

**Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
December 10, 2012**

Members: Diana Colavecchio, Chair
Don Walters
Jeff Iula

Mrs. Colavecchio called the meeting to order at 6:45 p.m. All members were present.

Legislation Discussed:

Temp. Ord. A-114

Discussion

Mrs. Colavecchio stated Council will be resuming discussions on the annual budget, however, the Administration has requested Council dissolve into Executive Session to discuss certain pending and imminent court action involving the City. Mr. James moved to dissolve into Executive Session, second by Mr. Walters. Roll call: Mrs. Colavecchio, yes; Mr. Walters, yes; Mr. James, yes; Mr. Rubino, yes; Mrs. Snyder, yes; Mrs. Klinger, yes; Mrs. Pyke, yes; Mr. Mader, yes; Mr. Barnhart, yes; Mr. Iula, yes; Mr. Ihasz, yes. Council dissolved into Executive Session at 6:47 p.m.

Mr. James moved to dissolve out of Executive Session, second by Mr. Walters. Roll call: Mrs. Colavecchio, yes; Mr. Walters, yes; Mr. James, yes; Mr. Rubino, yes; Mrs. Snyder, yes; Mrs. Klinger, yes; Mrs. Pyke, yes; Mr. Mader, yes; Mr. Barnhart, yes; Mr. Iula, yes; Mr. Ihasz, yes. Council dissolved out of Executive Session at 7:10 p.m.

Temp. Ord. A-114

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, 2013, and declaring an emergency.

Mrs. Colavecchio indicated that Mrs. Truby gave Council members a cost comparison of Falls River Square. Mrs. Truby stated she took the events that had a majority of event days throughout the summer. Mrs. Colavecchio commented there is a negative (\$4,140) representing the cost for Riverfront Cruise. She asked if the Administration was continuing to look at that operation and revisit and annualize the charges in an attempt to offset the losses the City has each year. Mrs. Truby stated they look at it on an annual basis. In 2011, the fee for Cruise-in was \$100. They raised it by \$25 this year. Most cost is due to employees. Flicks on the Falls is a City event. The City received a private donor, who has made a commitment again for next year. They have increased Rocking on the River somewhat from where it was before. Festivals that run three days struggle. Police security, sanitation costs, fire department costs (for inspections) are pass-thrus. In some ways, those events get fee'd to death. Mrs. Colavecchio asked if these losses were less than last year or if they were on target. Mrs. Truby stated they are a little less. She did not bring those numbers with her. Mayor Robart stated that the losses are not that blunt. The City's police department has 16 officers who make off-duty pay. Also, charitable organizations make a lot of money working at the events. It is not as black and white as what it seems on paper. The City provides the service for the public, which consists of about 50% from Cuyahoga Falls and the balance from other places. Mrs. Colavecchio asked if the City ever thought of handling these events in-house. Mrs. Truby stated they purchase movies and the Falls River Staff runs the movie. It is an easy event. However, she would have to hire more people to handle weekend events.

There were no issues from the prior meeting.

Police

The proposed budget is \$8,585,776, which is a 6.76% increase over 2012. The reasons for the changes are an increase in personal services due to employee merit and longevity increases and salary supplement; increase in operating transfers-out (Police Pension Fund); and increase in contractual services account group. Chief Pozza anticipates two patrolmen leaving next year--one due to retirement and one to take a job elsewhere. He does not anticipate any others. What is appropriated here will mirror what Council sees next week in the legislation. The department will be buying some tasers and some suppressors for the weaponry in the police cars. The amount under firearm supplies is the new AR 14s they purchased this year. There may be an outstanding purchase order which is why it shows as no money having been spent. The \$57,025 in contractual other is broken down into \$24,600 for the City's share of the County radio system; \$8,800 is MDT maintenance; and \$7,875 for the in-car video system maintenance agreement. Mrs. Klinger asked which item increased over the prior year. Chief Pozza stated they did not have the MDT maintenance nor the in-car video maintenance. Those are paid every two or three years so it just came due. Mr. Walters commented that overtime was budgeted a little higher. Chief Pozza stated he asked for an increase mostly for the narcotics unit because the City is joining a regional team in Summit County and they'll need to be on call. They do not have standard overtime.

