the last 11 months, or 50 kilowatts, whichever one of those is highest. When they're talking about 60 percent of the highest billing in the last month, that is sometimes called ratchetting. If there is a high demand in a particular month, that's going to impact their billing for the next 11 months. Demand charges are also tiered. The first 100 kilowatts are at one rate and all remaining kilowatt hours are at another rate. The confusing part is where the usage or consumption charge is calculated, because it takes demand into account. Calculating that amount is very hard to figure out without being shown how to do it. The first 250 times demand of kilowatt hours is charged at one rate per kilowatt hour. The second 150 times demand of kilowatt hours is charged at another rate per kilowatt hour. All remaining kilowatt hours are charged at a third rate per kilowatt hour. Every bill gets the PCF charge added, which is the PCF rates times their kilowatt hours of consumption. Mr. Dougherty stated that he has created a spreadsheet to hand out. That spreadsheet was also given to Innoprise, at a meeting held in September of 2015, to show them

how to calculate and explain to them the complexity of the demand-billed customers. Mayor Walters stated that because the software company does this for a living, they were comfortable that they would be able to apply the demand charges and ratcheting and calculate all those. When it was realized that that was not being done properly for those three categories of commercial accounts that have demand, the software company was told that they need to update. This was a change in the software; not something on Utility Billing's end. As of right now, everything is being billed properly for all the commercial accounts, but there are still accounts that need to be contacted individually to give them the recalculation whether they were overbilled or under-billed. The estimate of the total, over and under blended together, is approximately \$150,000. Customers have been notified. There are credits that are going to be issued and bills that will be issued to correct the problems with the demand charges. The demand charges for each individual account must be calculated manually. There is nothing astronomical for one commercial account out there, but for the ones that need to be notified, the credit is quite easy to issue.

Mayor Walters stated that the next issue was Communications. When Utility Billing has to do manual reviews, it takes them away from the phone and the front desk. They need to provide all those services. They do not want to fall behind in the billing, because the next cycle will be delayed. Almost every salaried person was recruited and trained to field questions and comments. They worked long hours, night, and weekends. If needed, overtime for Utility Billing was offered. Whatever slack they would not take up was filled in to provide the proper customer care. The salaried people put in hundreds of hours. To this day, they are forwarded any contact that Council receives. Whether residential or commercial, it gets handled right away. Now that the phone calls have diminished, it is done in-house through Utility Billing. They are taking live calls. If someone cannot get through, there is voicemail and those calls are returned promptly. Utility Billing is staffed to be a billing center; not a call center. When these problems arose, everyone stepped up to get those questions answered, whether it was in person, via e-mail or phone call. Late fees have been waived until the end of the year. Late fees that were billed have been refunded. Since September, basically all those billing cycles have been on time. By January 1st, 2017, everybody will be back on cycle and late fees will be applied again. If there are people out there that are still struggling with their bill, they will be dealt with one-on-one, whether it be a payment plan or whatever they need to do to get caught up if they're not caught up yet.

Mayor Walters stated that they realized they needed some oversight to cover the calculations, the PCF. They wanted to make sure that there was no doubt that things were calculated properly, that the meters were reading properly and that the rates were being applied properly; hence, the audit review that Council has a hard copy of. In that audit review, they have made observations of things they felt needed corrected. Some of them are policies and procedures. With the new software, a lot of the roles have changed for people in Utility Billing. They are working, right now, to fine tune that process. The electric billing proofs that were reviewed were documented. In reviewing Observation 6 on the residential side, what they found was there were 41 customers that are all-electric homes and pay a different rate than regular residential customers. Out of those, there were 41 people that were billed the winter rate instead of the summer rate. That was a small amount they had under-billed slightly and something that will be probably absorbed. The excise tax for 57 customer accounts outside of the city was applied improperly, as well. That was a small

amount and not anything that's going to affect the account either way. That totaled 98 residential accounts that the audit felt were underbilled and have been addressed. On the commercial side, they found 203 instances. Those are being worked through, so that number decreases each day. Approximately 189 customers out of all the commercial in the three categories that have the demand billing were affected. Innoprise has since fixed the back end of their software programming to accommodate all of those and those bills are going out correctly. The policies and procedures are being handled as we speak. BDO will issue a report on the best practices to use moving forward. There have already been improvements. The capabilities of this system are going to be tremendous compared to the old system. The security is better. Things will be able to be sorted and categorized better. It has taken time to get here, but, moving forward, it will be better than where they started. Mayor Walters reminded Council that they cannot divulge anyone's account information without their personal permission. On the commercial side, if someone contacts us, their name, their usage and their refund, by law, cannot be disclosed. Given that, they do have some totals for those different categories and where that stands as of today, and they will be happy to answer any questions or any comments Council may have.

