

**Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
December 7, 2009**

Members: Don Walters, Chair
Debbie Ritzinger
Carol Klinger

Mr. Walters called the meeting to order at 6:30 p.m. All members were present.

The minutes from the November 16, 2009 Committee meeting were approved as submitted.

Legislation to be Discussed:

Temp. Ord. B-127

Temp. Ord. B-128

Temp. Ord. B-129

Temp. Ord. B-130

Temp. Ord. B-131

Discussion

Temp. Ord. B-127

An ordinance authorizing the Director of Finance to increase appropriations in the leisure time fund, line item other operations and to decrease appropriations in the leisure time fund, line item personal services by a like amount and declaring an emergency.

Bill Lohan stated that Council passed an ordinance a few weeks ago regarding the leasing of golf carts for a three-year period. It became apparent that the golf cart company was selling them to a third party. Mr. Lohan asked how much of a discount they'd give if the City made one lump sum payment. If they paid the total amount up front, the interest lost over that three-year period would be only \$2,706.55. The golf cart company is giving them a \$2,000 per year credit (\$6,000 over the three-year period) against what the City would purchase during the year. The City typically spends \$2,000 to \$4,000 per year so the \$2,000 credit would be money back into the City's pocket. The company would forgive wear and tear on all carts the City turns in. After checking them out, it was determined the City would owe \$3,000 to \$5,000. This would be a \$9,000 to \$11,000 benefit once the \$2,000 is subtracted. The Leisure Fund is doing very well this year.

Mr. Walters questioned the \$2,000 credit per year for three years. Mr. Lohan stated if it does not get used, it will roll forward. He added that if there is an outing, they usually lease extra carts, and the company drops them off and they bill the City. Typically, the golf course spends \$2,000 to \$4,000 each year. The credit can be applied against that.

Committee recommended bringing out Temp. Ord. B-127.

Temp. Ord. B-128

An ordinance increasing appropriations in the FEMA Public Assistance Fund for the year 2009 and transferring funds from the FEMA Public Assistance Fund to the General Fund, and declaring an emergency.

Mr. Brodzinski stated that earlier in the year, they applied for and received a grant for automatic stove shutoffs. The units are installed and will shut off a stove if someone leaves their stove unattended for a

certain amount of time. Chief Moledor stated it is not just for the elderly. It is for anyone with a history of leaving their stove on. The unit has a motion detector. If it does not sense movement for a certain amount of time, it will beep to warn you and, if it still does not detect movement, it will shut the appliance off. The grant was applied for under FEMA Fire Prevention Grants. The department is trying to identify the people who would need this. They would track the units so that if someone moves or no longer needs it, the City would take it back and re-use it. Mr. Walters asked how many units the \$12,000 will buy. Mr. Brodzinski stated he will look at the records. Chief Moledor believed it was around 100. Fire Department personnel can install the units but it may be maintenance people. It is basically a device between the plug and the socket. They would make sure the homeowner knows that the City would be the only ones who should install and remove the device. He also indicated they would look into billing for the unit.

Committee recommended bringing out Temp. Ord. B-128.

Temp. Ord. B-129

An ordinance authorizing the donation of seven elliptical and nine treadmills, no longer needed by the City, to Cuyahoga Falls High School and Woodridge High School, and declaring an emergency.

Mr. Lohan stated that Council recently approved the purchase of new equipment. He discovered that the 16 pieces that were being replaced had a trade-in value of approximately \$500 each. In talking with the Woodridge and Cuyahoga Falls school districts, they expressed interest in the equipment and asked if the City could help them out. In this case, the equipment is still functional but Mr. Lohan was unsure of how much longer it would run. At the commercial level, they were starting to experience problems but at the usage level the school would use, things may be fine. The schools are aware of the issues. Eight units will go to Woodridge and eight will go to Cuyahoga Falls. The schools are anxious to get them. Mrs. Klinger stated that Council was told that the old equipment was going to be used as backup in case one of the other pieces needed service. Mr. Lohan indicated they are going to keep two treadmills and one elliptical for that reason.

Eric Gomez asked why the 16 pieces of equipment were being divided evenly between the schools when Cuyahoga Falls was a much larger school than Woodridge. Mr. Lohan stated they felt it was fair to split them in half. Mrs. Pyke stated when you look at student population in terms of those playing sports, it is probably about the same amount of students.

Finance Committee recessed at 6:50 and reconvened at 7:00

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.

