

**Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
December 21, 2009**

Members: Don Walters, Chair
Debbie Ritzinger
Carol Klinger

Mr. Walters called the meeting to order at 7:00 p.m. All members were present.

Legislation to be Discussed:

Temp. Ord. B-130
Temp. Ord. B-131
Temp. Ord. B-134
Temp. Ord. B-135

Discussion

Temp. Ord. B-134

An ordinance creating the position of General Manager of Golf Operations and declaring an emergency.

Mr. Lohan stated they lost a key member of the organization when that individual moved to California. They decided it would be a good time to evaluate the organization overall. The golf course has been evolving over the past three to four years. Things have been going fine but they decided it just didn't have the right structure. They need to have an on-site person who would be in charge. This is the opportunity to create the position of General Manager of Golf Operations. This individual would oversee both Brookledge and Downview. They would not be adding any new people. It is just a realignment. This will cost them \$8,500 less than the current structure. He has talked to the Park Board and they are in unanimous agreement. Mr. Walters asked what they did during the winter. Mr. Lohan stated they are in major repair operation to get stuff prepared for summer. Also, this is the time of year when leagues and outings begin to contact them. Mr. Walters asked if they reopen in the winter if the weather permits. Mr. Lohan stated they would. Mrs. Klinger asked what level the part-time Downview Manager was. Mr. Lohan was not sure what that position was being paid. It is just part-time and it falls within the pay schedule. Mrs. Klinger asked if the full-time Golf Manager would still be paid at the same level. Mr. Lohan stated it would and that it is level 25. Mrs. Klinger stated it appeared that the part-time position would be paid more than the Assistant Golf Maintenance Supervisor. Mr. Lohan did not see that. Mrs. Hummel asked what the pay grade would be for the General Manager of Golf Operations position. Mr. Lohan stated it was level 29, which has the salary range of approximately \$55,000 to \$73,000. Mr. Stewart added that the individual moving into the position would be paid around \$56,000. Mrs. Hummel asked about the person in pay grade 25. Mr. Lohan stated he would be at the top end which is \$58,823. Mrs. Hummel pointed out that the chart had the part-time person being paid more than his supervisor. Mr. Lohan admitted the salaries were very close to start and, with overtime, it was very possible. Mr. Walters asked if the individual moving into the position had any business background. Mr. Lohan stated he had previously worked at American Golf Outsourcing Company and brings his experience from American Golf.

Committee recommended bringing out Temp. Ord. B-134.

Temp. Res. B-135

A resolution authorizing the advance of local taxes by the County Fiscal Office for the 2009 tax year, payable in 2010, and declaring an emergency.

Mr. Brodzinski stated that O.R.C. Section 321.34 required that the County Fiscal Officer shall request that a resolution be past by municipalities in order for them to continue to receive real estate advance payments instead of waiting until April or August. The County has never requested it before. They must have been told to make sure they get a resolution. This will now become an annualized resolution where the City says it is o.k. for the County to advance the funds.

Committee recommended bringing out Temp. Res. B-135.

Temp. Ord. B-130

An ordinance providing for current operating expenses of the City of Cuyahoga Falls by appropriating, re-appropriating and transferring money within and for the various funds hereinafter set forth, and declaring an emergency.

Temp. Ord. B-131

An ordinance making the annual appropriation for the current expenses, other expenditures and the capital outlays of the City of Cuyahoga Falls for the fiscal year ending December 31, 2010, and declaring an emergency.

Temp. Ord. B-133

An ordinance adopting the report on staffing for the City of Cuyahoga Falls for the year 2010, and declaring an emergency.

