

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
March 4, 2013

Members: Carol Klinger, Chair
Jerry James
Vince Rubino

Mrs. Klinger called the meeting to order at 6:34 p.m. All members were present.

The minutes from the February 19, 2013 Committee meeting were approved as submitted.

Legislation Discussed:

None

Discussion

The Mayor gave his State of the City Address.

Mrs. Klinger stated a revised Report 21 was emailed to Council today. Everything appears to be in line with the budget. Some areas are down but there is nothing to be concerned about. The Nat is down 10% in charges for service so that will need to be watched this year to keep expenses in line with revenue. On the expense side, there have been discussions about providing Council with a three-year projection of the General Fund balance going forward. Mr. Brodzinski indicated he would have that report available at the next committee meeting.

Mrs. Klinger was concerned about changes she heard about in the Detective Division of the Police Department. She asked what those were and what affect they would have regarding reassignments in the narcotics unit. Mr. Brodzinski stated he would look into that but didn't feel the changes were anything out of the ordinary. There was talk that the narcotics officers were going to join Summit County in order to share resources. Mrs. Klinger stated she would be interested in finding out what happened there.

Mr. Rubino wanted to make sure the projections that were being prepared would include what the unencumbered fund balance will be for the next three years. Mrs. Klinger stated that is what she would also like to see. Mr. Rubino asked if there were any difficulties in making those projections since it has been awhile since Council's original request. Mr. Brodzinski stated there are always difficulties making a three-year projection. He is fine tuning numbers for various departments. Basically, the projections are showing that the City will spend \$1 million to \$2 million more than it will be taking in. Mr. Rubino stated he was hoping the numbers will be able to line up with the \$5,691,669 figure which is on page 4 of Report 21, and that Mr. Brodzinski will be able to provide Council with what that number is projected to be in 2014, 2015 and 2016. He assumed that the projections will show that number dropping by around \$2 million each year. Mr. Brodzinski stated it will drop between \$1.5 million and \$2 million. However, that number will also be factoring in employees who will be retiring and who are at a higher pay scale than the individuals who will be hired to replace them. To do that for 250 individual employees takes time. He wants to be as accurate as possible. Mrs. Klinger stated she had talked with Brodzinski about this report. There were other issues such as audits and finishing up end of the year numbers which were preventing him from fine tuning the projections. He asked her for additional time and she felt it was more important for Council to receive accurate information.

Mayor Robart pointed out that this year, the City will be going into negotiations with all of the unions. No one knows how that will turn out. The unions have been cooperative and accommodating in the past

but, if there is an impasse this year, it would go to an arbitrator, who always finds with the unions. Cooperation only goes so far. It will be very difficult to come up with good numbers. Mr. Rubino stated that Council is trying make decisions on various improvements so the farther out they can see the projections, the better it will be to have the ability to make good decisions. Mayor Robart stated that the current 24% carryover was the result of the City recognizing this same issue six years ago. Everyone needs to know that cuts the City has to make are the result of things that were created for the City and not things the City created for itself. They will work as best they can. Mr. Rubino stated that to keep that number from dropping, something needs to be done on the expense side. He was also hoping for something on the revenue side that will show projected revenues increasing. Mr. Brodzinski stated they watch the fund balance on a daily basis. Mr. Rubino felt strongly that something other than expense cuts needed to be done. Mrs. Klinger agreed with Mr. Rubino. No one wants to see the balance going down \$1.5 million a year. She said they will see what next week's report holds.

Mr. Mader appreciated Mr. Rubino's questions. During the past few years, with what the City has been able to achieve, he appreciated the hard work that went into things. The City was able to take steps to put itself in a good position compared to other cities that are finding themselves in dire situations. With new development and other things at this point, the hope is that revenue will increase to counter the losses.

Mrs. Klinger stated the City is in a healthy place today, and it is everyone's intention to keep us in that healthy place.

The meeting adjourned at 7:28 p.m.