

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
June 21, 2010

Members: Kathy Hummel, Chair
Don Walters
Carol Klinger

Mrs. Hummel called the meeting to order at 6:35 p.m. All members were present.

The minutes from the May 17, 2010, May 24, 2010 and June 14, 2010 committee meetings were approved as submitted.

Legislation Discussed:

Temp. Ord. A-72
Temp. Ord. A-73
Temp. Ord. A-74
Temp. Ord. A-75
Temp. Ord. A-78

Discussion

Temp. Ord. A-72

An ordinance authorizing the sale of unneeded, unfit or obsolete personal property, including vehicles and equipment, owned by the City by internet auction, auction or consignment and declaring an emergency.

Bill Lohan stated that one of the pontoon boats continues to experience problems and has been repaired many times. The repair company is located on Portage Lakes and the boat runs fine when they test it there but when it is put back into the river, it does not. It has a different type of intake so that configuration will not work on the river. The company from which the boat was purchased will resell it for the City. Out of the sale price, the company will take whatever costs it puts into repairing the boat and send the balance to the City. There will still be the other boat. Mrs. Hummel asked if the schedule will work with just one boat. Mr. Lohan stated he received word that the additional dams may be moved or removed from the river at some point. Until he has heard for sure, they will place the money from the resell into escrow and wait to see what happens. Ed Stewart will be attending a meeting tomorrow to find out if the City needs to change what is offered on the river. In the meantime, they will stay with one boat, which is operating fine. It is the older of the two but is functioning fine. Mrs. Hummel asked how much has been invested in repairs on the incapacitated boat. Mr. Lohan could not recall. Mr. Stewart stated it is a few hours of repairs plus storage, and also any cost necessary to remove any City identification. They estimate it will sell around \$15,000. The boat is three years old.

Committee recommended bringing out Temp. Ord. A-72.

Temp. Ord. A-73

An ordinance authorizing the Director of Public Service to enter into a contract and/or contracts for tree services for a period of two years, and declaring an emergency.

Rod Troxell, Assistant Superintendent of the Electric Department stated that the City has had a contract with Asplin for the past two years. They submitted another bid for the next contract for the same amount. There were three other companies who submitted bids—Nelson, Vancurren and Davey. Davey had the next lowest bid which was \$100,000 more than Asplin. Mrs. Hummel stated that Asplin does a nice job and is familiar with the community. Mr. Troxell added they've been with the City since January, 1994.

Mrs. Klinger asked if there had been any change in the scope of work from contract to contract. Mr. Troxell stated there had not. Mrs. Hummel commented that this was budgeted. The estimated cost was \$550,000 and last year's contract was \$535,000. Mrs. Pyke asked if the City was cutting around any of the phone lines. Mr. Troxell stated they do not do cable or phone. AT&T does its own lines and Time Warner does its own.

Committee recommended bringing out Temp. Ord. A-73.

Temp. Ord. A-74

An ordinance eliminating biweekly pay for the members of the Civil Service Commission, and declaring an emergency.