Mr. Walters stated everyone received the revised budget sheets. He asked for an update on what is happening with the unions. Mr. Brodzinski stated that on Thursday, the Electric union did not agree to the concessions. Fire did vote for the concessions. They are in the process of converting salaries over for next week's budget. Dispatch has agreed to sit and start discussion. Their regular representative is out of town for several weeks so they are waiting to hear back from them. Police Blue and Gold have not contacted the City. Mr. Walters asked about the fire union contract. Mr. Brodzinski stated they are still finalizing the numbers. In concept, it is exactly what was voted on by AFSCME but there is some nuances that give them comfort. Mrs. Carr stated the Electric vote was 16-27. In talking with the leadership, they would meet for a re-vote. She stated the City has been clear that it will try to keep the packages consistent. She does not know what they will do. The membership can ask the President for another vote. She indicated that the door is open but in the meantime, they are preparing a layoff list. Mayor Robart added that the vote was 49-26 for Fire. Mr. Walters commented on the word "guarantee." He felt everyone could get on board if there was some sort of guarantee. Then, if we need to visit it again next year, the process would start again. All of the jobs could be saved with that process. Mr. Brodzinski stated conceptually it could be done but he does not anticipate that happening. He added that the next union negotiations begin next year with everyone except AFSCME.

Open Issues

Mrs. Colavecchio stated when Council first started talking about the budget, she had requested the current ongoing capital projects. Mr. Brodzinski stated they looked at that Charter language. It came down to pending vs. ongoing. The projects are in the Five Year Capital Plan. The pending projects are those in the 2010 budget they are asking Council to approve. Mrs. Colavecchio stated she would like to see a comparison of what was listed for last year and what actually took place. Mr. Brodzinski stated he would provide the year-to-date information.

Mr. Brodzinski stated the Police Chief forwarded some information to him that addressed a couple of questions from the previous week with regard to police staffing. He will send that to Council tonight. He distributed the storm water numbers. On sewer, those were pump stations that get calculated at a much higher rate. City-wide net effect is \$438. He also said that Garage should be \$376 instead of \$4. Mrs. Klinger stated regarding the allocation, usually water and sewer share the same building. She asked why it was prorated differently. Mrs. Carr stated that the Water Department also has the treatment plant, which has quite a bit of area. She will get the square footage used in the calculations.

Human Resources/Records

The 2010 proposed budget is \$326,912, which is a 10.85% decrease over the 2009 budget. Mrs. Meganhart stated the department had four full-time employees. Mr. Walters asked about the decrease in training. Mrs. Meganhart stated where they had memberships, she was able to renew them this year. Other training that they need to have is in the area of workers' compensation and self-insurance. With regard to materials and supplies, Mrs. Carr stated that Mrs. Meganhart has done a great job corresponding with employees through e-mail. If an employee does not have a computer at work, they can access their e-mail on their personal computer. This has cut down on paper and printing costs. Mr. Walters stated the County was performing an audit of their employees on health care to see if there are people getting it that shouldn't. He asked if the City has done an audit. Mrs. Meganhart stated they have always been careful to make sure that students are full-time but they have not had someone look at records to check on divorces. They are looking at doing that in the next few months. Mr. Walters asked what other health care incentives are provided to the employees in addition to the Nat membership reimbursement. Mrs. Meganhart stated they do programs on smoking cessation, they have flu clinics, benefits fairs, etc. They are looking next year to have a work station that would enable employees to look up resources on-line. She gave an update on workers' comp. efforts. They have saved the City approximately \$3 million by managing claims. Mr. Barnhart stated he had worked for a company that came up with an incentive program that if someone came up with a suggestion that saved the company money, that individual received a certain percentage of the savings. Mrs. Meganhart stated there was legislation at one point for an incentive program of that type. She will look at that again because those do work well at a lot of companies.