Mrs. Klinger stated that, under Observation Number 3, the recommendation associated with that is an "or" recognition. She asked if the program has been changed or are they going to change the codified ordinance. Mayor Walters stated that, moving forward, that could still happen based on a weekend or holiday, so it would probably be best to change the ordinance. People will still get 12 base charges a year, but, certainly, the timing of that billing cycle could happen more once a month. It would contradict the ordinance. However, it would not contradict the spirit of the ordinance. There would still be 12 charges per year, but the 28 to 32-day billing cycle, which has always been the norm, quite often has happened twice in one month. It could happen that on the 1st and the 31st, you could receive a bill. If it's applied on the date that that bill is generated, it would need changed in the ordinance unless they're going by the spirit and not the letter. Mrs. Klinger asked if they will be providing legislation to modify that. Mayor Walters stated that he believes the Law Department would recommend that they do that, along with a couple other categories with some small changes. Mrs. Pyke asked if under Observation Number 2, the recommendation that they document their proofs had already started. Mr. Zachary Jones, Utility Billing Supervisor, stated that they continue the same process. However, they do take the time to go through proofs and verify that they are correct before approving the file to be sent out. They are working with BDO to finalize those best practices to find the best way to document it and keep that information moving forward. Mrs. Pyke asked if that meant there was no documentation right now going on to show that they are doing that. Mr. Jones stated that was correct. Mrs. Pyke asked they looked at all components of the utility bill or did they just focus on electric. Mayor Walters stated there were no issues with the water. The water meters and transmitting units on those are stable. If they aren't, it is more of a topography issue where someone parks their van in front of where a transmitter is. They don't have any issues with the transmission piece of that; hence, they don't have a lot of manual reads or estimated bills. Electric was the component that was keyed in on, because sanitation and storm water is stable month after month.

Mrs. Pyke stated that it states, on page 4, under May of 2015, "Testing revealed issues causing delays; further testing to be performed." She asked who did the further testing and was it done

in-house or by one of the software companies. Ms. Hazlett stated that that would be in-house and the implementers. In May of 2015, there were still some issues that were coming up. At that time, it was determined they weren't ready to go live, so more time was needed to review everything and perform more in-house testing. Mrs. Pyke asked if some of the problems that were seen in May 2015 were the same problems that took place in June, July and August. Ms. Hazlett stated that it had to do with converting data over and making sure that the way it was being billed in HTE would be the way it was billed in Innoprise. They converted the data several times over this time. They would see what it looked like in HTE and then what it looked like in Innoprise and then make any adjustments to the Innoprise System. Mrs. Pyke asked if, within two days, the notation on the timeline for June of 2016, "Meter read system needs upgraded to interface with the new billing system," was upgraded and completely tested. Ms. Hazlett stated that Aclara was going to a new Star System and they knew ahead of time that Utility Billing was going to a new Innoprise System. It was determined that, instead of going to the new Star System on HTE, it was going to be better to just go live with the new Star System when the City went live with Innoprise. Aclara was on board and they were in constant contact with them. That weekend, they started converting all the old, historical meter reads from the old Star System and moving them to the new Star System. Unfortunately, that took longer than they anticipated because of the amount of reads out there. So, it wasn't necessarily needed to verify; they had to convert all the system to the new Star System.

Mrs. Pyke asked if, under the commercial rates schedules, were only three of them under-billed or were all nine of these potentially under-billed. Mayor Walters stated that only three have demand charges tied to them and those are the three categories that were not calculated properly. Mrs. Pyke asked if there was an estimated amount on what that underbilling was. Mayor Walters stated underbilling or overbilling is approximately \$150,000. Mrs. Pyke asked if there was parallel testing with this system to the system that they were using. Ms. Hazlett stated that they did not do parallel testing. They did extensive testing in Innoprise. As was said before, to do parallel testing with the magnitude in size of their utilities would basically mean that a second set of staff would need to be hired to key in everything from one system into the next system. Mrs. Pyke stated she didn't mean the whole system, but maybe just picking 10 residents and parallel testing those to what they would be in the new system. Ms. Hazlett stated that they did extensive testing in Innoprise in the test module, where they ran billing cycles, downloaded reads, ran billing cycles and applied payments from start to finish. Mrs. Pyke asked if all the residential accounts are now correct and all the calls have been returned. Mrs. Hazlett stated all residential accounts are going out correctly. They have not done formal payment plans. Residents were told that they were waiving late fees until the end of the year. In January, they will review those accounts with outstanding balances and, if a formal payment plan is needed at that time, they would enter one. Mrs. Pyke asked if all the businesses know that they may have been undercharged. Mayor Walters stated that they will contact them once everything is recalculated. Mrs. Pyke asked how many businesses have been affected. Mayor Walters stated that he believes it's 189, but, again, that is an older number, so it is probably less than that now

Mayor Walters stated that, going back to the residential, if a meter quits transmitting, City Hall gets a zero read. That kicks the bill out and the customer is not going to get a bill on time. It's going to appear as a manual review account, because a bill hasn't been generated and they know

the customer used more than zero. It takes time to get the meter reader out and get that read. That customer will be on a list each month to have the meter read, because when once a meter stops transmitting, they do not start again. This has been going on for five years. They have handled everything from this summer, but, each month, there's always those instances. There are people that move out mid-month that need a final read, so they are not going to get sent a bill until their meter is read. Those are all commonplace billing issues that are dealt with. However, the residential from June, July and August, if they've contacted the City or if Council has given them any names, they have been contacted immediately. Mrs. Pyke stated she would expect them to continue that as part of doing business and billing with utilities, but her concern was the issues that occurred during the upgrade due to the Utility Billing software. Mayor Walters stated that those have all been handled.

