

**Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
February 16, 2010**

Members: Kathy Hummel, Chair
Don Walters
Carol Klinger

Mrs. Hummel called the meeting to order at 6:40 p.m. All members were present.

Legislation to be Discussed:

Temp. Ord. A-8
Temp. Ord. A-16

Discussion

Temp. Ord. A-8

An ordinance authorizing the Director of Public Service to enter into a contract and/or contracts to accept and process recycle material collected by the Division of Sanitation, and declaring an emergency.

Mr. Novak stated that the City went to bid for processing of recycled materials. They received bids from two companies—Waste Management and Kimball. One gave a straight per-ton quote and the other gave a trip fee with profit sharing option for news print and corrugated cardboard. He decided to hold this legislation to do some research to determine what those items did in 2009. After looking at all options and costs, they decided to go with Kimball. It would take the trash to Twinsburg at \$12 per ton or to Canton for free. Waste Management's prices were \$6.80 per ton for year one, \$7.25 in year two and \$7.50 in year three. It is a three-year contract with two possible one-year extensions. Mrs. Hummel asked whether they will go to Twinsburg or Canton. Mr. Novak stated that both Twinsburg or Canton were nearly identical for the whole year. It would be slightly cheaper to go to Twinsburg. It includes the profit sharing option. Mrs. Hummel asked if the rebate was something that the City would get back or was it included in the \$12 fee. Mr. Novak stated it is money the City would get back depending on the market prices out of Chicago. Everything is commingled in this. The company estimates a certain percentage. Based on their formula and the City's size, 37% would be newspaper and 27% would be cardboard. Mrs. Hummel stated it seemed reasonable. She asked what the contract being replaced was. Mr. Novak stated it was \$6.50 and was an extension of the old contract with Waste Management. Mrs. Hummel stated it is interesting that free in Canton works out to be the same as \$12 in Twinsburg. Mr. Novak stated they make it up in fuel and manpower and equipment because of the difference in miles. The profit sharing option will offset the numbers. The City would need to get a rebate of \$12,000 to break even with what Waste Management would have charged. He should have a good idea by the end of the first quarter whether that will happen. Last year was a bad year for commodities. They ran the numbers from 2009 and estimated that the City would have received a rebate between \$20,000 and \$25,000 and that was for a bad year. Mrs. Klinger asked if the market price was determined at the end of the month or was it averaged. Mr. Novak stated it is based on the highest price that month.

Committee recommended bringing out Temp. Ord. A-8.

Sub. Temp. Ord. A-16 (dated 2-16-10)

An ordinance authorizing the Director of Finance to issue a payment in the amount of \$68,539.77 to the Treasurer of the State of Ohio, as final cost settlement for the Front Street (State Route 59) Improvement Project, PID 20891, and declaring an emergency.

Mr. Demasi stated that the Front Street project was completed in 2005. It was funded with local, federal highway and state highway funds. The construction cost was \$3.2 million. During the project, ODOT determined that \$1,465,859.34 was to be reimbursed to the City. In the summer of 2009, ODOT did an audit and determined that several items included in the project should not have been allowed. The amount overpaid to the City was \$72,688.42. Following completion of the expressway sign project, it was determined that ODOT owed the City \$4,148.65. Therefore, ODOT is requesting to be paid the difference, which is \$68,539.77. Of that amount, \$27,467.32 is water, \$40,521.10 is sewer, (\$4,148.65) is what the City is owed and \$551.35 are capital charges. Mrs. Hummel confirmed that the reimbursement would come out of the three funds as indicated on the budget sheet. She stated that the sheet also indicates that the items were budgeted and asked how long the City was aware that the amount was owed. Mr. Demasi stated they knew in the summer of 2009. ODOT actually wanted payment at that time but he asked them if they would wait until 2010 so the City could budget the money and issue payment in January or February. Mrs. Hummel asked what the difference was between the substitute and the initial legislation distributed. Mr. Demasi stated that line 38 in Section 2 states that it would come out of the specific funds.

Committee recommended bringing out Sub. Temp. Ord. A-16.

Meeting adjourned at 6:55 p.m.