Storm Drainage Utility

The 2010 proposed budget is \$1,709,177, which is a 9.53% decrease over the 2009 budget. There were 11 capital needs presented. Mr. Walters asked what the special assessment revenue was. Mr. Brodzinski stated it was Project Partner. Mr. Walters observed there was one AFSCME employee. Mrs. Carr stated that they split cement crew. There are also two gentlemen in the Water Department so they are paying part of their salaries out of storm water. Mr. Walters asked about lumber supplies. Mr. Kring stated they are looking at trying to do more in-house. They hired-out most of the repair work in the past. Now, they are trying to get people to do storm water repairs. The supplies are for that. They have saved money in outside contracts. They also will be doing culvert pipes. Mr. Walters commented on the license certification fee amount. Mr. King stated that is the NPDES fee paid to the Ohio EPA. \$2,700 is for 2009. Moving forward, they will transfer a co-permittee with Summit County, which reduced fees. Mr. Kring reviewed the capital projects. Mrs. Pyke asked Mr. Kring if he received the revenue if his department was doing the culvert pipes. Mr. Kring stated it was going to Streets because the labor is there. Mrs. Carr stated they will re-evaluate that and pointed out that the City is not making any money on this. Mrs. Hummel asked what was purchased under machinery and equipment. Mrs. Carr stated that was for the ambulance conversion. Mr. Kring stated \$65,000 was also for the camera and the rest was the backhoe. Mrs. Hummel asked about the \$76,000 under engineering for 2010. She asked what it was in 2009. Mr. Brodzinski stated it was internal charges for the Engineering Department to inspect various

work. It is the City's internal charges. Mrs. Pyke commented that last year she did not support the leaf machines, but she completely supports it now since all of the episodes of the leaves clogging the sewers.

Street

The 2010 proposed budget is \$3,421,669, which is a 8.47% decrease over the 2009 budget. Mr. Walters stated that this account reflects one-half of Mr. Novak's salary. He asked if the overtime was due to snow. Mr. Novak stated the overtime was either related to contractors or emergency storms. They try to keep it to a minimal amount. They pretreat with brine and use brine almost exclusively. Salt is used only for icy spots. Mr. Walters asked if someone was on workers' comp. Mr. Novak stated that individual is back but will be leaving again to get a knee replacement. Mr. Walters asked what contractual other included. Mr. Novak stated it included \$40,000 for senior snow watch and \$15,000 is for salt and minor contractual work. Mr. Novak stated that they filled up the salt barns before the new contract kicked in. They are in good shape with salt. Mrs. Klinger asked about the account that senior snow watch is paid from. Mr. Novak stated that number has been transferred to Buildings and Grounds. It used to be paid from CDBG but that was when they did income eligibility. They do not do that now. Mrs. Carr stated it was difficult to do income eligibility so they made a decision to make it a senior program. It has not been funded by CDBG for eight or nine years. Mrs. Hummel asked when the new hire started. Mr. Novak stated it was around December 5. Mrs. Hummel indicated Mr. Novak had previously stated that the individual was hired in lieu of a current employee because of the long-term direction of the department. She asked where the new hire came from. Mr. Novak stated he was with the Summit County Engineer's office until a year ago. He was with the County for 27 or 28 years. Mrs. Hummel stated he was given personal leave days when he started through the end of the year. She asked how many he was given. Mrs. Carr stated that everyone gets three when they are hired, however, this individual made the decision not to take them. Mrs. Hummel commented on the sick leave carryover he brought with him. Mrs. Carr stated that is by Ohio law. Mr. Brodzinski stated he can use the hours but he cannot cash them out. Mrs. Hummel stated that it was Mr. Novak's decision to hire this individual over an internal candidate but she does not agree with it. Mrs. Carr stated that Mrs. Klinger had also asked this question and she read the response she had sent to Mrs. Klinger. Mrs. Hummel stated her main concern pertained to the potential layoffs, but it sounds like that has been addressed with someone retiring and that position not being backfilled.

