

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
December 12, 2011

Members: Kathy Hummel, Chair
Don Walters
Carol Klinger

Mrs. Hummel called the meeting to order at 6:00 p.m. All members were present.

Legislation Discussed:

Sub. Temp. Ord. B-121 (dated 12/12/11)

Temp. Ord. B-128

Discussion

Sub. Temp. Ord. B-121 (dated 12/12/11)

An ordinance authorizing the Director of Public Service to enter into a contract or contracts for cleaning services at the Municipal Building, and declaring an emergency.

We have before us a substitute that has a new section 3. Council received a letter from Mrs. Carr detailing the changes. Mrs. Carr stated the ordinance was held last week in order to give AFSCME a chance to vote on the concession package. AFSCME voted on Tuesday with a vote of 50-31 to reject the concession package. The Administration is now advocating for entering into the low bid contract with the cleaning service company. Mrs. Carr stated they are aware this is a difficult process and there are certain things they have to follow per the union contract. She met with union representative Mark Walters last week to discuss this and a decision was made to enter into an agreement. The basic premise is that the City would eliminate the jobs from the union contract which would allow the employees to be able to fully cash out. Mr. Janis stated that the ordinance adjusts the rights of the employees. Currently, if an employee is on layoff status, that employee has to wait until the layoff expires, which is two years, before collecting the cash out benefit. What this ordinance does is make an exception to that and allows the employees to cash out now, even though they are on layoff status, because the position is being abolished. In exchange for that, under the ordinance they would have to waive their right to recall and waive their right to transfer, downgrade or bump under the contract. Mrs. Hummel read the section in the ordinance. Basically, the affected employees are receiving the benefit of payout right now without waiting the two years. Most Council members are very uncomfortable with this, but her understanding is if Council chose not to pass either the substitute or the original, the Administration could still do the layoffs. Mrs. Carr stated that was correct. The AFSCME contract allows the City to layoff due to lack of work or lack of funds. Mrs. Hummel just wanted everyone to be clear. It's not an easy decision for anyone. She felt what was worked out between the Administration and union is probably the best situation given the circumstances because even if Council votes this down, the City can still lay them off and they would have to wait the two years to get their money.

Mr. Walters asked should this get voted down, would the City lay them off and then do the cleaning themselves? Mrs. Carr responded that they'd have to reevaluate where they would cut. They are looking to save money and would have to sit with the union to discuss it further. Mr. Walters pointed out to the public and the press that City Council does not have the power to lay off or stop a lay off. What has been added to the original ordinance makes it a little more palatable. From what he hears from the Administration, this has been a couple years coming, and that the wages and benefits were no longer affordable, and given the state of the economy, that the jobs can be performed for less money by a competent individual. To single these people out seems like the City is picking low-hanging fruit and is

easy to do. But it's not easy at all. He wanted to hear from some of the affected employees on how they feel, if the package that has been added here is acceptable to them, and that they accept the fact that Council has no power to stop the layoffs.

Mrs. Colavecchio asked for an explanation of the recall rights, for example, how long did they have recall rights, what those rights entitled them to do, and what positions they could bump into. Mr. Janis stated the bumping rights consist of, in Step 1, the employee could move to a vacant position they are qualified for that is of a lower or equal pay grade. If there is no such vacancy, and he believed there were none currently in the City, then they would go to Step 2, which is they could bump to a position of lesser seniority within the division that they are in, which, in this case, is Building and Grounds Maintenance. If there is no position they can bump into under Step 2, they would go to Step 3 which is to bump into any laborer position in the City if (a) they are qualified for the position, and (b) the incumbent in that position is of lesser seniority. With respect to recall rights, they have recall rights only with respect to the position they were laid off from so there would have to be a classification of cleaning personnel, and there is no such classification if the ordinance as drafted tonight is passed. Therefore, the recall rights would not be affected in this case. However, if there were recall rights, they would last for two years. Mrs. Colavecchio stated it is basically the bumping rights that are what are significant at the moment and asked if there were any open positions for these people to bump to. Mrs. Carr stated there are laborer positions that do not require CDLs they might be able to bump into if they'd like. Those were discussed with the union executive personnel. She pointed out that the substitute was initiated in part by the union. Nothing is being shoved down anyone's throat. The union came to the Administration and said they would agree to an elimination so the employees have the ability to get their cash out now. The Administration is going through things very logically and this is an internal service that has been well discussed for many years. Last year was the first time they actually put it on the table and said that a change needs to potentially be made. She gave a lot of credit to AFSCME last year for taking concessions so that would not happen. But, this is not something they thought up overnight. It is something that has been contemplated for a long, long time. They also thought they should cut an internal service before they cut another external service.

