

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
December 28, 2010

Members: Kathy Hummel, Chair
Don Walters
Carol Klinger

The Finance Committee reconvened at 6:50 p.m. All members were present.

Legislation Discussed:

Temp. Ord. A-141

Temp. Ord. A-142

Discussion

Mrs. Hummel stated that Council would be reviewing the appropriations for 2010 and 2011, however, there are residents who would first like to address Council relative to water issues.

Kim Wylie, 408 Middlestone Way, commented on the water increase. She asked why a three-year increase would be put in place versus doing it for one year and then looking at it to see where things are. She asked how much the 15% would generate. Mrs. Hummel stated there will probably be an amendment tonight that will address her concerns. Ms. Wylie asked why the Nat doesn't pay a water fee. She understood the public buildings and schools but not the Nat. She feels they should be paying. Mrs. Hummel stated Council will probably take this issue up in January. The fact that schools and some public facilities do not pay seemed appropriate to discuss during the water rate increase but it is actually a separate issue from the ordinance. It is Council's intention to address who has free water and who does not in January. Ms. Wylie stated in Ward 8, this water increase will make a huge difference in their bills. The high pressure charge was originally supposed to run for ten years. This is a 100% increase on her bill. She asked why they are still paying for this charge and asked that a committee be formed to address the matter. Mrs. Hummel stated that is also something they are willing to look at. Mrs. Carr stated it could take hours to go over the high pressure history. The debt payment was set up as a 20-year program. Ten years was never a reality. It is dependent on the number of houses that are hooked up. Many developments that were projected did not happen and developments that were planned on 1/2 acre lots actually became 3 acre lots. The City was clear that the number of hook-ups would affect the length of time on the payback. Hidden Lakes is back on track so that will help. She is always open to discussions and to educate the public more. There is a lot of bad information out there. There was never a ten year plan. It was always set up as a 20 year debt structure. Mrs. Hummel asked if the Administration could put something together for discussion in January. Mr. Brodzinski stated they will be preparing W-2s so the end of January or beginning of February would be best. Mrs. Hummel stated that will be the plan and that the residents will be informed of the date either through Mr. Mader or through the newspaper. The original documents need to be looked at to see where the City is in terms of payment and look at planned development to see where things stand. Mr. Brodzinski stated there are two components of revenue to pay off debt. One is high pressure service charge. That is on a monthly basis. The other part is from people tapping in. If next year, the City receives \$2.6 million in revenue from people tapping in, the high pressure service charge goes away. If no one taps in, it will stay past 2017. The debt associated with this is \$580,000 to \$590,000 a year and the monthly revenue is \$480,000, so it is under funded if no one taps in. This year, there may be \$80,000 to \$85,000 in service tap revenue and \$406,000 in service charges. Those two numbers added together will not make the debt payment this year. He stated that tonight, it appears the end date would be 2014 but that is making an assumption. If no tap-ins come in, it will be ten more years. If tap-ins come in, that will help pay down the debt quicker. Mrs. Carr stated when the City

made the decision to purchase the County structure vs. duplicating service, it saved taxpayers a lot of money. At the time, it would be double or triple the cost to layout the structure. People on the County system received reduced rates. The articles of the merger are clear. The City has put in over \$8 million of water lines. They will get the numbers together. She added it does not just affect Ward 8. It also affects parts of Wards 3 and 5. Mrs. Hummel felt the discussion should occur in a public forum and stated it could take place during a Finance Committee meeting. Mrs. Klinger agreed it should be held during a Finance Committee. Records will be available. The date will be published in the paper. Mr. Mader appreciated the direction this is taking. This has been a thorn in his side. He agrees there is a lot of misinformation out there. Mrs. Pyke asked where Mrs. Carr wanted people to direct their questions. Mrs. Hummel stated the meeting could take place at the Natatorium and include a presentation by the Administration showing when it started, how much it cost, where things stand now, and scenarios to show ways it could be paid off sooner.

Temp. Ord. A-141

An ordinance providing for supplemental and/or amended appropriations of money for current operating expenses and capital expenditures of the City of Cuyahoga Falls, and authorizing the transfer of appropriations within and for the various funds hereinafter set forth, and declaring an emergency.

Mr. Brodzinski stated he distributed Exhibits A and B relating to the budget. He reviewed the cheat sheet he also distributed that showed each change. Mrs. Hummel asked what the project was for debt service on Electric. Mr. Brodzinski stated it was the AMR project. Mrs. Hummel asked if there were similar charges to Water or was it just under Electric. Mr. Brodzinski stated they put it based on where the potential savings were. Mr. Walters commented on the workers' compensation fund. The City is trying to build it back up so the appropriation is \$100,000. He asked how much they wanted to bring the balance up to. Mr. Brodzinski stated he is 100% committed to increasing the fund balance. He will let Mr. Walters know the amount. Mr. Walters stated if a department is charged its proportionate share and it has no injuries during the year, there should be a benefit. Mr. Brodzinski stated they just base it on a percentage of payroll. He agreed there are departments more likely to get injured. Mrs. Hummel stated she had a note from a previous comment by Mr. Brodzinski that the amount is \$822,000. Mrs. Klinger asked if the savings of personnel was from the open position of superintendent. Mr. Brodzinski stated that was about 80% of it. Mrs. Klinger stated one thing Council did not receive was a debt schedule and where the City will be at the end of 2011. Mr. Brodzinski stated it would be \$51.4 million at the end of this year. They accomplished everything they said they'd accomplish. Mrs. Klinger stated she would still like the schedule before the next meeting. Mrs. Colavecchio asked whether the City got the CORF grant related to the capital projects fund. Mr. Brodzinski stated they did not spend everything they anticipated. Mr. Rubino stated that money not needed for something else was used to redesign a room in City Hall. He asked if that would have affected any of these appropriations. Mr. Brodzinski stated they could have reduced appropriations. Mr. Rubino stated that someone still made the decision to use it for a capital improvement. Mr. Brodzinski stated that discussions take place in senior cabinet and approval is either given or not given. Mr. Rubino asked how you could take unappropriated money and use it elsewhere. Mr. Brodzinski stated it was because it was available for appropriation. He added that Mr. Lohan had explained it was approved through the Parks and Rec. Board. Council should have been notified but legally that did not need to happen. Mr. Rubino asked, again, would the money that was spent have affected these appropriations. Mr. Brodzinski stated that theoretically, he could have reduced appropriations with that money, but it did not affect anything the City was trying to accomplish in 2010. Mrs. Pyke stated a comment was made that money was appropriated on 12th and Chestnut and asked how much that was. Mrs. Carr stated they would get the numbers.

Mrs. Klinger moved to approve bringing A-141 out of Committee with a favorable recommendation, second by Mr. Walters. Motion passed, voice vote (3-0).

Temp. Ord. A-142

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, 2011, and declaring an emergency.

Mr. Brodzinski explained Exhibits A, A-2 and B. Mrs. Klinger asked about the \$260,000 that was budgeted in the Building Department. Mr. Brodzinski stated they will be bringing something down next week. The total net savings will be \$60,000. The charges going to the County were \$260,000 but have now been reduced to \$200,000. Mrs. Klinger stated on line 60 under Building, she wanted the number \$60,000 added, which would change the general number to \$32,036,145. Mrs. Hummel stated there will be three amendments. One by Mrs. Klinger and two suggested by her when this legislation is brought out.

Mrs. Klinger moved to approve bringing A-142 out of Committee with a favorable recommendation, second by Mr. Walters. Motion passed, voice vote (3-0).

The meeting adjourned at 8:00 p.m.