Sanitation

The 2010 proposed budget is \$3,475,614, which is a 1.65 increase over the 2009 budget. There were two capital needs presented. Mr. Walters stated this account reflects the other half of Mr. Novak's salary. He noted that overtime has been cut back and asked what triggers overtime. Mr. Novak stated that the majority is holiday makeup. They must pick up trash five days a week. They eliminated a Saturday route which will help cut down on the overtime. Mr. Walters asked about the rollout of recycling. Mr. Novak stated it will not change in 2010. Once they get a large enough route for automation, it will go to a one-man route. Mr. Walters asked if the recycling containers would be 90 gallons or 45 gallons. Mr. Novak stated they have not made that decision. The cost is 6,000 containers at \$50 per container. Currently, recycling has two routes. When they start rolling it out, they will advertise and notify residents. Mr. Walters asked if disposal fees for recycling went up. Mr. Novak stated they are in the last year of their contract. They did an extension where prices went from \$13 to \$6.50 per ton. Right now, they are going to bid. Those bids will be opened on December 30 for the new contract. They expect a significant price increase that will start in January. Mrs. Carr added that even with the increase, it will still be significantly lower than sanitation. Mr. Novak stated that refuse disposal has a contract still in effect. They are paying \$43.47 per ton for solid waste. Mrs. Klinger asked about yard waste disposal. Mr. Novak stated they had an offer for \$14,000. The company can no longer take it for free. Mrs. Pyke stated on storm water there is

a revised allocation of \$348 but that is not reflected on this sheet. Mr. Brodzinski stated they will be reallocating the money vs. redoing the budget.

Electric

The 2010 proposed budget is \$42,517,288, which is a .02% decrease over the 2009 budget. There were ten capital needs presented. Mrs. Carr gave a brief statement about what is happening in Electric. They had to do a lot of shifting with the retirement of Bob Bye. They want to do an evaluation prior to replacing the superintendent. They will do a review and see where they want to head. They have brought in someone to do a consultation. That individual is Bill Lyron who is the former Wadsworth Service Director. He has vast knowledge of public works and has brought things to the table that has helped the City. There will be some reorganization in the next few months. They will not change things overnight but she hoped to have the superintendent position tested and filled by the end of the first quarter. She wanted to emphasize that Mr. Lyron is not being brought in to be acting superintendent. Mr. Lyron has not been paid for his services so far but she felt he should be compensated for what they are asking him to do. It will not be a significant amount of money and will probably fall under the Board of Control approval level. Mr. Walters asked whether AMP-Ohio offered any services like this. Mrs. Carr stated they are using some of the services from them. They are taking advantage of everything offered. Mr. Walters asked about the impact the union's vote will have. Mrs. Carr stated in the budget, they have three positions considered for layoff. They also may have a retirement they had not expected. They will be preparing a layoff list very soon. They are currently not paying a superintendent salary. Mr. Brodzinski added that a new Report 21 will be available next week that will reflect the changes done to date as well as for electric and other various funds being discussed this evening. Mrs. Carr stated they are also doing a rate study and hopes to bring down the results in early 2010. Mr. Brodzinski stated there will also be major upgrades to Substation 4 and they will be borrowing \$1.8 million that they will pay down over the next couple of years. The total project between land, construction and equipment will be \$2.5 million but the number is preliminary and subject to change. Mr. Walters asked if the \$2.5 million included land. Mr. Brodzinski confirmed that it did.

Water

The 2010 proposed budget is \$4,967,652, which is a 3.07% decrease over the 2009 budget. There were seven capital needs presented. Mrs. Carr stated there will be changes in the Water Dept. They are going through an analysis. There is going to be a retirement and the water utility supervisor has left so they are looking at some reorganization. She will bring a reorganization plan to Council during the first quarter. Mr. Christopher stated that some accounts in other operations look low because numbers are tied up in open purchase orders. The lowest bid for chemical supplies last year was \$1,150 per ton and they used 161 tons. This year, they got a low bid for \$369. That is a savings of \$122,000. For licenses and certification, \$23,000 is for the licensing of the plant. The balance is for lab certification. Under contractual other, \$75,000 is for utility patch, \$20,000 is for the State Road water tank inspection by the EPA, \$50,000 is for water well maintenance program, \$10,000 is for brine well inspection by ODNR, \$12,000 is for dump materials and materials needed to purchase. There is one individual on workers' comp. He will be seeing him at the end of the month to see what his status is going into 2010. Mr. Walters noted that most departments had their telephone charges way down but this department has tripled. Mr. Brodzinski stated that overall, that line item is down. AT&T used to bundle so it was difficult to see where the charges fell. First Communication is able to break down the lines. Mr. Walters asked about utility billing. Mr. Brodzinski stated the utility fund had a much bigger balance at the start of 2009. The ending fund balance will be much smaller. Mrs. Colavecchio stated there is \$42,000 in 2009 for damages/moral claims. Mr. Brodzinski stated the major charge was the \$40,000 paid to the Jack Richards lawsuit.