Mrs. Colavecchio stated the City is laying off four individuals and going from a five-day work week, full-time cleaning service to a three-day work week, part-time cleaning service. She asked whether there was any discussion regarding an option of laying off two people as opposed to four. Mrs. Carr stated that, like the Building Department last year, it is a section of work that can go as a whole so that was what they were looking at. She supposed there could be any combination of things but, again, for the value in terms of the contract that was put out there, the dollar amounts are so far apart that they felt it was the best option to do it as a whole. She pointed out that they do have one confirmed retirement so it was only three people getting a layoff notice. They decided to go with a three-day contract because they feel they can live with that and it saved additional money over a five-day contract. She stated Mr. Amburn evaluated what he felt needed to be done and the timeframe in which they needed to accomplish it. It was his determination it could be done within three days. Mrs. Colavecchio wanted to know more about the maintenance persons' job description and who would do minor clean-up of water tracked into the halls due to inclement weather. She wanted to know what that job is, what the job description is, whether it is a full-time job, and how many of those types of jobs the City had. Mrs. Carr stated there is only one cleaner during the day. If that person happens to be off, the maintenance staff is the back-up. Mr. Amburn stated he looked at what needed to be done with the job and decided a three-day work week could accomplish what needed to be done. There are two RBT people, one who works first shift and one who works second shift. Their job description is just a general laborer and they can do just about anything from changing light bulbs, sweeping floors, mopping floors, and cleaning toilets. It is just a general laborer type position. They are both part-time. One works five hours a day and the other works six hours a day. Mrs. Colavecchio asked if he was confident that the number of hours of the two RBT maintenance people along with three full-time days of a cleaning contract will satisfy the needs of the

City. Mrs. Carr stated until they get into the contract and see, there may be things they need to change. They may need less or they may need more, but they feel confident that this is the number of hours they need. In terms of the part-time people, the one individual basically does the floor work in the evening which is outside of the cleaning job description. There is also a maintenance staff that is full-time and at times, they do backup if people are out during the day or if there is another issue. Mrs. Colavecchio was wondering if there are two part-time maintenance people, and two full-time maintenance people, does the City really need to replace the three full-time cleaning staff being laid off. Mr. Amburn stated the cleaning staff's job is dedicated to cleaning. That is all they do. The maintenance staff is out fixing things. He felt a cleaning contract needs to be entered into to get the job done. The cleaning contract is for the Municipal Building only. Mrs. Colavecchio felt that Council is being asked to be the chopping block for three jobs and she needed to know with clarity that this is the right way to go. Obviously, the City is looking for money in the budget to fit the goals of the City going forward, and this has been a challenging one. In a perfect world, she thought that replacement jobs would have been found for all three people, like what was done with AMR and the Building Department. That was what was so troubling here. She agreed with Mr. Walters that the substitute is more palatable but, in some respects, she wonders whether the City needed a cleaning contract at all. Mrs. Carr added the substitute allows the legal ability for the three employees to cash out due to the elimination of a position. However, if one of the cleaners decides they would still want their lay-off rights, they still have the right to be able to do that.

Mr. Barnhart wondered why the union didn't vote to save these jobs. He would have liked to have asked Mr. Walters, the union's representative, why the vote went the way it did. Mrs. Hummel added that she had a telephone conversation with Mr. Walters and he shared that the vote was 50 against and 31 in favor, which, to her, is a reasonably close vote. His comment to her was that they gave concessions last year to save the jobs and they were concerned that they would just be continually asked for more and more and more concessions and they didn't know when it would stop. She spoke with the three employees them briefly before the meeting, and they understood that this is probably the best of a bad situation since it entitled them to get their money now for their accrued vacation and sick leave. So, if Council doesn't hear from those employees this evening, it would be assumed the package is acceptable to them. If they choose not to partake in this agreement, they still have the right to take the layoff and have the recall rights.