Mrs. Pyke started by reading the first Whereas clause. She called other cities. This is the only commission that gets paid. She recognizes the hard work they do but we are in hard times and everyone at the City has been challenged to find money. She brought this up during budget and was told to address it by ordinance. Mrs. Colavecchio asked what the respective expiring terms were of Commission members. Mrs. Pyke stated she did not look at the details of any individuals. She looked at this strictly from a financial standpoint. Mrs. Colavecchio asked whether the terms were staggered and how long members had been serving. Mr. Arrington stated he believed they were staggered but didn't know what they were. Mrs. Pyke added she did not know how long each member had been serving. Mr. Mader asked why this was the only commission receiving any funding compared to the other commissions. Mr. Brodzinski stated it started years ago. Over the years, it has gone back and forth. Mayor Robart thanked Mrs. Pyke for helping. The City is going to have budgetary issues this fall, and his suspicion is they will have a lot of tough decisions to make. Commission members are paid \$300 a month. It is difficult to get a quorum on larger commissions. This commission has only three members. Of all the commissions, it is the only one that is not a referral agency to Council. It is a stand-alone. The next event after the Civil Service Commission is court. Members get deposed and are called into court to testify. To treat them like the other boards and commission is a mistake. It has always been a paid service. He is concerned that if the compensation is eliminated, people may not put themselves on the line on just a volunteer-basis. For the \$12,000, he feels it would be a major mistake to eliminate it. Mr. Arrington added that the Civil Service Commission runs tests and hears appeals for disciplinary actions. The City has disciplinary matters with union employees that go before arbitrators and the arbitrators are paid \$2,500 per case. Commission members do the same thing but for much less. He contacted law directors throughout the state and found that overall, there are no standards. A few communities pay nothing, some pay something. Akron pays \$366 based on ten hours of work. Another municipality pays \$100 a year. Another has the pay established at whatever level is needed to make it one year of PERS service. It is not unusual to pay members or unusual not to. Mrs. Hummel asked if members were paid whether they attended the meetings or not. Mr. Brodzinski stated they were paid biweekly regardless of whether they attended the meeting or not. Mrs. Pyke felt the timing was perfect to deal with this now. We have come half the year and are not muddled by other decisions right now. There have been 12 meetings so far this year. Brunswick pays \$55 per meeting; Barberton \$250 per month; Brecksville, Beachwood and Stow do not pay anything; neither does Bay Village but it does have a secretary. She was challenged to find ways to cut costs. She was surprised Commission members made \$12,000 a year. Mr. Brodzinski stated that is what it is when you factor in Medicare and PERS. Mrs. Pyke stated they are basically the only part-time salaried individuals within the City. Mrs. Colavecchio stated she is concerned that the rug would be yanked from under these individuals by changing the terms midstream. She proposed an amendment by doing away with compensation as their respective terms expire because no one is guaranteed an additional term. Mrs. Pyke respected that but pointed out that the City told the unions they had to cut. She is looking at this City-wide. Mrs. Colavecchio stated the unions and non-unions convened and had a meeting and made a decision to participate or not. She suggested that perhaps the Commission could pursue this avenue, as well. Mrs. Pyke stated that would be the ideal situation. Mr. Rubino asked what the procedure would be to table an ordinance. Mrs. Hummel stated this would be held in committee to be

discussed again, which is her inclination at this point. If this were held, Commission members would be aware of this conversation and, perhaps, they could choose to make some concession that Council could live with. She agrees with Mrs. Colavecchio's suggestion of phasing it in based on when terms expire. She also sees Mrs. Pyke's point in bringing this up now. Mr. Rubino asked about the difference between holding the legislation and tabling it. Mrs. Hummel stated it would be tabled at a Council meeting and then Council would move to bring it off the table. Holding it in committee allows Council to talk about it whenever it chooses. Mr. Lula stated he has been a part of the Board of Zoning Appeals for three years. It has seven members who were all volunteers. There were a lot of meetings and they had a hard time getting four people for a quorum. He is not sure if pay is the incentive or not. Mrs. Pyke stated that the three current members were wonderful people and did not feel they did it for the money. That is not what this is aimed at. Mr. Barnhart stated he would be against this ordinance as it is presented. He feels the City may find it difficult to find quality people to take on this type of responsibility. For the meager amount they are being paid, it is well deserved. It could end up costing the City more if there is not a Commission due to the removal of any incentive.

Deborah Graef, 225-1 West Portage Trail Extension, stated she is the current Chairman of the Civil Service Commission. She is proud to be on this Commission and has done so since she was first asked to serve eight years ago. She is stunned by this legislation. She understands there are budgetary concerns. When it comes to testing facilities and agencies doing the testing, they have surveyed other towns and cities in Northeast Ohio to see what departments and jobs they use Civil Service for and what agencies they use. They contacted all of the testing facilities. Some they have used, others they were not aware existed. They have files on all of them. They have been very budget conscious about choosing facilities, and have cut back on testing facilities. They are using alternate methods such as the department submitting 200 questions and the Commission picking 100 of those. That has saved several thousand dollars. They administer and grade the exams and give the results to the Law Department. They also have done a new matrix system testing. They do not sit around and wait for their bimonthly meetings. They are supposed to have six meetings a year. To date, they have had 12 and have five tests scheduled this summer. They give up their time to serve on this Commission. With regard to attendance, 99% of the time all three of them are in attendance, even if it is a special meeting that takes only 15 minutes. They made a commitment to give tests when requested versus making the City wait until the next meeting. They have also cut back on advertising costs. She said Council could take her money away but it makes her feel good when she is valued.