Fire

The proposed budget is \$8,976,228, which is a 7.68% increase over 2012. The reasons for the changes is an increase in personal services due to hiring of new firefighters, employee merit and longevity increases and salary supplement; and an increase in operating transfers-out (Fire Pension Fund). On the revenue side, there is grant money budgeted for those officers. They have people going through testing. They will hire four but they need a pool of ten so they are testing 25 to 30 people. They are shooting to hire at the beginning of January but they may get pushed back just a bit. The numbers here mirror the numbers outlined in next week's ordinance and includes the four individuals being hired pursuant to the grant. Mrs. Colavecchio stated there is an analysis being done by a consulting firm, with a timeframe of March. She wondered what would happen if Council approves these appropriations and then, if the study warrants it, decides the City should hire more firefighters. Mr. Brodzinski stated the report will be issued with numerous recommendations that will have costs attached. Those recommendations will be discussed and, if Council chooses to increase the staffing, they would up the appropriation from the unencumbered balance. Nothing would need to be done with this appropriation ordinance to account for a possible amendment down the road. If there were to be any additional personnel, the Administration would bring a new staffing ordinance. With regard to Pension PERS, the number is down because a secretary transferred to another department. The department has been trying to be frugal and save as much as possible as far as training. Also, medical dispatch is being transferred to the dispatch center. When someone is off for workers' comp., they try to move personnel around by transferring between shifts. They also have a modified program and try to use the individuals to update manuals, etc. They cannot be put on the line until they are cleared. There has not been anyone on workers' comp. for quite a while.

Street

The proposed budget is \$3,481,472, which is a 6.60% increase over 2012. The reason for the change is an increase in personal services due to employee merit and longevity increases and salary supplement. The capital needs is out of the capital projects fund which is why nothing is listed on the budget sheet. Salt comes out of three different funds. This year has been mild so they have not used much. They budget for an average winter. Prices remain the same as last year. Trees under Buildings and Grounds is budgeted in the Street Department. Anything out of Engineering is a different fund. That was a result of

reorganization when they moved foremen around. They wanted to make sure things equaled out. Mr. Walters stated that some people want their trees gone and some want them to stay. One trend is we are erring on the side of caution. Cost has gone up because more trees have come down. Mrs. Carr stated they have been evaluating with ODNR. The trend is that you take more trees down if there is an issue with the sidewalk. They are also trying to be aggressive with tree planting. A good example is Crest Avenue. Sometimes trees are just too big and too old and have to be taken down. The City has received a very favorable cost from a contractor for removing trees, which keeps the budget low. Mr. Rubino asked about the number of leaf pick-ups in the City. Mrs. Carr stated that most of the money comes out of the storm water account because the City wants to keep the leaves out of the storm drains. Mr. Novak runs it but other departments participate to get it done. The number of pickups have gone from three to two. That is mainly due to budgetary reasons but also they have found that the first and last pickups were very light so they decided to consolidate it to four weeks. It has worked very well. The residents have adjusted to it with few complaints. They are also going paperless so there was no mailing about the program. They used the internet, radio and phone, and also posted it on the website. It saved \$3,500 by not mailing the schedules. Mr. Rubino has had complaints about the reduced number of pickups. Mrs. Carr told him to refer those people to her department. She said she is proud that the City continues to do the pickups. Many communities have gone to one pickup or none, and in other communities, the residents are told they have to take their leaves to a location. Mr. Rubino said there was also an incident where the City could not pick up the leaves because of a car parked in the street and that the resident was told they would have to bag up the leaves themselves. The parked car did not belong to that resident. Mrs. Carr stated that, unfortunately, their equipment cannot reach around parked vehicles. Mr. Rubino stated that the leaf pickup is one service the residents really appreciate. Mrs. Carr stated if it's a case of someone raking after the last pickup, that occurred even when there were three pickups. She stated the rules are posted on the website and in voicemail. It is also in the newspapers. Mr. Rubino wondered if putting up signs would help remind people not to park in the street. Mrs. Carr stated they would look at that again but, even when they used to do that, there would still be people parking in the street. Mrs. Pyke asked about the program with the gold yard recycle bins. Mr. Novak stated the program has been favorable. They are going to solicit feedback from people who have those bins. He has budgeted in sanitation to purchase more. They will pick those up year round. Mrs. Carr stated they had 150 trial bins and have received accolades. It could become a popular program. Mr. Novak stated the bins would not be forced on everyone like the trash and recycle. The bins would just go to people who want them.