Mr. Iona asked why the department heads aren't correcting that in-house as opposed to going outside with an outside source. He asked how the City is funding the audit. Mr. Walters stated that it is being funded through various departments that will benefit from this overview. The audit is basically the checks and balances. If people say the meters are wrong or it's calculated wrong or the PCF is wrong, that was the purpose of the audit. The purpose of BDO is, with new software, there's new duties. There are things that people have done for years and years that need to change. Mr. Montgomery can drill down and sort things, so they're not going to spend another year trying to determine which commercial account needs recalculated and which doesn't. Utility Billing employees are doing that, as well, but they're also taking care of the customers. They can't neglect the calls, the billing, the things that must be done day by day. When residents move in or move out, they must come into the office. People are doing that. They're manning the counter. They do not have staffing in that department to handle an entire rewrite of process and procedures and still handle the customers. The City brought in the experts to help with the new software, things that it's capable of that Innoprise didn't even tell us, and get Utility Billing firing on all cylinders. Mr. Iona asked if, in January and February of 2017, they will be going back to collect late fees. Mayor Walters stated that all late fees have been waived. Moving forward, obviously, if there's money owed to the City, they have a duty to collect that. They will work with people and do whatever it takes, but, at some point, they are not allowed to offer free utilities. Those accounts will be dealt with individually like they always have been. Mr. Iona asked if there was a way to recover the fees for trash pickup. Mayor Walters stated that BDO will be able to sort that out. They can find those ones that were missing a charge. Ms. Hazlett stated that if they only received a bill in July and then a bill in September, they may have only incurred one sanitation charge or one storm water charge. Those are the flat monthly fees. They can go through and see that people only received one of those charges and then bill those if that is what the Administration and Council decides they would like them to do. The penalty is only calculated on the current bill. Come January 1st, customers are only going to be charged for whatever bill they get. Whatever their bill is in January, if they don't pay it in February, that's their current and that is what the penalty would be charged on; not the past due-balance.

Mrs. Pyke asked how can they not bill for services if someone had a three-month bill and it only incurred one sanitation. Ms. Hazlett stated they can go back and review all those accounts and present Council with a list or a dollar amount to let them know where they are on those. There

were undercharges. Mrs. Pyke stated that that didn't show in the audit. Ms. Hazlett stated that the audit was the electric charges only, because most of their complaints were about electric charges and how the electric charges were calculated incorrectly with the new billing system. Mrs. Pyke asked if there are issues outside of the electric billing. Ms. Hazlett stated that if a customer was not billed every month, then they may not have been charged a sanitation charge that month. However, many people got multiple bills in a month, because June was delayed, so they received their June bill in July, their July bill in July and then their August bill a few weeks later. Mrs. Pyke asked if someone uses the minimum amount of water and they have a three-month bill, and, in that three months, they still didn't hit above the minimum amount that they charge for, there could be problems in the water billing, also. Mayor Walters stated that it would be tied to the same bill that was not received. If there was that bill that has been omitted, if a customer did not receive 12 bills in that year, Utility Billing will be able to determine that and sort that list. It's not a huge list, but they certainly need to see how many people are on there. Mrs. Pyke asked if there has been something to keep that recorded. Mr. Jones stated that it is one of the capabilities of the system. They can go back at any point and create that report. The emphasis has been correcting any issues that have come up in the audit and working with customers that had any questions. Mrs. Pyke asked if that is a simple report that can be run so she can get that information next week. Mr. Jones stated they he will have to look at the system and start to put it together.

Mrs. Pyke asked if they have an estimate of the total amount they plan on paying BDO to help Utility Billing with this. Mr. Hoffman stated that the Finance Department has issued a purchase order for \$33,000. That is based on time and materials. Time is really the only factor there. They have been keeping tabs on how much time Mr. Montgomery has spent on that and they are well under that dollar amount now. Mrs. Pyke asked if they were breaking that down by department. Mr. Hoffman stated that the purchase order was broken down percentage-wise between Water, Electric and Sewer. Mr. Miller asked if they have a date when the Utility Billing employees began to input the data and review the accounts manually, so they can ensure the accuracy prior to the processing. Ms. Hazlett stated that the first billing cycles went on out on June 20th. So, at that point, anything that got kicked out as not having a bill generated, they would start to manually review in those accounts. Mr. Iona asked for an e-mail reiterating Mr. Dougherty's explanation of commercial demand billing. Mr. Rubino requested that anything that is sent out be sent to all of Council. Mrs. Pyke asked that it be sent to the press, also.

Mrs. Klinger moved to excuse Mr. James from tonight's meeting, second by Mr. Pallotta. Motion passed, voice vote (10-0).

Mr. Iula moved to adjourn, second by Mrs. Klinger. Motion passed, voice vote (10-0). Meeting adjourned at 7:35 p.m.

Mary Ellen Pyke, Council President

Dana M. Capriulo, Council Clerk