Mrs. Hummel asked to have this legislation held for two weeks. She asked Mrs. Graef if the Commission would be meeting during the next two-week period. Mrs. Graef was not sure. They have five tests coming up. Mrs. Hummel asked that the Commission have some conversation among its members to see if there is a willingness to adjust compensation voluntarily. If they decide not to, that is fine. She felt an amendment to address the issues raised by Mrs. Colavecchio is reasonable that the members have the compensation for the rest of their term. Then, subsequent members being appointed would know it is on a volunteer-basis. Mrs. Klinger asked for a list of the members, their terms and when they expire before the next meeting. Mrs. Colavecchio added it would be helpful if Mr. Brodzinski could give Council the budget numbers for the Commission which would also show the savings passed on to the City for 2009 and 2010. Mr. Brodzinski stated the numbers may not show what she is looking for because some years there may have been a police department test which is huge but he would work on that. Mr. Arrington stated that every year is unique so it is difficult to show savings. They would not show up on a spreadsheet. Mrs. Klinger stated if you look at the Other Operations line, it was \$15,700 in 2008 and \$8,500 in 2009. It is \$279 in April and there are five tests coming up so that number will change significantly. Mrs. Hummel stated this legislation will be held if that is acceptable to the Committee. Mr. Brodzinski asked if he still needed to put together the information. He added that they took steps years ago to eliminate the secretary. Anything he runs will not show the types of savings that Council is looking for. Mrs. Klinger added that in 2007, the number was \$4,908 so the numbers jump all over the place. Mrs. Carr stated she has worked with the Commission quite a bit. She understands the difficulty

to get a tangible number. They are using provisional publications and websites which are free to advertise in. Using the newspaper costs a couple hundred dollars. Sometimes she cannot wait until July for tests. Every time they ask for a meeting, the Commission accommodates them. Mrs. Hummel stated if there was a way to make the numbers understandable from year to year based on the number of tests and number of people who take tests, that would be appreciated. Mrs. Colavecchio told Mrs. Graef what she has said on Council floor is great and asked if she could condense that to show how she arrived at the savings figures.

Committee recommended holding Temp. Ord. A-74.

Temp. Ord. A-75

An ordinance amending Sections 947.02 and 947.06 of the Codified Ordinances and declaring an emergency

Chief Moledor stated this is a proposal to raise ambulance rates. He distributed a handout that showed where the City was compared to others in the County. He said 34.4% of calls they receive are for Basic Life Support. He recommends raising that from \$350 to \$450. 65% of calls are for Advanced Life Support and recommends raising that from \$445 to \$550. The remaining 0.6% are for Advanced Life Support 2 which are the most severe. He recommends increasing that to \$650 from \$590. In 2009, they billed a little over \$2 million and collected \$1.5 million, which is a 75% collection rate. They have not increased the rates since 2004. He is also asking for an increase in mileage from \$7.50 to \$10 from the scene to the hospital. They expect these increases to generate an additional \$130,000 to \$150,000 in revenue each year. As far as Medicare is concerned, 54% of ambulance calls are paid through Medicare. Of those, 23% have insurance, 5% are self-pay and 18% are non-residents. How the increase will affect Medicare rates is as follows: ALS2 will be \$600 which will be an increase of \$1.50 on the bill; ALS has a \$75.60 Medicare co-pay, which means that charge stays the same; BLS has a co-pay of \$63.66 which means it, too, has no increase. Based on this, he feels that now is the right time to increase the rates.

