

Cuyahoga Falls City Council
Minutes of the Finance and Appropriations Committee Meeting

December 4, 2017

Members: Carol Klinger, Chair
Russ Iona
Mike Brillhart

Mrs. Klinger called the meeting to order at 6:43 p.m. All members were present.

The minutes of the November 6, 2017 Finance Committee meeting were approved as written.

Legislation Discussed

Temp. Ord. B-92
Temp. Ord. B-106
Temp. Ord. B-107
Temp. Ord. B-108
Temp. Ord. B-109
Temp. Ord. B-110

Discussion:

Temp. Ord. B-92

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, 2018, and declaring an emergency.

Mrs. Klinger stated that she would like to follow-up on some of the outstanding items that we discussed last week. There was several e-mails that were distributed from the Administration regarding those questions. She asked Council if they have questions regarding those e-mails.

Mrs. Pyke stated that she had some questions about the Utility Billing. The information they were given on the 30, 60, 90 and 120 days, it looks like it is consistent that there is over \$2 million and, at times, almost \$3 million that is owed to the City at the 120-day mark. She asked if this was typical prior to the change in software. Mr. Zachary Jones, Utility Billing Manager, stated that he has to look back at prior reports to give a definitive answer. Mrs. Pyke asked if, during the grace period, the debts were pursued with residents who were at 120 days. Mr. Jones stated that anything that is past due or owed to the City, they do attempt to collect. Mrs. Pyke asked if they were collecting during the period from June to March. Mr. Jones said they were. Mrs. Pyke asked if they were accruing the penalty during that time. Mr. Jones stated they were not. Mrs. Pyke asked if, during the grace period, they were collecting balances that were over \$1,000. Mr. Jones stated that they always pursue any money that's past due and owed to the City. This is a collection process for dropping a tag. Mrs. Pyke asked if the number of new utility customers are approximately 250 a month. Mr. Jones stated that was correct. Mrs. Pyke stated that over that 10-month period, approximately \$50,000 could have been collected in penalties, and there were no penalties collected over the 10-month period. Mr. Jones stated that it was a 9-month period. In terms of

Finance and Appropriations Committee
December 4, 2017 – Page 2

the penalties, at the beginning of March, the penalties started accruing again. Mrs. Pyke asked if any new customers were turned off during that time. Mr. Jones stated not for non-pay. Mrs. Pyke stated that it's not going to change today's budget, but she would like to know if Mr. Jones could go back to prior to the software change. She would like to see what they were typically running at 120-days nonpayment. If those four months were over \$2 million and several of these months were at almost \$3 million, it seems like a lot of money that they have not collected yet. She also asked for the number of turnoffs by month for the six months prior to the Utility Billing software change. Mr. Jones said he could do that.

Mrs. Klinger stated that, tonight, Council received a letter of resignation from Ms. Moreland. She stated that she wants to defund the Assistant Superintendent position; at least make the motion and the votes will fall where they may. She stated the best way to proceed, at this point, going forward, is to ask the Parks and Recreation Superintendent and the Parks and Recreation Board to go back and revisit their Assistant Superintendent position, scrub that position, clean it up, put a pencil to it, sharpen it and nail down that job description and bring it back to Council for refunding at a point in time probably in this budget appropriations hearing. She stated she would like to proceed with the amendment, which would be to defund that Assistant Superintendent position. Mr. Rubino called a point of order and asked if there was a discussion phase during that motion. Mrs. Klinger stated that there was not. They can have a discussion within the committee. She asked if there were any questions or comments on the motion. Mr. Brillhart asked what exactly they were voting on. Mrs. Klinger stated that on Exhibit A, under General, the first line is being reduced by \$132,621. The total of Exhibit A is reduced by that same amount. On Exhibit B, on page 46, the Parks and Recreation Personnel Service line, the 2018 proposed budget is at \$2,893,601 and the Personal Services lines that rolls up to it is \$1,653,227. Both of those lines are being reduced by \$132,621, which then moves to the adopted budget column in Column 2018 Adopted Budget. That dollar amount flows through these exhibits.

Mrs. Klinger moved to amend Temp. Ord. B-92, Exhibits A, A-2 and B with the revisions dated November 30th, 2017, second by Mr. Iona. Motion passed (2-1).

Mr. Iona moved to bring out Amended Temp. Ord. B-92 with a favorable recommendation, second by Mr. Brillhart. Motion passed (2-1).

Temp. Ord. B-106

An ordinance authorizing the Mayor to enter into a contract or contracts, without competitive bidding, with CVS Health and/or its subsidiary CVS Caremark for the administration of the City's self-insured employee prescription drug plans for a period not to exceed three years, and declaring an emergency.

Mrs. Klinger stated that Ms. Vicki Steiner couldn't be here this evening due to an emergency. This prescription program was sent out with an NFP. They had a response from Medical Mutual. The cost was going to go up. Health Care Action, which is a co-op under which CVS Caremark is a part, offered a program that is going to save the City \$250,000 on their prescription drugs, plus it

Finance and Appropriations Committee
December 4, 2017 – Page 3

puts more stringent requirements around prior authorization and the number of prescriptions that can be refilled at any given time and the number of days in those refills. They have sat here, month after month, and watched prescription cost spiral this past year. This is a very good action to try to control some of those costs in the 2018 budget year.