Mr. Walters stated that Council received a revised budget with worksheets. Administration has requested to skip Utility Billing this evening. It will be discussed on December 21. Mr. Brodzinski gave an overview. The main factors that are impacting revenue are real estate, local government funds from the County, and income tax. At the last sexennial update, the City had a 10% increase. Before that it was an increase of 14.67%. At the triennial in 2006, the City has an 8.51% increase. The prior one was an

increase of 11.64%. In 2009, the City saw a slight decrease, which equates to \$2.3 million in lost revenue. Add to that the projected losses from local and state government funds, and that leaves the City with a total loss of \$6 million over the next three years. The revised budget distributed tonight reflects the changes due to the AFSCME vote. If AFSCME had voted against the concessions, it would have resulted in job losses of eight full-time and 13 part-time positions. Since they voted for the concessions, those positions have been put back in. Mrs. Klinger asked for a date to be printed at the bottom of the reports to help determine which is the most recent document. Mrs. Colavecchio asked whether there was a date by which Council is required to pass the budget. Mr. Arrington replied that State law requires the budget to be passed by the end of March, however, several years ago, the City went to a calendar year so it should be passed by the end of December. If there is no agreement by the end of the year, a temporary budget can be passed for the first three months of 2010 while the final budget continues to be hashed out. Mr. Brodzinski stated that they would not have the income tax numbers by the end of March as those come in by April 15. The longer we wait, the weaker the impact will be going forward. Mrs. Colavecchio stated that Administration would like to have a passed budget by the end of the year and asked if that was also true of the Five Year Capital Plan as well. Mr. Brodzinski stated that the Five Year Capital Plan is not impacted by City Council. It starts with 2010 and those numbers are reflected by ordinance to pass at the end of the year. The numbers can be amended each month. Mrs. Colavecchio stated that the charter indicates that Council is supposed to receive a statement of building capital projects as well. She asked if that is something that can be put together for Council. It would be helpful to know what they are. Mr. Arrington stated he would review the Charter to determine that. If it is determined that Council should have it, Mrs. Colavecchio would appreciate it getting to Council. Mrs. Klinger stated she had sent some questions to Mr. Brodzinski and he responded at the end of the day today (copies attached). One of her questions was about the phone system. She asked what the overall savings was for switching communication systems. Mr. Brodzinski stated he would have to get that number. Mr. Rubino asked if there was a reason why Council met at the Nat instead of City Hall. He was concerned that Council does not get charged by the Nat which would mean lost revenue for the Nat. Mrs. Carr stated that Monday nights are not a big demand.

Council

The 2010 proposed budget is \$241,198, which is a 4.10% decrease over 2009 budget. Mrs. Klinger suggested that perhaps Council could volunteer for additional cuts, such as exempting medical coverage. Mr. Brodzinski stated that Council pays 1/2 of Cobra rate. There are currently two members utilizing the medical coverage which would a small amount.

Mayor

The 2010 proposed budget is \$227,508, which is a 3.65% decrease over 2009 budget. Mr. Walters commented that some items went down or went to zero. He asked whether those services were no longer needed. Mr. Brodzinski stated he would get the particulars with regard to printing service. The number in the awards fund is a combination of programs. Lapel pins with the City logo, for example. The amount in computer system support is just a small percentage of maintenance for time clock software. The amount in the 2009 machine equipment was for setting up the Mayor's Court to get it up and running. Mrs. Klinger asked if eliminating the Mayor's vehicle was looked at. She asked why he couldn't use his personal vehicle. Mayor Robart stated he needs a car with a radio to have access to the Police Chief and Fire Chief.

Mayor's Court

The 2010 proposed budget is \$138,694, which is a 50.89% decrease over 2009 budget. Mr. Brodzinski stated that the State raised its \$34 per ticket fee to \$39. He decided to put that money into an Agency

Fund so it would not run through the General Fund. The Judge is paid by contract so he does not fall under the furlough policy. He is only paid for what he actually works. He typically works 3-1/2 hours each day, two days a week. Mrs. Klinger questioned the training for Vickie Hughes to become a certified clerk. She was concerned the City hired someone who was not qualified. Mr. Arrington stated she is more than qualified. It was for a certification. Mrs. Klinger stated when we are looking at laying people off, it does not seem prudent to pay for training for someone's certification. Mrs. Pyke confirmed that the training amount was only \$400.

Laurie Sciana asked how much money has been generated by the Mayor's Court. Mr. Brodzinski stated that net of the piece that goes to the State, it is \$197,680. Ms. Sciana asked if the City made money vs. going to Stow. Mr. Brodzinski stated it made money and indicated that the actual net gain is \$102,690, however, they have not paid any crime stoppers so they instituted the canine unit.