Mrs. Hummel asked what was happening to the other \$500,000 that was billed but not collected. Chief Moledor stated they are using the Law Department and a billing agency. Some insurance companies pay the patient for ambulance services vs. sending it to the City. They are trying to get that money back from those people because they were issued the check. Most collection agencies will get a 5% or 7% return on the money so they would be looking at \$15,000 at best and they are not sure they would be able to go after that because information may be wrong and people may have moved. Mrs. Hummel asked if the whole amount was from people who are paid by insurance and then do not turn it over to the City. Chief Moledor stated it was not all due to that but that some people just will not pay, but they want to at least go after the people they know received the money. Mrs. Hummel stated she is not opposed to an increase. It seems to be in line with what other cities are charging. Her only hesitation is to say go ahead and then we are part of the health care problem that continues to roll and just gets bigger. Mrs. Klinger asked what the Medicare impact was on the mileage. Chief Moledor stated it is rolled into the bill and is in the totals he gave. He did not break it out. Mr. Mader asked if the collection agency that the City uses is the vehicle that does the work or do the people have to do it. Sometimes a resident gets put in the middle between the insurance company and a collection agency. He wanted to know if the City's agency does the leg work to determine who actually owes the money. Chief Moledor stated most likely it is Life Force Management who does the billing. They do the leg work and work with people to set up payment plans. A collection agency is only for that specific purpose or they use the Law Department. He is trying to determine which is the better way to go. Mr. Barnhart stated his medical providers have his insurance information and bill directly. He asked why the City takes the approach where people get reimbursed. Mr. Brodzinski stated they have been working with this agency for years, and it is up-to-date with new codes. They keep seven percent of collection. He could not imagine what it would take to do collection in-house. Mr. Barnhart asked if they bill the insurance company. Mr. Brodzinski stated if someone is transported through the City, that individual owes the fee to the City. He does not know if that individual

has insurance. Sometimes, the insurance companies pay the individual instead of the City because that insurance company wants the City to become part of its network and accept 60% as payment. They would send the check to the City in that instance. If not, they send the check to the customer. It also depends on the condition of the patient. Sometimes people cannot give insurance information. Mr. Arrington stated they looked at whether it would be better to join the networks but it is such a high discount that they found it is better to lose a little in what they have done than to join. Mr. Walters asked when the City began charging for transport. Mr. Brodzinski stated it was in 1999.

Mrs. Colavecchio asked if there was a way to determine how much of the \$500,000 was attributed to Silver Lake residents and how much to City residents. Chief Moledor stated it is not broken down like that. They are looking at it as a total. Also, if someone is transported ten times, he is still just one account. They have people who use the system frequently. Mrs. Colavecchio stated the City has a contract to provide service to Silver Lake and asked if the City had recourse to bill them for any past due amounts. Mr. Brodzinski indicated the City did not. Silver Lake does not have a collection issue. An accident in Silver Lake by someone living in another city could happen. There are also some people who are just lonely and want to go to a hospital. Years ago, they used to call a cab for them. Mrs. Pyke confirmed that the City is still doing soft collections. Chief Moledor stated they were but added there is strong wording in the letters that they should pay or the City will do "X." It has more of an effect if it is coming from the Law Department or a collection agency. Mrs. Pyke asked how many letters have been sent by the Law Department about the EMS portion. Mr. Arrington did not know. There was a memo earlier in the year from Ms. Jones which stated that 25 letters went out in January. Response was small from that letter. Chief Moledor added that the Law Department had over 300 accounts and has been sending out letters. Mrs. Pyke asked whether Ms. Jones was the contact in the Law Department. Mr. Arrington stated it was. Mrs. Pyke stated she was on the original EMS Transport Committee, and asked why the Committee didn't have to write those bills off. Mr. Arrington stated that would be done by the EMS Board of Review. Mrs. Pyke asked when the last time the Board met was. Mr. Arrington stated it was about nine months ago. She thought the purpose of why the Board was set up was so that the City could get rid of this by indicating who could not pay or who could not be contacted. She asked if there was a reason to have this Board if they were not meeting. Mr. Arrington stated he would have to look at the ordinance more closely. If the goal is to write off bills, it needs to meet more frequently. He added that it is not that the City is not going after the past due bills, it's just that it is going after them more gently. Mrs. Pyke felt that if someone received the check from the insurance company and spent it instead of sending it to the City, those accounts should go to hard collection. Mr. Arrington did not disagree with that. They are taking some action to try to get the money. They are not taking them to Court. As part of the budget-cutting process two years ago, the Law Department got out of the collections business. At that time, they had two part-time lawyers who did collections. Those positions were eliminated and the City hired an outside agency. They felt it would be better to pay the seven percent to a collection agency than to pay an attorney a salary whether he collected or not. Mrs. Pyke felt it made sense to increase the transport fees. The charges will be more in line with Medicare. However, she would like to see the EMS Board of Review meet again. It is important for them to do write-offs of those bills. Mr. Rubino asked what amount would be written off. He stated he was on that Board. Mrs. Pyke would like the Board to look at the \$500,000 and determine which of them can be collected and which should go to hard collections. Bills for senior citizens who cannot make the payment would require a write-off. There was also a file of bills that current addresses could not be located for those individuals so those were written off as well. Mr. Brodzinski stated they would look at those at the end of the month. The case of a potential hardship or someone from California giving a bogus address can be written off. But it does no damage not to write-off. He is aware that Mrs. Pyke has a passion for writing those off. He has a passion for hard collection. Mr. Rubino asked if the Board of Review would have to look at the bills on a name-by-name basis. Mr. Brodzinski stated they would be grouped together.