Sewer

The 2010 proposed budget is \$6,521,417, which is a 1.34% increase over the 2009 budget. There were seven capital needs presented. Mr. Brodzinski stated that because of the increase that Akron is instituting, the City is looking at an 18.7% increase in 2012 and additional increases going forward. However, that will only represent an 8% increase of the total sewer bill. Mrs. Carr stated that Akron gave the City that number verbally. They are going through their process with their City Council. The original budget had a 30% increase. Akron since lowered that to 18% so they cut the numbers back. Mr. Christopher stated that in other operations - motor vehicle maintenance and repair, they had issues with the vehicles used to clean sewers. They need to go to an outside supplier. Under contractual other, \$75,000 was for utility patch, \$10,000 was for sewer monitors, \$8,000 was for roots, \$12,000 for dump materials. Temporary staffing was basically for the leaf raking. There is a savings because they adjusted the hours they work. Mr. Ihasz asked how many sewer lift stations there were. Mr. Christopher indicated there were about 15. Mr. Ihasz asked if the City did preventative maintenance on them. Mr. Christopher stated the first of every month, he has a two-man crew check each station. Mr. Ihasz asked how long the pumps lasted. Mr. Christopher stated it depended on usage and pump hours.

Utility Billing

The 2010 proposed budget is \$1,525,736, which is a 13.26% decrease over the 2009 budget. Mrs. Hale stated they have a reduction in personnel. Also, AMR has eliminated vehicles and standby overtime. With the online billing and check drafting, they have an elimination of man hours. The department has a couple of retirements. One is in the office staff. They are not yet sure what they will do with that position. Also, one of the meter readers will be retiring. She stated her entire staff is AFSCME. Mrs. Carr gave an update on AMR. They did a first run of test meters in March and April. They will be at the 20,000 meter point tomorrow. There have been some problems along the way but were able to resolve most. They are putting in 3,500 meters each month. They had a meter reader resign, one is retiring and they are trying to get one reassigned. They have been choosing the routes to install meters based on ease of getting in. Mrs. Pyke asked if there was a fee for turning meters back on for people who do not respond to requests for access to meters. Mrs. Hale stated it was \$50. She added that they give people every opportunity to respond. Mrs. Carr stated that no one has argued with them. Mrs. Pyke asked why they took custodial from \$50,000 to \$19,000. Mr. Brodzinski indicated he would check into that. Mrs. Pyke stated that income was similar. Mrs. Klinger asked what the City is doing with meters for people who go south for the winter. Mrs. Carr stated those are on hold until they return.

Committee recommended holding Temp. Ord. Nos. B-130, B-131 and B-133 for further discussion.

Meeting adjourned at 10.00 p.m.

2010 Budget Questions- Storm Drainage Utility

403-3500-882.20-17- This is a completely new charge, and it has not been moved from anywhere else. This item will be used to purchase metal pipe to replace driveway culverts. Previously, we have purchased this pipe on an individual basis. Opening a blanket purchase order w/ our two pipe suppliers will provide the following benefits:

1. Lock in a better price for the year, based on volume
2. Eliminate delivery charges due to minimum order size (\$500 Min.)
3. Improved installation time/ no waiting for delivery or wasted man-hours for pick-up
4. Yes, this was moved to better account for these costs.

403-3500-882.30-21- Purchases made out of this line item include the materials needed for city storm repairs performed by city forces, reducing or eliminating “outside contractual” costs. Some of these purchases are as follows:

1. New concrete catch basin structure and casting (\$700) installed by Water Dept.
2. Erosion control materials (\$1500) for several projects completed by Street Dept.
3. Large limestone material for erosion project above (\$1500) -Pictures available
4. Falls Tool Rental for special equipment needed for in-house repairs (\$850)

403-3500-882.30-25- Our NPDES Permit fee, based on urbanized area, for 2009 (\$2780) and the 2010 Fee to the Summit County Engineer (\$683). *Note: We became a co-permittee w/ other Summit County communities for 2010, which reduced the fee paid for the permit and streamlined the reporting process.