Gary Lee, stated he is not happy about this at all. His wife has over 18 years in the Cleaning Department and he is retired from the Maintenance Department. Putting her on his insurance is going to be \$800 a month so even if she gets unemployment, there goes her unemployment. He thinks there would be other places they could cut as opposed to cutting the lowest paid people in the City.

Bonnie Powell, works second shift for the custodial department and will be losing her job. She put in for her retirement. This is a bad thing but she supposed someone has to be cut. The Administration tells them to not miss work, so they don't miss work, and they still lose their job. It is hard to take. There aren't many jobs available for them to bump to. But even if there were, how would they know the City would not eventually outsource those and lay those positions off. She knows the City has to make cuts but she didn't know why it had to be them. They are the lowest paid employees. She felt Mrs. Carr thinks they are paid a lot of money but they're not. They do a lot for what they get paid. She feels bad for the other people who can't retire. She is fortunate to be able to do that. She doesn't want to do it because she doesn't have all of her time in, but she wants to do what is right and she hoped Council does, too.

Paulette Williams, will be 59 years old in July. She has been with the City for 13 years, 11 of which were full-time. She is single and takes care of herself and her apartment. Drawing unemployment, she will not have any hospitalization. She does not know what she is going to do. This is very hard.

Mrs. Hummel stated this is a tough decision but feels the substitute will make the best of a bad situation.

Mrs. Klinger moved to bring out B-121 with a favorable recommendation, second by Mrs. Hummel. Motion passed (2-1).

The Committee recessed at 6:36 p.m. in order to conduct the Council meeting and reconvened at 7:28 p.m.

Police

Mr. Brodzinski stated the reason for the length of the expenses is due to a decision with the 2011 budget to further breakdown the various components of the Police Department within various categories to see if that would be a better way to manage things as a whole. Basically, there was an administrative portion, an investigative portion and a patrol portion. As they went through 2011, they found it was not necessary to actually break it down into those various components so they have combined it back into one category under the 1500 Department and will just be tracking payroll separately. The proposed 2012 budget is \$8,042,369, which is a 4.24% decrease from 2011. The reason for the change is due to a decrease in personal services for certain retirements, and a decrease in IS internal service charges. There are three capital items presented, which are the only three capital items listed under the General Fund, for three cruisers with light bars at \$30,000 each for a total of \$90,000. Chief Pozza stated their staffing will be increased by two officers after January 1. One of them, Jeff Hill, was previously a City officer who resigned and went to Raleigh, NC, and is now back so he is being rehired. They also recently gave a Civil Service exam and are in the process of working on that to hire an additional officer. In addition, one of the previously demoted Sergeants will be promoted back to Sergeant, and they will be placing one of the Sergeants back into the Detective Bureau as a supervisor. He is pleased with the Department's performance. Traffic enforcement is up 23% over one year ago and that is with a few less officers. They are anticipating the retirement of Dave Cooper, who gave an unofficial notification of possibly retiring effective March 30. The Department staffing will be increasing by 1, which means there will be 71 or 72 officers. The firearms supplies are going up because they are purchasing new weapons for the police cars. They are going to AR-15s and will be trading in the rifles. Smith & Wesson is giving them a trade-in value. He will be using the Law Enforcement Trust Fund to purchase the weapons.

Street

The proposed 2012 budget is \$3,265,953, which is a .34% decrease from 2011. The reason for the change is a decrease in personal services due to anticipated retirements throughout the year. All of the capital items come under the capital projects budget, which will be discussed next week. Mr. Novak stated that at this time last year, they already had nine snow storms, so they are finishing this year a little better than they did last year. One of the biggest parts of his budget is the winter program. For the first time in the past 12 or 13 years, they actually had a reduction in the price of salt, which went down almost \$1 a ton. Salt is in more than one fund. It is in the 202 fund and the 218 fund, as well as SCMR 203 fund.