Mrs. Klinger asked about the language in Line 41. Mrs. Hummel stated it was with regard to a change in format in distribution of collection. She asked if this was for General Fund – Fire Department Expense.

Mr. Brodzinski stated it was revenue going into the General Fund under line item Fire. Mrs. Hummel wanted confirmation that it would be for use by the Fire Department. The initial intent of this was to pay for capital purchases with money collected for the Fire Department. She asked if the language needed to be clarified to indicate it was to offset Fire Department expenses. Mr. Brodzinski was not sure it would help because it goes into the General Fund revenue. Mrs. Hummel asked how they came up with 10%. Mr. Brodzinski stated he would work on that. He added that it would never get to a point whether the money goes to another department. Mrs. Hummel stated this collection was set up to off-set capital costs in the Fire Department. Now, a change is being made by reallocating 10% or \$150,000 to the General Fund. She wanted some assurance it is going to offset Fire Department costs and asked if that was what Mr. Brodzinski was saying. Mr. Brodzinski replied "absolutely."

Committee recommended bringing out Temp. Ord. A-75.

Temp. Ord. A-78

An ordinance creating the positions of Water Distribution Manager and Sewer Collections Manager and eliminating the positions of Water Utilities Maintenance Supervisor and Assistant Water Utilities Superintendent in the Department of Water Utilities and eliminating the position of Storm Water Administrator in the Department of Building and amending the report on staffing for 2010, and declaring an emergency.

Mrs. Carr stated that for the last two years, they looked at potential organizational changes within the Water Department. However, the last few months became crucial due to several vacancies. She has a list of retirements that have happened or will happen. In Water, they will lose five people on that list and also vacancies due to a discipline issue, a disability and one more potential disability. Staffing in Water is at a critical level. They have also lost an operator to a job in Georgia. Instead of backfilling the positions, the guys have changed their schedules around to avoid overtime. Whenever there are people within the City who are interested in vacant positions, she is an advocate of promoting from within. They went to the Civil Service Commission in June and received approval for the elimination of three positions (Assistant Water Superintendent, Water Utilities Maintenance Supervisor and Storm Water Administrator) and the approval of establishing two new positions (Water Distribution Manager and Sewer Collections Manager). Fred Williams will transfer to Water Distribution Manager, and Russ Kring will transfer to Sewer Collections Manager. Both have EPA licenses and have proven themselves with the public and within the Department. By eliminating the three positions and going to the two positions, there will be \$60,000 in savings. That is a very conservative figure. It does not include benefits. Mr. Mader stated he was excited about the fact that the sewer end will be combined with Russ. He has been strapped as a one-man function. It is difficult to address the needs in his Ward. Now, Mr. Kring will have people he can direct to get with the residents. He is in favor of this change. Mrs. Hummel asked for clarification in Section 1 regarding the language about nonbargaining classified exempt positions and the next section which talks about nonbargaining classified positions. She asked whether the new positions were exempt. There was no reference in Section 2 that they were exempt. Mrs. Carr stated they had had an analysis done to compare the duties of the job and whether it should be exempt or nonexempt. It showed very clearly they are exempt. Both men are aware these are exempt positions and understand why that should be. Fred was previously in the union so he was not exempt in that position.

Committee recommended bringing out Temp. Ord. A-78.

Meeting adjourned at 8:20 p.m.