Finance Director

The 2010 proposed budget is \$778,166, which is a 15.21% decrease over 2009 budget. There is one full-time and one part-time AFSCME employee in the department. They had the discussions with AFSCME. They did not hit their number at 100% so they are continuing to discuss additional savings. Mayor Robart stated they are making every effort to not put anyone on the street. It is difficult for them to make a guaranty. Mrs. Carr stated that AFSCME and nonbargaining know there are some operational changes that still need to be made. Mrs. Klinger asked what was being done differently to save money. Mr. Brodzinski stated they are continuing to do what they have done throughout 2009. Mrs. Klinger stated she appreciated the accountant position not getting filled. She questioned the amount put in for furniture as a contingency. She would like to see that removed. Also, there is an overlap between departments in memberships and publications. She feels those can be shared to avoid duplication. She also would like to see computer upgrades delayed.

Income Tax

The 2010 proposed budget is \$17,783,088, which is a 7.44% decrease over 2009 budget. Mr. Brodzinski stated they budgeted conservatively. Mr. Walters asked how they derived at a percentage for this economy. Mr. Brodzinski stated he budgeted a zero increase. He thinks that is a realistic scenario. Mr. Walters asked if there is still not an administrator. Mr. Brodzinski stated that has never been filled. They have an accountant who they work closely with. Mrs. Colavecchio asked if there was a timeframe when payment of taxes could be done on-line. Mr. Brodzinski stated they are looking at that option but he is not 100% sold on doing so because the City does not receive electronic W-2s like the federal and state governments do. Mrs. Klinger questioned the amount under office equipment. Mr. Brodzinski stated it is for a computer in case they need it. They will not get a computer if they do not need it. Also, they will not spend the money on something else if there is no need for a computer. Mrs. Colavecchio asked if any thought had been given to create an incentive for delinquent accounts. Mr. Brodzinski stated they did that several years ago. The delinquent amount is not substantial and is not a big problem.

Lori Sciana asked if the City would be receiving taxes from Edwin Shaw Hospital coming here. Mr. Brodzinski stated they will be collecting those.

Law Director

The 2010 proposed budget is \$944,095, which is a 9.04% decrease over 2009 budget. Mr. Arrington stated he has a part-time clerk who will be retiring early in the year. She will not be replaced. Mrs. Klinger stated she is glad to see the clerk will not be replaced. She asked what else is being done to save money. Mr. Arrington stated the attorneys in the department have begun to pay for their own CLE.

He added that there may be some CLE he wants them to attend that they may not want to, so the City would pick that up. Mrs. Klinger stated that everyone is adding in a computer. She asked why the money can't just be budgeted in IT and, if a department needs it, get it from there. Mr. Brodzinski stated if it is in the IT budget, they would then have to make budget appropriations to move the money. Mr. Arrington added that he has had the same computer since he became Law Director. The IT department has told him that it may need to be replaced this year.

Service Director's Office

The 2010 proposed budget is \$316,139, which is a 5.24% decrease over 2009 budget. Mrs. Klinger asked about the IS charge. Mrs. Carr stated it is based on estimates in working with personnel from the Finance and IT Departments. Mrs. Klinger stated when Council gets to the IT budget, she would like a spreadsheet showing the 2009 vs. how 2010 is being allocated by department so she can see year-to-year what is being done different.

Civil Service

The 2010 proposed budget is \$26,743, which is a 27.51% decrease over 2009 budget. Mrs. Pyke commented on the Civil Service members getting paid. She asked if they put in more hours than the Planning Committee members. Mayor Robart stated they looked at it in terms of the Civil Service Commission is more autonomous. It has more responsibility. The Planning Commission operates under a Planning Director. The Civil Service Commission sets its own rules and guidelines. Mrs. Pyke asked how many meetings the Commission has had in 2009. Mr. Brodzinski said he would check.

Engineering

The 2010 proposed budget is \$992,687, which is a 5.79% decrease over 2009 budget. Mr. Demasi stated on Contractual—Other, his department is doing more work in-house, such as design. There are eight full-time employees. Other things they have changed are when they do mailings for projects, they previously paid for that. This year, they will charge the different departments. The same will be done with printing. Mr. Walters asked how many employees were being estimated to lose their position based on the December 1 budget. Mr. Brodzinski thought it was one employee.

Building

The 2010 proposed budget is \$586,609, which is a 12.25% decrease over 2009 budget. Peter Bell stated there are five AFSCME employees. The biggest changes this department has made is in how they use an outside plans examiner. They used to send plans out but now they bring the examiner into the office and they take notes. He stated there are no changes in fee structure for next year.

Garage

The 2010 proposed budget is \$2,235,434, which is a .89% decrease over 2009 budget. Don Williams stated there had been someone on workers' comp. in 2009 but they are back now. Mrs. Pyke asked about the storm water charge being \$4. Mr. Brodzinski stated he will look into that. Mrs. Klinger asked how much credit they will get when they turn in parts. Mr. Williams was not sure but he anticipates it to be \$6,000 to \$12,000. It depends on the used parts market when they get ready to turn them in. Mrs. Klinger asked about the size of the fleet. Mr. Williams stated they go down in fleet size each year. He added that they have seven full-time bargaining employees and two full-time nonbargaining.