Mr. Brillhart asked if the potential merger of CVS with Aetna could affect them. Mrs. Klinger stated that that is pretty much speculation, since they don't know if the merger will go through. She asked that if the merger does go through, Mr. Bryan Hoffman, Finance Director, could come back to Council with what the implications might be. Mr. Hoffman said he could do that.

Mr. Iona moved to bring out Temp. Ord. B-106 with a favorable recommendation, second by Mr. Brillhart. Motion passed (3-0).

Temp. Ord. B-107

An ordinance authorizing the Director of Public Safety to enter into a contract or contracts, without competitive bidding, with Motorola, Inc. for the maintenance of the public safety regional dispatch system equipment, and declaring an emergency.

Mrs. Klinger stated that, two weeks ago, Council had ordinances about purchasing the new panels for the dispatch system. This ordinance is to continue the maintenance on the existing dispatch system. There are no changes in service. There is a slight increase in cost. When the new system is installed in June, they will be credited for any amount outstanding for the rest of the year, and then will enter into a whole new maintenance agreement on the new system.

Mr. Brillhart moved to bring out Temp. Ord. B-107 with a favorable recommendation, second by Mr. Iona. Motion passed (3-0).

Temp. Ord. B-108

An ordinance authorizing the Director of Public Service to enter into a contract or contracts according to law, for disposal of municipal solid waste, and declaring an emergency.

Mrs. Klinger stated that this was discussed in the budget, as well. Bids were open for waste disposal. There were three bids. They are currently paying \$44.73 per ton for disposing waste. Waste Management came in at \$40 per ton, and that includes the tipping fees, and they handle all the EPA fees. The other good thing is the previous provider was in Twinsburg, and Waste Management is in Akron, so they won't have the time, fuel cost and the wear and tear on trucks to drive to all the way to Twinsburg.

Mr. Charles Novak, Street Commissioner, stated that it is a three-year contract. The first year is \$40, and then there are 3-percent increases on that. There are two possible one-year extensions beyond that point.

Finance and Appropriations Committee
December 4, 2017 – Page 4

Mr. Brillhart asked if this is the facility in Akron by Route 8. Mr. Novak stated it is the facility off Route 8, close to Akron U. It is a 5-mile trip over there, instead of a 16-mile trip, one way, over to Twinsburg.

Mr. Iona moved to bring out Temp. Ord. B-108 with a favorable recommendation, second by Mr. Brillhart. Motion passed (3-0).

Temp. Ord. B-109

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the purchase of outdoor rated vacuum circuit breakers to upgrade and maintain system reliability on 23KV sub-transmission system, and declaring an emergency.

Mr. Rodney Troxell, Assistant Superintendent of Operations, stated that these are vacuum circuit breakers to replace the old oil ones. They are going to replace six substations and have one spare. The bid came in at \$175,812 and the original budget was \$150,000. They currently have \$215,000 in the budget for that, so there is enough to cover it. The subs that they're going to replace them in were built in the 1960. Everything has a 50-year life on them, so they have gotten their money's worth out of the oil ones. These won't have oil, so they won't have to worry about those leaking.

Mr. Brillhart moved to bring out Temp. Ord. B-109 with a favorable recommendation, second by Mr. Iona. Motion passed (3-0).

Temp. Ord. B-110

An ordinance authorizing the Director of Public Service to enter into a third modification of Contract No. 7045 with CT Consultants, and declaring an emergency.

Mrs. Klinger stated that this ordinance is for the design services on Howe Road. Using round numbers, the original contract was for \$412,000. The first modification that came through was for \$84,000, and this was additional design work for right-of-way that was not originally part of the scope of the \$412,000. Then there was a second modification for additional subsurface utility engineering, revising the traffic control plan and some Phase I environmental. That modification was \$147,000. Both of those modifications were in 2016. This modification is an additional plan submitted and stakeholder meetings that ODOT has requested they have. Basically, these are ODOT requests for this additional amendment modification of almost \$50,000. The total design costs on this project are now at \$692,125. That's 10.4 percent of the estimated total construction cost of this project. Looking at the total construction cost of the project at 10 percent is really on the low end, because design costs can run 10 to 20 percent. Mr. Demasi, City Engineer, stated that was correct. Mrs. Klinger stated that, even though they are asking for another modification, and they don't have a choice, because this is ODOT telling them to do these modifications, they are still within what is reasonable for the total cost of this expensive project. Mrs. Pyke asked for the total cost of this project. Mr. Demasi stated that they have design of \$692,000, right-of-way acquisition at \$400,000, construction at a little over \$6 million, so approximately \$6.6 million.

Finance and Appropriations Committee
December 4, 2017 – Page 5

Mr. Iona moved to bring out Temp. Ord. B-110 with a favorable recommendation, second by Mr. Brillhart. Motion passed (3-0).

The meeting adjourned at 7:06 p.m.