

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
February 6, 2012

Members: Diana Colavecchio, Chair
Don Walters
Jeff Iula

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

The minutes from the January 3, 2012 Finance Committee meetings were approved as submitted.

Legislation Discussed:

Temp. Ord. A-5

Temp. Ord. A-6

Temp. Ord. A-7

Discussion

Temp. Ord. A-5

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the purchase of certain materials, supplies, and equipment for use by the Electric Division during 2012, and declaring an emergency.

Mike Dougherty stated these are the annual requirements for various materials in the Department and includes substation batteries, switches, transformers, etc. None of these items are slated for the new substation. The new substation is getting everything new and is part of another contract. Mrs. Colavecchio asked about the progress of the new substation. Mr. Dougherty stated the building construction is complete and the major equipment is in. It is being wired and should be totally completed by mid to late spring, which is on schedule.

Mr. Iula moved to bring out A-5 with a favorable recommendation, second by Mr. Walters. Motion passed (3-0).

Temp. Ord. A-6

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for concrete and masonry repairs to the City-owned parking garage located at 2035 Old Town Loop and known as the "Blue" Parking Deck, and declaring an emergency.

Mr. Demasi stated this is to perform routine maintenance. Repairs will include the roof, floor, ceiling, and stairway towers. Bids were opened January 24. They received ten bids and anticipate awarding the project next week. Mrs. Colavecchio asked for a status update on past work done on all of the decks. Mr. Demasi stated they work on the decks each year. It is no different than the paving and utility projects. The red deck is in good shape. It does not need new surfacing as the other two do. Previous work on the green deck was a major restoration of the ramp. This year, they will be concentrating on the blue deck. Mrs. Colavecchio asked if the City was getting good value for the money it was spending and wondered if the decks should be torn down at some point and paved as parking lots. Mr. Demasi stated they are not recommending that at this point. The decks are safe and are utilized on a regular basis. Mrs. Colavecchio asked which deck was the oldest and how many parking spaces there were in each deck. Mr. Demasi did not have that information with him. Mayor Robart stated the oldest deck is the one across from the Post Office, which is the blue deck. The green deck is second oldest, followed by the red deck. Mr. Ihasz asked for a breakdown on the cost of repairs of the decks. It seemed to be a lot of money being put into the repairs each year. He calculated a total of \$435,000 to date for this deck, including this ordinance. He asked if any thought was given to charging patrons who use the decks.

Mr. Demasi stated that both the Administration and Council have considered charging in the past. It is the Administration's position, however, not to charge. It would cost a lot more than a few thousand dollars to tear the decks down. Mr. Ihasz asked if anyone parks on the second level of the green or blue decks. Mr. Demasi stated that all levels are used every hour of the day. Mrs. Colavecchio asked Mr. Demasi to please email Council with the number of parking spaces for each deck.

Mr. Walters moved to bring out A-6 with a favorable recommendation, second by Mr. Iula. Motion passed (3-0).

Temp. Ord. A-7

An ordinance amending Sections 921.01, 921.02 921.03 and 921.06 of Title Five, Part Nine of the Codified Ordinances, relating to utility accounts and customer deposits, and declaring an emergency.

Mrs. Carr stated this ordinance is making changes to the utility ordinance. It was last revised in 2007. The Bankruptcy Laws have changed and there are also state laws the City could use that would work in the City's favor. Utility Billing collected 78,000 fewer payments than the previous year. People are just not paying their bills so the City is trying to address it now to avoid going into a tail spin. Unfortunately, they are also doing a lot more turnoffs. Some of what they are asking for in the ordinance will help. Contrary to some misinformation a few weeks ago, the application fee is not new. It was established in 2007. In terms of deposits, the City has always collected a deposit from renters. Prior to 2007, deposits were separate for water and electric and were \$50 and \$75. The policy was changed in 2007 to one deposit of \$250 and included all utilities. The one big change was that the City had previously returned the deposits after one year if the customer had good payment history. In 2007, Council urged the City to keep the deposits until the customer moved. She added that homeowners have never been required to pay a deposit.