Community/Economic Development

The 2010 proposed budget is \$813,207, which is a 7.21% decrease over 2009 budget. There are two AFSCME employees in Community Development and five in Falls River Square. Mrs. Klinger asked about changes made between 2009 and 2010. Mrs. Truby stated they changed fees for pavilion rental and downtown events. Mrs. Klinger asked about the amount of money those changes would generate. Mrs. Truby stated she would get that for her.

Riverfront Centre District

The 2010 proposed budget is \$536,276, which is a 9.43% decrease over 2009 budget. Jim Nace gave an overview of the budget. Eric Prange, a resident, asked what the rental amount was for Rockin on the River. Mrs. Truby stated the fee for the year in 2009 was \$10,500. The rental does not include the pavilion and is for a 14-week period.

Judy Peverall, Cooper Drive, followed up on Mrs. Klinger's question about the Mayor using a City vehicle. She asked why the radios couldn't be put into his personal vehicle. She also commented on the City vehicles using the City pumps for gas. Mr. Brodzinski stated they track personal mileage which is really a very little amount of money. Mrs. Carr stated they are doing a survey with other cities because Cuyahoga Falls has cut back more than any other city in the state of Ohio. Mrs. Peverall stated they are not talking about any other city here. She said she has a relative who used his personal car and had the equipment put into it. Mr. Brodzinski stated they have looked at the costs. She may not agree with the decision for the Mayor to have a City vehicle, but it is the decision that's been made.

Tim Maloney, 2601 Oak Park Blvd., is an electric employee. He asked how the proposed concessions for electric affect the General Fund. Mrs. Carr stated that they are negotiating with the union. There are some cost savings there as well. Mr. Arrington stated he gave an answer to that question in the union negotiations, and will be reiterating it this Friday when they meet again.

Both Temp. Ord. Nos. B-130 and B-131 were held for further discussion.

Meeting adjourned at 9:25 a.m.

I am assuming the 2009 YTD actual presented on the budget report is November YTD and I have based several of my questions on that assumption. Please confirm.

The following are questions regarding revenue accounts:

Law: 101-0500-390-39-05: Last year you said our contract for prosecutorial services was \$23K not \$21,748. Which amount is correct?

Mayor's Court: What are the assumptions used in the 2010 Mayor's Court revenue? Have there been changes in costs and fine rates since inception and are there any changes anticipated in 2010? If so, what are they? You also noted an accounting change from State Court Costs to Agency Fund, what specific accounts, amounts and/or funds are impacted by this change?

Accounts 101-0100-420-42-11 \$24k vs. 101-0301-420-42-11 \$129K what is the difference between what revenues are classified in these accounts?

General Administration: 101-0100-470-47-02: Why are we projecting the KW tax to be so high when 09' is down?

SCMR – Page 27: 203-3300-400-40-01 The 2009 Actual is \$616K – has there been a change in the fee structure? Which cable companies are causing this to increase?

Motor Vehicle License Tax on page 42 vs. page 27

218-3700-330-33-09 What is the difference between the revenue hitting these two accounts. Why is this account flat and the one below increasing?

SCMR 203-3300-330-33-12 The extrapolation of the current year amount is \$275K and we have budgeted \$330K for 2010. Why are we budgeting an increase here?

Federal Law Enforcement Fund P44: This is new, why and what are we using the money for?

P51 Account 401-3400-440-44-40 Natural Gas: We budgeted \$45K in 2009 and the actual is \$27,814. What has changed to cause this go down so much?

P53 Sewer:

Account 601-5000-350-35-57: What happened in 2009 that resulted in the huge decrease?

Account 601-5000-350-35-10: Why did we set the 2009 budget so low? What did we expect to change?

P54 Water Fund: Account 602-5100-350-35-58 Surcharge High Pressure: \$106,501 actual 2009 and we budgeted \$73,156 for 2010: What is happening here?

602-5100-350-35-59 HPSC Consumption charge: 2009 extrapolation is \$385K, so why is the 2010 budget at \$440K?

P55 Electric: Account 603-5200-350-35-11: This 2009 extrapolation is \$2055K and the 2010 budget is \$2,342K what is the basis of the increase?

P56 Sanitation: Residential revenue extrapolates to \$2,974K so why are we budgeting an increase to \$3,135K?

P57 Leisure Time Fund: Account 605-2000-370-37-06: Why do we have negative revenue in 2009?

P58 Nat: All revenue accounts 15 through 37 extrapolated for 2009 actual are below 2009 budget and 2008 (except for swimming and rental) so how are we going to increase revenue for 2010? What are we changing to make this happen?

Account 605-2100-370-37-37: What did we change in karate and aerobics lessons that caused us to fall so short of the budget?

