

**Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
December 6, 2010**

Members: Kathy Hummel, Chair
Don Walters
Carol Klinger

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

Mrs. Hummel welcomed Cub Scout Pack 3186. Present was Lee Mitchell and his father, who is the Tiger Cub Leader. They led the room in the Pledge of Allegiance.

The minutes from November 15, 2010 were approved as submitted.

Mrs. Hummel stated she will be recessing the Finance Committee meeting tonight and will reconvene next week, December 13, immediately following the Council meeting. The next two meetings will be on December 20 at 6:45 p.m. following the other Committee meetings, and on December 28, which is a Tuesday, at 6:25, so that final budget discussions can take place before voting during the Council meeting.

Discussion

Temp. Ord. A-143

A resolution requesting the Summit County Fiscal Officer to make advance distribution of tax receipts payable to the City of Cuyahoga Falls, and declaring an emergency.

Mr. Brodzinski stated that Section 321.34 requires the County to receive a resolution from the taxing entities requesting to get advance dollars from real estate tax. This legislation is saying the City would like to have its money now instead of the County holding it.

Mr. Walters moved to approve bringing A-143 out of Committee with a favorable recommendation, second by Mrs. Klinger. Motion passed, voice vote (3-0).

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 this is similar to A-144. This is the budget clean-up ordinance which is passed the last week of the year and will be discussed along with a cheat sheet that will be provided to Council.

Committee recommended holding A-141 until December 28.

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.

Mrs. Hummel asked for an explanation of a few things before budget talks begin. Mayor Robart first made some brief comments. He stated that the budget document is more than just numbers. It represents the hard work of many in administration who had to make difficult decisions. They remain hopefully positive on the outcome of the union negotiations. They wanted to have as little impact on City services as possible while treating employees fairly. Important projects within the City will proceed. Roads can continue to be paved,

cleaned and cleared. All being achievable even though some say this is the worst economic times since the Depression. Some decisions will be made by others that we may need to react to, such as the outcome of union negotiations. Through cooperation, this proposal does not call for any layoffs in 2011. He thanked everyone who helped form this budget.

Mrs. Hummel stated the first item she wanted to have explained dealt with the furlough reduction. Mr. Brodzinski stated they are eliminating the furlough days. In 2010, everyone agreed to accept six days of furlough, which equated to 3.308%. One unit, AFSCME, is electing to take 20 hours of furlough. They will be voting on that issue tomorrow. Everyone else is without furlough days, which will bring things back to the 2009 level on January 1. The 20 hours is built into the budget.

Mrs. Hummel stated the other item is workers' comp. On the revenue side, there was \$822,000 in the self-insurance fund labeled workers' comp. Mr. Brodzinski stated that years ago, the City went into a retroactive rating on its workers' comp. fund. It is a step towards being fully self-insurance in workers' compensation. Funds stay in that fund to use on future medical claims and premiums. In 2000, there was \$6 million. The budget used to charge the various departments based on the payroll charges to go into the fund. Instead of having various departments fund it any longer, they eliminated the charge City-wide. Over the last 5 to 6 years, the discounts dried up and the City is living off the fund balance. In 2011, they know the cost associated with it. Medical claims have increased from \$174,000 to \$531,000 so the fund balance will drop below \$1 million. The City needs to fund that so they came up with a 3% of payroll per department and each department is contributing into the fund so they can almost keep it even in 2011. They will look at funding again in 2012. Mrs. Hummel asked if the \$531,000 in claims was for 2011 or if that was made in 2010. Mr. Brodzinski stated that amount is projected on what they know is out there. Mrs. Hummel confirmed whether the state allows this to be done. Mr. Brodzinski stated the City pays the balance to the state but the City absorbs it over the 10-year life of these claims. When they get close to the end of the ten years, they work with a consulting company who looks to settle the claims to get them off the City's records. When you pay-as-you-go, the state would be doing this for the City. Mrs. Klinger asked on what the \$6 million fund balance was based. Mr. Brodzinski stated it was previously based on the number of employees. They are working with a consulting firm to determine what a safe fund balance would be to avoid having to pay-as-you-go. Mrs. Klinger asked what the liability is today. Mr. Brodzinski said he would have that information to Council next week but it would be under \$1 million. Mrs. Klinger commented on the AFSCME employees taking 20 furlough hours and asked if management was also and, if not, why not. Mr. Brodzinski stated that AFSCME had targeted numbers that were done across the board. The City took bids for outside cleaning services. The Union approached the administration and asked in order to save those jobs, how many furlough days would the members need to take. It equated to 20 hours. Mr. Brodzinski stated the members were voting on the issue tomorrow so he did not want to elaborate on the components of the agreement. Depending on the vote, the budget process may change. The City has an agreement Fire, who is getting raises on December 1, 2011. They have an agreement with Dispatch, which is an area that has seen a lot of overtime. Their raise date came out to be October 1, 2011. There is an agreement with Police Gold, who received a form of a raise in 2010, when everyone else did not. In order for them to get their staffing back, they are not receiving a raise in 2011. Police Blue is voting today so they should have that answer tomorrow. They are still negotiating with the electrical workers. Initially, there was a proposal on the table that would have given raises July 1, 2011.