Sanitation

The proposed 2012 budget is \$3,722,862, which is a 1.74% increase over 2011. The reason for the changes is due to an increase in capital outlay and an increase in some areas of materials and supplies (refuse containers) and contractual services (temporary staffing). There were two capital needs presented. Mr. Novak stated their biggest project is the automation of recycle program. They finished two phases last year and are hoping to finish the last phase in 2012. He budgeted for 6,000 additional carts and, as far as the program has been going, they are seeing very good results. Trash tonnage this year compared to last is down 520 tons and recycle is up 646 tons over last year. The savings in cost to get rid of it is over

\$15,000. On top of that, they get a rebate in recycle tonnage. The rebate for 2011 is \$157,000, and they still have a few more months to collect on rebates. Contractual services is \$11,000 higher than the 2011 budget due to his part-time staffing. Over the last several years since Street and Sanitation have merged, during the winter months, he has brought Sanitation employees over to the Street Department to work the winter program, so he has replaced some of the work in Sanitation, temporarily, with part-time work until those employees can come back to their positions. Also, due to a retirement in Sanitation and three people going to other Departments, he is down four people in Sanitation, so he is using the temporary staffing only until they can get people put into those positions. He is hoping to hire two sanitation workers. Mrs. Carr stated they were being cautious about hiring. They can do some things on a part-time basis to evaluate and see what they really need. They asked Mr. Novak to slow down a little so they have time to evaluate before the positions are filled because, once they are filled, she does not want to come back and say the City cannot afford the positions and needs to cut them. They have been very cautious in all of the Departments in terms of filling but the trash does need to be picked up so they have allowed for some part-time hiring. Mr. Brodzinski stated the temporary help gets charged to the Street Fund, which is a special revenue fund, and is not part of the General Fund. He added it is tracked and charged appropriately whether it is Street Fund and/or Sanitation.

Electric

The proposed 2012 budget is \$43,552,728, which is a 1.76% decrease from 2011. The reason for the change is due to a decrease in capital outlay. There were eight capital needs presented. Mike Dougherty stated they will be doing some additional capital work on the City's 23 kV system this year. They are in the final stages of getting a model done of the system by an engineer which will enable them to make better decisions on what needs to be done to improve the reliability of the system and to make sure they have sufficient capacity if maintenance is needed or there are outages. They had four positions that were not filled in 2011 and the plan is to continue without filling them and, in that sense, they are eliminated. The \$69,000 under Management Consulting includes continuing with the 23 kV and 138 kV projects, and they are also going to extend the modeling down to the 12.5 kV. Mrs. Klinger questioned whether any of the management fee was encumbered from those projects for this year. Mr. Brodzinski did not have the number off the top of his head but indicated that right now, zero has been expensed. Mr. Dougherty stated that \$23,000 and some odd dollars was encumbered. Mrs. Klinger asked about the fund balance that is being forecasted. Mr. Brodzinski stated that 2012 will be starting at \$11,600,000 and, if the money comes in as budgeted, the balance will climb closer to \$13,000,000.

Garage

The proposed 2012 budget is \$2,322,969, which is a 3.33% increase over 2011. The reason for the change is due to an increase in gasoline and diesel costs. Mr. Williams stated he budgeted \$2.65 a gallon for both gas and diesel. They will probably end the year averaging \$3.30 a gallon, so they are behind. For 2012, he is budgeting \$3.50 a gallon and is hoping it does not do the same thing. They still utilize 265,000 gallons a year in gas and diesel. Mrs. Carr stated the amount of driving has gone down but the cost of fuel has gone up so that is why there is an increase. She gave credit to all of the Departments for decreasing their driving time. Indications last year was that fuel would be lower but ended up being higher so they are being more cautious this year. The deal made with Genuine Parts is included in this budget. The amount under Contractual Other is the payment for NAPA.

Utility Billing

The proposed 2012 budget is \$1,456,416, which is a 4.23% decrease from 2011. The reason for the change is due to a decrease in other operations (bank service charges) and a decrease in contractual services. Susan Hale stated they are keeping things status quo this year. They are in the process of

working with IS to implement the new billing software system, so there will be no maintenance fees for the next few years. The position of Assistant Utility Billing Manager is not being filled in 2012. The previous employee moved to another department. There were originally nine Account Clerk positions and they had only eight filled in 2011. They plan to continue with the eight in 2012, although they are looking at the potential future of a collections person. Mrs. Carr is still keeping her eye on collections so they have that position available but they will probably refine it to more of a collection-focus position and she is doing some research with Mrs. Hale on what would be the best approach. In this economy, it is still their number one thing they are dealing with. They are continuing to shut people off and trying to collect and they want to make sure it continues to be focused on. If they do decide to move forward with that position, they would come back to Council to discuss it. Mrs. Hummel asked whether this had the potential to be handled regionally by a group of municipalities because although the cities do not have the same utilities, they all still have the same issue. Mrs. Carr stated that has never been brought up among any of the municipalities but anything is an option and something they could explore as well.