Golf Course: Account 605-2300-370-37-46 Green fess budget is up but it has never that high so are we raising fees? If so how much?

Account 605-2300-450-45-01 Transfer In: What is the \$53K in the 2010 budget for?

P62 Quirk Center: Why are we moving the revenue from Senior Admissions to Special Interest Groups?

P66 Utility Billing: Account 703-5700-350-35-23: Penalty the 2009 extrapolation is \$373K what policy, program changes are you implementing to justify 12.6% increase over 2009?

703-5700-440-44-19: What is in the miscellaneous revenue account of \$200K?

EXPENSES QUESTIONS:

Does the City reimburse mileage incurred within the City or County? If so, what is the reimbursement rate?

What is the annual insurance cost of a regular vehicle?

Telephone costs have decreased in most departments, so what is the new cost per handset?

General Administration:

Account 101-0100-710-30-08 Collection Service: Why is this collection service in the General administration department?

Account 101-0100-710-30-22: Why did we have the big jump in 2009 revised budget to \$81K then spend \$42K? What is the rationale behind the \$60K for the 2010 budget?

City Council: How many City Council members are on the City's insurance? Is the number the same for 2010?

Mayor's Court: Why aren't there telephone charges for 2009 actual?

Several of the general fund departments have rent/ leasing expenses- what are these for?

Mayor:

Travel: What travel is planned?
What is the membership expense for?
Publications: Which ones?

Mayor's Court

Training: Who are we training and what is the training?
Travel: What travel is planned?
What is the membership expense for?
Publications: Which ones?
What is the computer system for \$2K
What is the detail behind contractual of \$25K

Finance

Training: Who are we training and what is the training?
What furniture are we purchasing?
What is the membership expense for?
Publications: Which ones?
What is the office equipment purchase for \$1,500
What is the office Main & Repair for \$1,000
What is the IS charge of \$20K

Legal

Training: Who are we training and what is the training?
What furniture are we purchasing?
What is the membership expense for?
Publications: Which ones?
What is the office equipment purchase for \$1,000
What is the office Main & Repair for \$450

Service

Awards: \$3,300 is this for employees?
What furniture are we purchasing?
What is the membership expense for?
What is the office equipment purchase for \$500
What is the office Main & Repair for \$200
What is the IS charge of \$5K

Engineering

Is the employee clothing required by union contract? If not what is it for?

What furniture are we purchasing?
What is the office equipment purchase for \$1700?
What is the office Main & Repair for?
What makes up contractual other of \$4K?

Building

What is the membership expense for?
Publications: Which ones?
What is the State Surcharge of \$4,500?
Contractual other: \$4K What are we doing different to reduce this cost?
Information Services: Why is it so high and why are there two lines?

Community Development

Awards: Are these for employees?
Training: Who are we training and what is the training?
Travel: Where are we going and what for?
What is the membership expense for?
What office equipment are we purchasing?
Publications: Which ones?
Computer System support: \$11,614 what is this for?

Muni Tax

Collection Services: \$5K What are we doing here?
What office equipment are we purchasing?
Publications: Which ones?
Contractual Service: \$8K What is this for?

Garage

Automotive supplies: \$20K what are we doing different to reduce this cost?
Motor Vehicle Parts: Same question as above
Fuel: What is the cost assumption used for the 2010 budget? What did we pay per gallon in 2009?
Membership: What for?
Office Equipment Purchase – What are we buying?
Tools Equipment M & R \$30K – What are we doing different from 2009?
Tools Purchase \$3K – What are we doing different from 2009?

Utility Billing

Miscellaneous Operating Exp \$5,500 what is this?
Office Equipment \$1,500 what are we buying?
Office Equipment M & R: \$18,250 what are we doing different from 2008 and 2009?

Riverfront

Awards \$3,500 what is this for?
Office Equipment \$800 what are we buying?

Rent/Lease \$9K what is this for?

Contractual Other: 2009 actual vs. 2009 budget vs. 2010 budget – what has changed here?

Carol, you are correct that the numbers do represent numbers for November, however the month is not closed and those numbers are not final and all numbers are not posted.

Revenue

Law

Carol, with the 3% built in from Silver Lake and Munroe Falls, the budget for 2010 stands correctly at \$21,748. Maybe I'm not sure of your question.

Mayors Court:

The Revenue in Mayor's Court was budgeted based on the history of 2009. The City did not increase its fines or court costs. The State increased its fee by \$5 and we increased the total by \$5 to cover this increase. The change in the accounting policy was that when the 2009 budget was created the State's portion of all tickets was budgeted in the General Fund. We decided in 2009 that the State's money was better reflected in an agency fund. Therefore, revenues and the related expenditure line "Court Costs and Fees" decreased by that amount.

General Admin – Fines City Ord.