Capital Projects Fund

Mr. Brodzinski stated there are a lot of revenue numbers that are a wash to the capital projects fund. Mrs. Klinger asked what the sale of property represents. Mr. Brodzinski stated everything except \$200,000 represents the sale of the former State Road Shopping Center. The \$200,000 is part of the Front Street Project on sale of land, like the Testa Project. On the expenditure side, on transport fees, the City last raised rates to get them back to normal. Ten percent of that goes back to the General Fund. If the economy gets tighter, this is one bill people would be putting aside so he budgeted it conservatively. The transport collection fee goes to general administration and is used by the entire General Fund. Mrs. Klinger asked

about the juvenile van. Capt. Poza stated they have not yet received the grant money so they are moving it to next year. The grant has been approved and filed, and the check is in the mail. Mrs. Hummel asked if there was a plan for the \$125,000 in land preservation. Mrs. Truby stated there are areas where land becomes available. If there is something that would be a good idea, she would bring it to Council. It is budgeted and they may use it and they may not. Regarding traffic loops, Mr. Brodzinski stated they are replacing ones that have been broken. They are looking at equipment they may or may not purchase, such as a conflict monitor tester which is used for traffic control. They are also looking at a computer server upgrade. Mr. Konich stated it is an upgrade slated for 2011. It is actually a console of services. It will reduce cost of maintenance and software support. The potential savings is significant. Mrs. Hummel asked if it will save \$150,000 over five years. Mr. Konich stated it would probably double that. Mr. Brodzinski stated that on Chart Road, \$900,000 of the \$1.8 million is grant money. On municipal signage, Mr. Truby stated the project was started in 2008. They replaced five of the large signs at the City's gateway points and have four left. This would be the second phase. Mrs. Hummel asked that consideration be given to civic organizations who would like to be listed on the signs to let people know they exist. Mrs. Carr stated they have done some research and looked at how other cities standardized their signs. They are continuing to look into this. On parking deck repairs, they have no immediate plans to tear down the large deck. The red deck will have complete restoration of the stairwells and hopefully get the top level coated. There are no plans to do anything to the green deck.

With regard to Park & Rec., Mr. Lohan stated it is made up of 11 different items, including replacing a 11' mower with 16' rotary tractor mower; redoing Brookledge parking lot; purchasing a tractor snow blower; renovating Lions Park basketball court; replacing the roof at Gault Park; purchasing a new trailer to hold equipment; purchasing a greens mower at Brookledge; installing an irrigation system at High Glens Park; getting a picker cart for Downview; and building a shelter at Downview similar to Oak Park. Mr. Brodzinski stated he would forward the details to Council.