Mr. Janis stated he was asked to look at ways to change the ordinance. This ordinance changes account deposits in three major ways: (1) It allows the City to get a handle on who is actually the customer. Water and sewer account will be in the name of the property owner but could be secondarily in the name of the tenant as long as there is an agreement specifying that. Currently, an account can be put into any one's name. This ordinance revises the definition of "customer." (2) The ordinance changes the structure of the deposit. It was different if you were the property owner or tenant. The exception is a customer with a good payment history and a home owner with a good payment history or landlord with a tenant with a good payment history. Ordinance requires deposits to be applied in certain situations. It deals with nonpayment or bankruptcy or abandoned homes. There will be fewer shutoffs, and you will have more stable neighborhoods. (3) The ordinance charges a fee when utilities are shut-off for convenience. It will be a universal fee. There are a couple exceptions. For residents who are moving, there will not be a fee to turn-on utilities when moving in or to turn-off utilities when moving out. There will also be no fees charged due to a home disaster. Any other situation, however, will be charged. Mrs. Colavecchio asked about a distinction between small need commercial accounts and large ones in lines 115-123. Mrs. Carr stated that most deficiencies are residential accounts, specifically renters. Mrs. Colavecchio asked how the department would make up for the 78,000 fewer payments. Mrs. Carr stated they have procedures that are in place for turning off utilities. The staff has kept up on the turn-offs. They are not trying to put anyone in a bad situation. If the resident will work with the department, they will come up with a payment plan. They continue to pursue collections. They currently use the Akron Credit Bureau but will be doing some things internally before sending an account to the Bureau because the Bureau charges a percentage. She added that state law allows the City to do what the ordinance requests. Most municipalities operate that way. Mrs. Colavecchio asked the Administration to consider adding, on line 235, active military duty to the exceptions on when reconnection fees are charged. Mr. Walters asked what the major changes were in 2007. Mrs. Carr stated the biggest change was that the City stopped giving deposits back. She is aware that Council has received questions about getting deposits back. The City is asking for two years of good pay history in this ordinance. They added a \$10 application fee in 2007 and also a penalty for bills that were not paid by the due date. Mr. Walters asked if any of the state laws changed that brought this matter on. Mr. Janis stated that none of the state laws changed but the Bankruptcy Code changed. It provides for a utility to apply a deposit to a past due amount on an account in bankruptcy and then require a new deposit on the same account.

Mrs. Snyder stated that on line 86, it states that the City “**may**” require proof of ownership. She asked if the Administration planned to use tax records from the County. Mr. Janis stated the website is not always up-to-date so they would require proof in that instance. Mrs. Snyder asked at what point customers were contacted for delinquency payment. For example, is it when a bill reaches a certain dollar amount or reaches a certain number of days delinquent. Mrs. Carr stated if a customer misses one payment, they get a notice. Notices are printed on hot pink or bright green paper and are difficult to overlook. Susan Hale stated that two days after a bill was due, the department sends out the first notice. Five days after that, the shut-off notice goes out. After that deadline passes, they do a green 24 hour disconnect door tag. Mrs. Carr stated there a lot of people who fall into that category. The department will first look at the dollar amount and how past due they are. When they get a green tag, it at least generates a phone call. Mrs. Hale stated they just sent out 30 disconnect notices. By 9:00 a.m. the next morning, 25 of those were paid, four made payment arrangements and one was shut off. Mrs. Snyder asked if property owners would also be made aware of when their tenants aren’t paying the bills. Mrs. Hale stated property owners can receive copies of bills and notices if they want them. Mrs. Carr pointed out that there are some landlords who receive them now. Mr. Barnhart stated he was under the assumption that utilities could not be shut off for households during the winter. Mrs. Carr stated the City is allowed to do that because it is not regulated by PUCO. They try to work with families but there are times when shut-offs still have to happen. Mr. Barnhart stated he has a rental in Akron and that family refused to pay the utilities so he paid them. Mrs. Carr stated that FirstEnergy falls under PUCO.

Mr. Iula moved to bring out A-7 with a favorable recommendation, second by Mr. Walters. Motion passed (3-0).

The meeting adjourned at 6:55 p.m.