Sanitation

The proposed budget is \$3,701,288, which is a .58 decrease from 2012. The reasons for the changes is a decrease in material and supplies - refuse containers; and a decrease in operational services - refuse disposal - recycle. There are four capital needs presented. They need to purchase recycle bins and replace some trash bins. All recycle containers have been rolled out except for two condo associations. The price for trash is \$46.88 and will be going up in January to \$49.15 per ton. Mrs. Klinger asked what was happening to recycle rebate on income. Mr. Novak stated they hoped for good numbers but commodities have dropped off. Also, there was a calculation error by the company giving the rebate. They gave us too much so the City had to pay a portion of it back. That is why the initial revenue was at \$150,000. They will end about \$8,000 more than where the number is now. Mr. Walters stated that recyclables have come up in value. He asked if there would come a time when the City would have its own recycle. Mr. Novak stated it is a volatile area and one that is hard to predict. If the market turns, you will have the equipment and the employees. It wouldn't be making enough money to cover the expenses. Mr. Walters stated that Portage County is giving up recycling and doing it through privatization. The more people who recycle, the more it will reduce the \$46 per ton. The electronics recycling program was successful. He did not have the numbers with him. They are planning to do another one in 2013.

Electric

The proposed budget is \$46,303,466, which is a 6.32% increase over 2012. The reason for the change is an increase in operational services - purchased power. There were 11 capital needs presented. The test for the new tech person was given last week but they do not have the names yet. With regard to purchase power, they have a couple replacement purchase agreements which were purchased in 2008 for this year and for next year. At the time, market power was expensive. The contracts are pretty sizable and almost double what market power is. The City will also have too much power purchased in 2013 because of the plant that went on line through AMP. It was not expected to go on line so soon when the agreements were done in 2008. The City will be selling the extra power on the market but we will not make what we purchased. Mr. Walters asked if the underground replacement was for Charles Street and asked about the testing cost. Mr. Dougherty confirmed it was Charles and stated cost depended on how much cable they end up doing. They will either replace or refurbish. Refurbishing is where they inject a compound into the cable to fill in the space. They plan to start soon. Residential revenue is down 4% due to a mild year which affects the amount of power people buy. If it's a mild winter, people will be using a lot less power. There were some hot spells but the overall usage and expense are less. They are budgeting next year at a 5% increase over where they think they will end this year. The \$58,000 for tools and equipment is for various equipment. He will get Council a list of the items. Mrs. Pyke asked if there were problems with some of the utility poles. There have been a lot of poles with carpenter bees and also some that are leaning. Mr. Dougherty stated the poles are treated but over time they will rot. Mrs. Pyke stated she would give him the addresses of some of the poles that are newer and continue to have problems with bees. Mr. Dougherty also stated that not all utility poles belong to the City. There is a small metal plate that indicates who the owner of the pole is.

Garage

The proposed budget is \$2,345,815, which is a .98% increase over 2012. The reason for the change is an increase in personal services due to employee longevity increases and salary supplement, offset by attrition. The amount budgeted under Contractual Other will be for a full year. The amount for 2012 was for part of the year.

Utility Billing

The proposed budget is \$1,656,987, which is a 13.77% increase over 2012. The reasons for the changes is an increase in personal services due to salary supplement and additional part-time; and an increase in capital outlay. There are three capital needs presented. They need to replace the mail machine because the U.S. Post Office is requiring an intelligent bar code by January 28. There have been some issues with AMR but they are working with Johnson Control. Some meters have to be replaced but the company came out to do reads for the City. If people pay their utility bills through a bank, there is a delay before it reaches the City's system. They are working on getting an EFT where the bank would take it out right away.

Building and Grounds

The proposed budget is \$1,073,909, which is a 1.25% increase over 2012. The reason for the change is an increase in other operations - lands, buildings-maintenance and repairs and lands, buildings-service contracts due to reclassification of HVAC maintenance contract and related repairs from the General Administration Department. Mr. Amburn stated that the Oakwood Cemetery has one grave and 75 cremation graves. Northampton has 58 graves. The good numbers under natural gas are due to moderate temperatures, good pricing for natural gas, and the window replacement project.

Information Services

The proposed budget is \$733,120, which is a .90 decrease from 2012. The reason for the change is a decrease in contractual services - computer system support; and reclassification of copier and printer equipment from rent/lease to capital lease principal and interest. Amount of equipment leased was reduced as well, and impression charges included in prior year rent/lease was reclassified to printing services account. They are working on email and phone mail projects and also reducing costs the City is paying on PCs.

Technical Service

The proposed budget is \$475,970, which is a 5.79% increase over 2012. The reason for the change is an increase in personal services due to employee merit and longevity increases and salary supplement. The major project they are working on is the radio system. It is a rebanding project that is required by the SEC and has been going on for eight years. It should be ending this year. It is for a city-wide radio system. All of the equipment has to be re-tuned.

Communications

The proposed budget is \$1,141,296, which is a .94% increase over 2012. The reason for the change is an increase in personal services due to employee merit and longevity increases and salary supplement. NeoNet is helping the City do the new phone system. They will be going live on January 4. They have other plans in sharing of fiber.

The meeting adjourned at 8:37 p.m.