The amount recorded in General Administration represents the piece that we will receive from the Stow Municipal Court. The amount in Mayor's Court is the fines we are budgeting for from the Mayor's Court operation.

General Administration KW Tax

This number has fluctuated been \$1,645,000 and \$1,848,000 over the years. For the most part most of the money coming in goes back to the Electric Fund as a transfer. The only piece that remains in the General Fund and gets paid out to the State is for service we provide for outside the City and that is budgeted at \$7,500. Every year we budget the \$1,800,000 and true it up at the end of the year. 2009 will be around \$1,750,000 - \$1,775,000. Since it is a wash with the in and out we do not deem it as material.

SCMR – Cable Fee

We experienced an increase due to AT&T Video from 2008 to 2009. We budgeted appropriately for 2010. There was no change in the fee structure.

Motor Vehicle License Tax

The amount going into Fund 218 is the Permissive Motor Vehicle License Tax and the amount going into Fund 203 is for license registrations.

The 2009 amount is flat compared to 2008 and along the same lines as 2005 or 2006.

In SCMR the extrapolation for 2009 will be between \$330K and \$335K. 2010 is budgeted at \$330K

Federal Law Enforcement Trust Fund

This Fund actually was created in 1994. The grant money budgeted is for grants the Police Department is requesting for weapons lockers, training pistols and pistols and will be addressed during Police on 12/14/09.

Fund 401 Natural Gas

The cause was due to the price of natural gas has dropped. We budgeted accordingly for 2010 and are in the process of contacting the vendor to discuss.

Sewer 601-.....35-57

New sewer taps were budgeted in 2009 for development projects that did not occur. These numbers were conservatively budgeted down for 2010.

Sewer 601-.....35-10

2009 was budgeted too low as a mistake. This has been corrected for the 2010 budget.

Water 602-.....35-58

We are budgeting less taps for 2010 than we did in 2009.

Water – 35-59

The account is expected to come in at around \$400,000. The previous 4 years averaged \$441,725. We believe it was a down year and thus have budgeted \$440,000. We will keep a close eye on this account.

Electric – 35-11

We see this account coming in at approximately 2,135,000. The forecast takes into account higher revenue with changes to the PCF and new meters. Also 2009 was a cooler year than normal.

Sanitation

This account is budgeted to come in at approx. \$3,110,000 – 3,130,000. \$3,135,000 has been budgeted.

Leisure Time Fund: Account 605-2000-370-37-06

The answer lies within timing of gift card sales. Our gift cards are redeemed throughout the year, with our major sales numbers occurring in December. We are currently in our major sales period, with several days remaining. For example:

Novemeber 2008 Sales:	(\$13,820)
2008 Year End Account Balance	<u>\$ 8,960</u>
December 2008 Sales	\$ 22,780

Nat: All revenue accounts 15 through 37 extrapolated for 2009 actual are below 2009 budget and 2008

Revenue is down from 2009 to the budget. We are budgeting 2010 revenue to be flat compared to projected year end 2009. We will not increase rates for 2010 during this recessionary time. Our objective is to manage expenses down and to look for new revenue streams.

What did we change in karate and aerobics lessons that caused us to fall so short of the budget?

In mid-year 2009, we changed the way we classified the karate and aerobics classes within our accounting system. Previously, all aerobics, karate classes and personal training were classified under the same account. We have now separated personal training out of this line item giving its own account, which is causing the perceived shortage.

Green fees budget is up but it has never been that high so are we raising fees? If so, how much?

2009 Greens Fees through November is \$618,307

What is the 53K in the 2010 budget for?

The refunding of the 1997 and 1998 Bonds brought to Council earlier in the year reduced the P&I on those bonds. It saved \$53,000 compared to prior to refunding. This savings in Rec Levy will allow us to pay down the note outstanding for the golf course improvements quicker. On a net basis in Rec Levy it will be a wash.

Why are we moving the revenue from Senior Admissions to Special Interest Groups?

Similar to the Natatorium Aerobics and Karate issue, we have now separated various accounts within the Quirk Center's line items to better reflect the of the revenue received in relation to which classes were taken.

UB – 35-23

This line item will be around \$392,000 in 2009. The \$420,000 budgeted in 2010. The thought being related to a sign of the economy. This account will be watched closely.

Misc Revenue fund 703-5700-440-44-19

This is where all of the overpayments post.

Expense questions.

Mileage is paid at the federal rate. Some contracts have this language in their contracts.

Premium Cost to insure a vehicle is approximately \$280.00.

Costs for phones are based on departmental situations. The costs are down due to the switch to One Communications. They are not calculated on a handset basis.

Most of the rent lease that you see is related to our copier account.

Collection Services

These are collection services from the county on property taxes.

30-22

It was a carryover PO from 2008. This account is for HVAC work.