Council

The proposed budget is \$254,842, which is a 5.66% increase over 2010. The software previously did not make it in 2010 so it was moved to 2011. Regarding the laptop for the Clerk, Mr. Konich stated the current laptop is old and not worth fixing. A new laptop would cost around \$1,200 and \$1,400, and would include software and 3-year maintenance. Mrs. Hummel stated it was Council's goal to be able to project the budget onto a screen so that the public could see it, however, the equipment was not available to make it work. They plan to have everything in place to do it next year.

Don Nelsch, North Haven Blvd., asked about getting a new sound system. Bill Lohan stated they have looked into that but it is not cost efficient, especially now when budgets are tight.

Mayor

The proposed 2011 budget is \$241,703, which is a 6.24% increase over 2010. Other than personal service and workers' comp. fund, the garage charges were increased because the vehicle is older. They chose to do this instead of replacing the vehicle.

Mayor's Court

The proposed 2011 budget is \$143,607, which is a 3.54% increase over 2010. There is no anticipated change to any of the fees or fee structure. The amount in Contractual Other is associated with hiring a magistrate. They do not anticipate reaching the \$28,000. \$20,000 has been spent to date and there are some purchase orders outstanding but they will be under \$28,000. They will be reducing the authorized staffing for full-time employees by either 2 or 1. Mr. Brodzinski wants to look at the language of the ordinance first. Since its inception, the court has added housing violations and failure to file income tax. They will take care of the amount listed for postage in a clean-up ordinance next year. Mrs. Klinger requested the administration

prepare a report showing the ticket history in the Mayor's Court and the types of violations the City processes so it can be determined the amounts and types of fines that are collected. Mr. Brodzinski stated they can prepare that report in January.

Finance Director

The proposed 2011 budget is \$811,371, which is a 4.27% increase over 2010. Mrs. Hummel asked about the higher amount on the IS line. Mr. Brodzinski stated there will be a true-up before the end of the year.

Income Tax

The proposed 2011 budget is \$18,236,156, which is a 2.55% increase over 2010. The net increase in Transfer Out will be changing. Requests for refunds have been increasing so they increased that amount in the budget.

Service Director's Office

The proposed 2011 budget is \$333,784, which is a 5.58% increase over 2010. Awards and promotions have been lowered. They will still cover Arbor Day. The IS Dept. is requiring Mrs. Carr to get a new PC. Her existing computer is very outdated making it difficult for IS to repair. Mrs. Klinger asked about eliminating the part-time position from the Staff Report. Mrs. Carr wants to hold off one more year. They have been managing but she would like to make sure they can cover the maternity leave in that department.

Engineering

The proposed 2011 budget is \$1,039,884, which is a 3.87% increase over 2010. They will look at reducing the staffing level. Mrs. Klinger said she would like to see the reduction made so that if it is decided later that an eliminated position is needed, the administration would have to bring it back to Council and explain why they feel it is needed.

Building

The proposed 2011 budget is \$310,144, which is a 47.13% decrease over 2010. Based on the legislation that was passed, there is a dramatic drop in this department as the completion of turning over records to the County is phased out. The County will honor all permits issued by the City through December 31. The true-up on outstanding permits will occur on December 28.

Community/Economic Development

The proposed 2011 budget is \$893,076, which is a 9.82% increase over 2010. If you remove the energy grant from this budget, the bottom line would actually be a 14% decrease over 2010. The garage line is lower because a vehicle is transferring over to the County with the four employees. They are not sure which vehicle is actually going. The City will be left with three after the transfer. They plan to fill the senior plans examiner position. It is justified by the amount of planning and number of ongoing projects in the department. Board of Zoning Appeals is another area that contributes to the need. Also, there are three or four employees with six weeks of vacation. This position would be a back-up for Mr. Guerra. The salary range would be between \$50,000 and \$55,000. Contractual Other includes a piece of the energy budget. They will check into the fee structure on inspections, specifically on re-inspections.