Building and Grounds

The proposed 2012 budget is \$1,060,692, which is a 5.55% decrease from 2011. The reason for the change is due to proposed outsourcing of cleaning function. Mr. Brodzinski did not have the number for the payouts for the cleaning individuals but it would be paid for out of the compensated absence fund and not out of Building and Grounds Maintenance. Every year, they budget proportionately with money that goes into the compensated absence fund to pay for retirements and/or people who terminate their employment. They get a vacation cash out along with sick leave if they've been with the city for more than ten years. Mr. Amburn stated on the revenue side there are currently only two graves at Oakwood Cemetery and approximately 70 out at Northampton so that will be the grave sales for the next few years. There will also probably be some learning curves with the new cleaning contractor. Mrs. Carr wanted to make one more point on the question of what the City would do if it did not enter into the contract. She wanted to clarify that she only has two choices on what she can do. She can enter into a contract or she can let the union do the work because they are union positions. She would be very happy to clean her own office but she is unable to do that under the contract so that is how they got to the two choices.

Information Services

The proposed 2012 budget is \$739,771, which is a 9.46% decrease from 2011. The reason for the change is due to a decrease in materials and supplies (paper products supplies) and a decrease in General Fund related to internal service charges. This is where they made a decision to bring IS within the General Fund so the detail will show no prior detail because it is a new department within the General Fund. Also, with the changes to the maintenance contract, a lot of departments will see some relief for five years and five years of flat based on the new maintenance agreement they have going forward. Mr. Konich stated another area that had a significant decrease this year was contractual services because some of the maintenance contracts were either renegotiated for a lower rate or they were eliminated due to new equipment that came in. Mr. Brodzinski stated, years ago, there were a lot of departments within the General Fund that had capital related items. Systematically, they took all of those items out and lived within their means within the Capital Projects Fund. The only ones they cannot do that with are the cruisers because they only last three years and capital projects has a five-year threshold. IS has projects that will be implemented next year but those are within the Capital Projects budget.

Technical Service

The proposed 2012 budget is \$449,919, which is a 16.58% decrease from 2011. The reason for the change is due to a reduction of contractual services (temporary staffing) and a decrease in the General Fund relating to internal service charges. Under Architectural Engineering, there are no other funds that

have been encumbered. This is for the URS traffic consultant the City uses for traffic studies throughout the City. They budgeted \$10,000 for next year. In 2011, the temporary staffing was used for a rebanding project the City was working on for the radio system with Sprint. Under the Sprint agreement, the City is reimbursed for the work it does that is associated with rebanding. They had a retirement in Technical Services in 2010, and they were going to retain that individual on a part-time basis in 2011 to help complete that project because he had been working on it. They were able to complete that work with the staff they had on board and not utilize those hours, which is good news because the hours that were budgeted came to the exact amount the City was going to get reimbursed from Sprint.

Communications

The proposed 2012 budget is \$1,130,661, which is a 7.52% decrease from 2011. The reason for the change is due to a decrease in personnel retiring in the first half of the year and a decrease in IS internal service charges.

Mayor Robart wanted to respond to the comments about how difficult these decisions are with respect to the cleaning personnel. He wanted Council to know the Administration is just as compassionate as anyone else and has the same concerns as everyone else. They work with these people daily so these decisions are difficult for the Administration as well. However, they do not have the luxury of avoiding them. When you add together the loss of the revenue the City previously received from the State, the property tax issue, and the loss of revenue from interest on accrued funds, the budget looking forward is pretty bleak. They have to do as much as they can to keep that 15% balance in the General Fund because no one knows what this economy is going to deliver down the road. There could be more of this going forward. The City is in the sixth year of looking at a budget that is very tight and very restricting. They want to try to choose things that will impact the public the least they possibly can and want to go forward in that vein.

The Committee recessed at 8:07 p.m. and will reconvene at 6:00 p.m. on Monday, December 19.