Council

There are 2 council people currently with city insurance. In 2008 there were 3. In 2009 there are 2 and 2010 is budgeted at 2.

Mayor

Travel is for any AMP OHIO meetings that the Mayor would be required to attend.

Membership is for the Chamber of Commerce

Publications are the Wall Street Journal, Plain Dealer and Akron Legal News

Mayor's Court

There were no charges for phone in 2009 due to a new department and an old cost allocation. This was corrected in 2010.

Training: Vicki Hughes is being trained to become a certified clerk, and the Mayor must take yearly training even though not presiding over court.

Travel: Travel is for the purpose of training, clerks certification training is 3 times a year. The training sessions occur throughout the state.

Membership fee: The Ohio Mayor's Court Clerk's Association and the Northeast regional Mayor's Court Clerk's Association Dues.

Publications & Periodicals: This is for the yearly Mayor's Court clerks manual.

Computer System Support: This is for the yearly Maintenance fee of \$1,365.00 and possible expansion of our system to allow on line payments.

Contractual: This is the account we pay the Magistrate's from. The \$25,000.00 was based on 98 Court days for 2010, allowing 3.5 hrs, at \$75.00 a hour each day.

Finance

Training

Training planned for our Treasurer which is a State requirement. That may leave a little budget for any Rec Track or Financial System training that may be appropriate.

Furniture

Contingency for breakage. We have nine employees with desks, chairs and floormats.

Memberships

They include the American Payroll Association, GFOA, and Ohio Associations of Public Treasurers.

Publications:

These include payroll update guides, Financial Reporting Updates and any updates on FSLA.

Office Equipment

These monies will be used for a computer replacement or upgrades.

Office Equip-Maint. & Repair

Budget includes maintenance costs with special check printer and software and contingency for PC repair, such as memory upgrades, etc.

Internal Services Direct / Information Services

Direct Labor Reimbursement to Information Services Internal Service Fund, associated with Financial computer software support. These costs are projected lower as the direct need of IS is down.

Law

Training: Who are we training and what is the training?

A. All of the City's attorneys are required to maintain 24 hours of continuing legal education every biennium. Even so, the 2010 Law Department budget reflects an 80% reduction from the 2009 budget for both training and travel. Starting in 2009, the attorneys will start paying for the bulk of their own training. There may be some specialized seminars that the City will require the attorneys to attend, which should continue to be paid by the City.

What furniture are we purchasing?

A. Several years ago, the Law Department was on a program of replacing old office furniture over time, addressing one office each year. However, due to fiscal restraints, we abandoned that approach in recent years. We now only budget for replacement of items, such as desks, chairs, filing cabinets, etc., that may break or become unusable in the course of the year.

What is the membership expense for?

A. The Law Department maintains memberships in the International Municipal Lawyers Association, the Ohio Municipal Attorneys' Association, the Akron/Summit County Law Library Association and LEADS (for obtaining criminal history reports).

Publications: Which ones?

A. The Law Department maintains a library of various legal resources including Westlaw (computerized legal research), various rule and form books, Criminal Law Handbooks for the prosecutors, Gongwer News Service and Ohio State Bar Association Reports.

What is the office equipment purchase for \$1,000?

A. Potential computer replacement. Some of the department's computers are very old. The ITS Department recommended budgeting \$1,500 in this line item, but the Law Director reduced it to \$1,000, in part because of \$450 budgeted in Office Maintenance and Repair.

What is the office Main & Repair for \$450?

A. The Law Department has some office equipment that is not covered by the City's comprehensive maintenance contract. In the event a repair is needed on one of these items, it would come out of Office Main. and Repair.

Service

Awards: \$3330 is this for employees? Gone down significantly, used for Arbor Day, Tree City USA, Beautification and misc. all for the public.

What furniture are we purchasing? \$150 (back up for chair purchases)

What is membership expense for? APWA/NOSDA total \$177 with \$200 budgeted

What is office equipment purchase for \$500? Back up for labeler or printer

What is the office Maint. And Repair for \$200? In case something breaks

What is the IS charge of \$5k? Indirect charge for IS services

Engineering

Employee Clothing (\$1,600) This is required by Contract. Shirts (\$400), Foul Weather Boots and coats (\$1100), Gloves/Hats (\$100)

Furniture (\$200) This is in case I need to replace a chair.

Office Equipment (\$1,700) PC Reserve (\$1,300), Two potential monitors (\$400)

Office Main & Repair (1,550) Radio Maintenance (\$1,050), Large Format Copier Maintenance (\$500)

Contractual Other (\$4,000) Curb Cutting (\$1,000), Property Card Scan (\$2,500), Misc. (\$500)

Building

Membership fees

- a) yearly membership in International Code Council for department
- b) yearly membership in International Association of Electrical Inspectors for electrical inspector
- c) yearly memberships for 4 people in FBOA (Five County Building Officials Association) Peter, Cathy Eva, Paul

2. Publications

I will need to purchase all new code book sets for the entire department. 2 sets OBC and 3 sets RCO

3. State Surcharge

For each permit issued there is a corresponding State required surcharge which the permit holder pays. With permits down this cost is down.