403-3500-882.30-26- In 2008 many communities in the Middle Cuyahoga Watershed, including Cuyahoga Falls, committed to a Match Grant obtained thru NEFOC for a full time Watershed Coordinator for a four-year period (\$2000 to be paid in 2010 and 2012). We are now a stake holding member of this group, and will have vital input on the Watershed Action Plan that will be completed by this group in the four-year period. We felt this was a vital position for Cuyahoga Falls with the removal of our two dams looming on the horizon.

403-3500-882.30-36- The increase in postage was due to the leaf pick-up mailers.

403-3500-882.30-48- As we move toward keeping as much work as possible “in-house”, there are certain specialty tools needed to properly outfit a crew. There is also equipment that is needed from time-to-time, such as a small trencher for tight drainage areas, that make more sense to rent when needed (403-3500-882.30-49).

SCMR

OSHA charges for 2009 were for replacement filters for the ward 8 paint booth in the amount of \$339.91. In the past (including most of 2009), OSHA expenses were taken out of the City OSHA account overseen by HR for General Fund departments. That account is no longer available, so the SCMR OSHA account needs funded to cover costs associated with safety vests, hearing protection, safety glasses, welding face shields, first aid kit supplies, safety cones and lighted barricades, raingear & rain boots, sprinkler inspections, or fire extinguisher replacements.

The 30-48 is actually a decrease compared to the 2009 budget and not an increase. In 2009, the YTD expenses are low because we had to take money from this account and move it to cover expenses in 30-47 associated with winter equipment expenses like plow blades and curb guards. Last winter was a very bad season for winter equipment. The 30-48 account covers expenses for any equipment/Tool needs including chainsaws, weed eaters, cut-off saws, asphalt grinders, etc.

The 40-05 account budget has stayed consistent for the past several years. It has not gone up. \$40,000 is budgeted for Senior Snow, \$23,000 is budgeted for salt conveying, and \$2,000 is for misc. contractual needs like fence repairs and drain cleanings. In 2009, we just opened up just over \$40,000 in PO's for SSW and have not had any expenses yet this winter. Our salt conveying needs for 2009 were actually lower due to our salt sheds being so low last year that we had salt dumped and didn't need it stacked.

The 40-01 account doesn't exist. Do you mean the 41-01 account (tree trimming)? In 2009, we took \$35,000 from this account to purchase more salt. We now are way behind in tree removals and trimming.

SANITATION: The 40-07 account is for 4 seasonals for up to 13 weeks throughout the year for help during special cleanup weeks and injury/sick occasion where Street Dept. members are not available to backfill. The primary reason is for winter coverage when we take 3 sanitation employees and use them in the street department all winter. These employees fill their places temporarily. In 2009, we were able to fill needs during cleanup weeks with street employees. and during the winter, we had 2 street employees with DUI's and they both worked in sanitation during the winter.

The 41-12 account is going up because our recycle disposal rates are going way up. We were on the last year of our current contract @ 6.50/ton. We are estimating the new rates to be around \$25.00/ton.

The 41-13 account is going up because our current yard-waste disposal contract is expiring. We had a 2-year free of charge contract and now we have to pay for disposal of yard waste. This account also handles disposal of hazardous materials or C&D.

Sewer

Carol, both of these accounts will be affected by the rate increases in Akron. It is anticipated that the County will also raise the cost of treatment by Akron's increase as they have done in the past. The sewer rate is broken into 3 components. Treatment, operating, and UB charges. By raising only the treatment piece by 18.7% will have an impact of 8% to Cuyahoga Falls user.

Electric

This was a typo when the department entered their budget and should have been \$14,000 not \$114,000.

The AMR Capital Lease payments were determined by the savings per fund in relation to reductions in expenses and the additional revenues from the new meters and automated system.