Riverfront Centre District

The proposed 2011 budget is \$553,258, which is a 3.17% increase over 2010. There are no fee changes or policy changes planned in 2011. Fees were increased last year. Mrs. Hummel commented that the revenues total \$102,700 and expenditures total \$553,258. As uncomfortable as it was to consider transferring

employees to the County, serious consideration should be given to what is being done here. This is something residents enjoy all year, however, this is a department that needs to be looked at in terms of fees. If something is not done, the residents will have to underwrite this. There is a private individual making a lot of money every weekend, and it was asked what amount in fees this individual pays. The fees for renting the pavilion and stage are in line for residential use. She is concerned that the one individual is making money on that. If there is a way to address the shortfall in this Department, it needs to be looked at. Mrs. Klinger stated a good starting point would be a cost analysis. Mrs. Truby stated they did a cost analysis on each event last year. She will provide that to Council next Monday. Mrs. Hummel stated she would appreciate that. She sees this annual deficit growing. Someone is making money down there. Mrs. Truby stated the City will never have enough events that will cover the downtown area but they could probably begin to close the gap somewhat. Mrs. Hummel requested a hard copy of the analysis be delivered to Council members before next Monday so they have time to review it. Mrs. Hummel asked how many vehicles were in this department because Garage Services was high. Mr. Nace stated they have two pick-ups and two plows, tractors and utility vehicles. Mrs. Pyke asked about planning events. Mrs. Truby stated those go through Community Development. She will provide an overview of fee collection. Mr. Rubino asked about charging for parking. The administration felt that would be a deterrent to attendance and they would like to put that off as long as possible. Somewhere between 300,000 and 400,000 people attend the events each year. If event fees or parking fees were to increase, they would lose a lot of events. They would like to keep these as non-charge events.

Community Development Block Grant Fund

The proposed 2011 budget is \$3,303,075, which is a 71.78% change over 2010. This budget is going up the most. One-half of the money is coming from sources that have previously not been available. Mrs. Truby will provide Council with a hard copy of the figures. Mr. Walters asked about the new Census figures. Mrs. Truby stated those may be available in 2011 but it might even be 2012.

Law Director

The proposed 2011 budget is \$916,945, which is a 2.88% decrease over 2010. The contractual services has been decreased because they looked at the 2010 numbers and had fewer arbitrations and avoided fact finding and conciliations so they saved money in 2010.

Civil Service

The proposed 2011 budget is \$27,370, which is a 2.34% increase over 2010. They had inadvertently calculated this department with furlough days. They do not anticipate any large tests but that is always subject to change. They also keep a close eye on where they advertise.

Miscellaneous

Mrs. Klinger asked about the \$11,000 in the FEMA Public Assistance fund on page 78. Mr. Brodzinski stated that the City received FEMA money to cover the cost of the wireless emergency notification system (WENS). It will get transferred to the General Fund for expenditures.

The Committee meeting recessed at 9:10 p.m.

**Finance Committee
December 6, 2010
CDBG 2011 Budget**

3.3 M – 72% increase over last year - Major revenue sources broken into two categories:

Revenue sources from one-time origins:

- \$ 189,270 – influx of CDBG-Recovery Funds
- \$ 203,760 – NSP Program Income
- \$ 812,032 – amount remaining in the NSP Grant for 2011 (600K est. program income)
- \$ 375,000 – pre-entitlement funds (Summit County)
\$ 1.58 M

Revenue sources from ongoing programs:

- \$ 138,486 – program income
- \$ 15,000 – remaining 2008 funding
- \$ 466,000 – remaining 2009 funding
- \$ 350,000 – one half of 2011 CDBG Funding
- \$ 746,390 – remaining 2010 funding
\$ 1.716M

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Of the 2011 budget, 71% (\$2,345,961) is Contractual and 23.5% in Capital Outlay and the remaining 5.5% in personal services, other operations and internal service charges

71% Contractual

\$ 1,596,575 (68%) in Housing Program
333,886 (14.2%) Contractual Other (brownfields, environmental studies, appraisals, demolitions, etc.)
345,000 (14.7%) Economic Development

23.5% Capital Outlay

Four projects stated on summary sheet:

- Prospect Street Extension - \$ 284,922
- 1110-1130 Portage Trail demolition - \$ 48,880 (budget)
- Watermark Project – infrastructure - \$ 132,490
- Portage Crossing – infrastructure - \$ 310,565