4. Contractual Other

Due to changes in how the outside plan reviewer is utilized the amount of time and money required for this service has been reduced. Also, based on the plans submitted this year and forecasted for next year it is not anticipated there will be extensive use of the outside reviewer.

5. IS Numbers

One is for direct IS charges and one is for indirect IS charges.

Community Development

Awards: Are these for employees?

No, the Awards/Promotions budget is utilized for promoting the City with items such as in 2009, the Top 100 Places to Live and miscellaneous advertising such as Flicks on the Falls. \$500 is budgeted for 2010 and will not go far.

Training: Who are we training and what is the training?

All training and travel were reduced by 80%. Initial input of training and travel for Community Development was incorrect. The training budget's corrected number is \$ 700. This amount may be used for licensing for housing inspectors, and targeted planning conferences (new certification for CNU).

Travel: Where are we going and what for?

Travel would be directly related to training locations.

What is the membership expense for?

American Planning Association and Congress of New Urbanism

What office equipment are we purchasing?

Budget was lowered from \$ 3,700 to \$1,000 for 2010 for replacement office equipment or computer upgrade.

Publications: Which ones?

Publications include APA Magazine, New Urbanism News, Crain's and ICSC (International Conference of Shopping Centers) publications.

Computer System Support: \$11,614 what is this for?

The Development Department's share of RecTrac software maintenance, Kronos, LAN Internet Access and H T E software maintenance as provided by IS Department.

Muni Tax

Collection Services

We are in the process of contracting with CCA (Central Collection Agency) for the collection of Delinquent Income Taxes. Only municipalities with more than 250,000 residents can petition the IRS to obtain income tax information, which CCA can obtain, due to their relationship with the City of Cleveland, Ohio.

Office Equipment

Office Equipment – With five full-time employees with personal computer work stations, this is a “reserve” budget for outright replacement.

Publications:

Planned publications:

State of Ohio tax filing information for the purpose of tracking City non- filers who file with the State of Ohio under Cuyahoga Falls locations.

Contractual

Computer system support – This is for the software computer system annual maintenance. In addition, a small piece for the Kronos time clock system maintenance.

Contractual Other - \$2,500

Municipal license tax auditing for the recovery of license taxes and fees incorrectly paid to surrounding communities.

Lexisnexis - Risk and information publication service for tracking individuals for tax collection purposes.

Garage

All of these numbers were determined looking over the last 4 years actual expenses

(1) Auto Supplies

(2) Auto Parts

(3) Tools & Equip

(4) Office Equip

(5) Motor Veh Main & Rep

We are going thru old parts and turning them in for credit

We needed to replace older diagnostic equip

Repair or replacement

Looking over the last 4 years

Gas - Next year I budgeted \$2.65 per gallon at 276,000 gallons average or \$731,400.00. For 2009 \$2.54 per gallon was used.

Utility Billing

Misc Operating Expense fund 703-5700-610-30-28 - this is our write off account. Whenever we write off items on an account they post here.

Office Equipment – This is for a computer replacement or upgrades if needed.

Maintenance fund 703-5700-610-30-33

2008 = \$18,000

2009 = \$18,250

2010 = \$18,250

All costs for 2009 have not yet occurred.

Riverfront

Awards \$ 3,500 what is this for?

The Awards/Promotions are utilized for promoting the downtown events with particular emphasis on the winter activities – ice rink opening, countdown to Christmas and possible ice carving event. Ice skating rink opening expenses include Santa, photos with Santa, children’s rides on the train and the rental of costumed characters from Mr. Fun’s.

Office Equipment \$800 what are we buying?

A new printer/fax machine as the department has never had a fax machine and the printer is over 8 years old.

Rent/Lease \$9K what is this for?

Lease of space for storage of the ice skating rink.

Contractual Other: 2009 actual vs. 2009 budget vs. 2010 budget – what has changed here?

2009 budget was \$ 61,775 and we reduced the original budget to reflect savings of \$ 21,000. 2009 expenditures were for elevator maintenance, fire alarm and suppression systems maintenance, security

system maintenance, painting of the Pavilion and port-a-let rentals for downtown events. 2010 budget reflects \$10,000 for elevator maintenance, \$ 2,000 for pump installation, \$5,300 for security system maintenance, \$1,450 for fire alarm/suppression systems and \$ 25,350 for painting Pavilion and parking deck(s) for a total of \$44,100.