

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
March 5, 2012

Members: Diana Colavecchio, Chair
Don Walters
Jeff Iula

Mrs. Colavecchio called the meeting to order at 7:15 p.m. All members were present.

The minutes from the January 21, 2012 Finance Committee meeting were approved as submitted.

Legislation Discussed:

Temp. Ord. A-22

Temp. Ord. A-23

Temp. Ord. A-24

Discussion

Temp. Ord. A-22

An ordinance authorizing payment of the moral claim of John and Betty Stebbins as approved by the Claims Commission, and declaring an emergency.

Mr. Janis stated the Claims Commission approved this claim for \$1,123.68 in its February meeting. The rules state that anything in excess of \$500 must be approved by Council. Mr. and Mrs. Stebbins were granted the full amount they were seeking because they were in a traffic accident after hitting something that fell from one of the City's trucks.

Mr. Walters moved to bring out A-22 with a favorable recommendation, second by Mr. Iula. Motion passed (3-0).

Temp. Ord. A-23

An ordinance authorizing the Director of Public Service to enter into an energy purchase agreement known as the "Non-Pool Power Sales Schedule" with American Municipal Power, Inc., and declaring an emergency.

Mike Daugherty stated this was for a purchase of power the City does from time to time to fill its portfolio. In 2014, the City will be short so this purchase of 10 MW will take it to what it needs for 2014 under contract. Prices have dropped for natural gas which helps with prices of power, so now is a good time to purchase this. The contract is for 2014 and will expire at the end of the year. Mrs. Pyke asked if any part of this was green power. Mr. Daugherty stated it would not be classified as green power. Mrs. Carr added that when the City does a green power purchase, it is a joint venture. This is just fill-in power. She stated she could provide Council with an update on the City's portfolio if anyone wanted it.

Mr. Iula moved to bring out A-23 with a favorable recommendation, second by Mr. Walters. Motion passed (3-0).

Sub. Temp. Ord. A-24 (dated 3-5-12)

An ordinance authorizing the Director of Public Service to enter into a contract or contracts without competitive bidding with the Metropolitan Regional Service Council dba Northeast Ohio Network for

Educational Technology (“NEOnet”) for the purchase of IP telephony and voicemail services for a period not to exceed five years, and declaring an emergency.

John Konich stated this is a result of five years of planning. The City’s current phone system is over 20 years old, and he is not sure how much longer he will be able to get replacement parts or repair service. It is only a matter of time before it stops working. With this contract, someone will supply the service for the City. The voiceover IP piece will use the City’s network vs. using a telephone line. The vendor is Northeast Ohio Network for Educational Technology, or NEOnet, and was established in 1975. It is one of 23 centers designated in the Ohio education network. It is located in Cuyahoga Falls in the old National City Bank building on Graham Road. They have been a partner in the Cuyahoga Falls School District for fiber optic, which is one of the reasons they were selected. As more communities come on board, the City’s costs will decrease. Mrs. Colavecchio stated she was glad to hear they were intending to expand among other agencies. She asked if there were other municipalities involved.

Matthew Gdovin, 279 Legacy Avenue, stated the company currently provides IP telephony for 15 educational entities in Summit and Cuyahoga Counties. This is the first municipality. They helped the City build its fiber optic network. Eventually, they can move to security, video, surveillance, and e911 service.

Mrs. Colavecchio asked where the City was in its fiber optic program. Mr. Konich stated the City has completed what it originally set out to do. They have been making a gradual network of fiber and data because he knew the City would have to replace its phone system. This new system will use the City’s current fiber network. Mrs. Colavecchio asked what would happen at the end of five years. Mr. Konich stated it would be the intention to extend it. The price on the budget sheet is for the capital piece. There is a service piece that will be paid as well, which is approximately \$42,000 a year. Between maintenance and service, the current system is \$30,000 a year. This new system would have a service contract of \$42,000 for year 1, \$36,000 for year 2, and \$23,000 for years 3, 4 and 5. The cost for the new service goes down whereas the cost of the old system will only increase. Mrs. Klinger asked for a best-guess scenario in terms of what the City’s cost could be in five years. Mr. Nilsen stated an example would be that the company’s original ten customers recently received a 30% reduction in cost.

Mr. Rubino asked how the company was organized. Mr. Nilsen stated they were organized under Chapter 167 of the Ohio Revised Code as a Council of Governments. They have a general assembly of the superintendents of their member school districts and also a seven-member board of directors. If they expand into the government sector, they will have space for a representative of each of those entities. It will require some modification to their bylaws. Mrs. Klinger asked what hardware would be purchased. Mr. Konich stated they are only purchasing the phones themselves, which are CISCO. The service fee covers the warranty on the hardware and full maintenance. Mr. Nilsen stated they guarantee 24x7 on the software. They look at every three to four years for hardware replacement as part of the service. It is included in the cost and there is no additional cost to the City. It also covers training and support. Mrs. Klinger asked how the credit would be calculated if another entity comes on board. Mr. Nilsen stated it would first be approved by the Board of Directors and passed by the general assembly to make modifications to the agreement. The cost is then divided by the number of participants. Mrs. Klinger asked how the City found this entity. Mr. Konich stated they have looked at five or six vendors over the past five years. All of them required that the City purchase the equipment and buy licenses and maintenance, which was too expensive. He was never able to justify that cost.

Mr. Walters moved to bring out A-24 with a favorable recommendation, second by Mr. Iula. Motion passed (3-0).

The meeting adjourned at 7:31 p.m.