

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
July 1, 2013

Members: Carol Klinger, Chair
Jerry James
Vince Rubino

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

The minutes from the June 17, 2013 Committee meeting were approved as submitted.

Legislation Discussed:

Sub. Temp. Ord. B-35 (dated 7-1-13)

Discussion

Sub. Temp. Ord. B-35 (dated 7-1-13)

An ordinance authorizing the Park and Recreation Board to enter into contracts without competitive bidding for the lease and maintenance of golf carts for Brookledge Golf Club, and declaring an emergency.

Mr. Lohan stated they went out for competitive bidding and received two bids—one from Lake Erie Golf Carts LLC, whose bid was \$418,000 for five years, and the other from Southeast Golf Carts, whose bid was \$351,000, or \$75,300 annually which is \$13,300 less than Lake Erie's bid. With Southeast's bid, two contracts must be signed: one is with Southeast for the carts and maintenance, and the other is with PNC Bank to make the payments to. Since the City will be entering into the two contracts to receive the carts and to pay the agent, Mr. Janis felt the legislation needed to be rewritten. PNC is not a party to the contract but is only the financing arm. The company will keep the carts running. Normal wear and tear is covered by them. Once the contract is up, the company will keep the carts and the City is done. The lease is with the company and the company is directing the City to pay PNC. The City will sign the lease, receive the carts and make the payments to the bank. This is a method of funding Southeast's debt and is carried differently on their books. It does not matter to the City whether payment is made to the company or to the bank.

Mr. James moved to bring out Sub. Temp. Ord. B-35 with a favorable recommendation, second by Mr. Rubino. Motion passed (3-0).

Miscellaneous Business

Regarding Report 21, Mrs. Klinger stated that Mayor's Court is still down almost 9.9%, or \$18,000 to \$19,000. She was hopeful that the Chief's new program will improve that. In operating transfer-in, she noted that the kilowatt tax is up. Mr. Brodzinski stated that was a timing issue. It was budgeted for \$1,792,000. Income tax is up \$234,000 per budget, which is 2.5%. Over the course of the whole year, that is an additional \$300,000 to \$325,000. Most is indirect which includes net profit. Withholding is slightly down. January, February and May were down but March and April were up. He did not think it would continue to grow. Mrs. Klinger commented that Personnel Services under Street Construction Maintenance and Repair is also higher than last year. Mr. Brodzinski stated he does not anticipate going over budget but will look into it. Mrs. Klinger noted that in the Sewer and Water Fund, sewer charges for services are down 6.2% but it was up \$74,000 in the water fund. Mr. Brodzinski replied that those two accounts go hand-in-hand and pointed out that included in the charge is a surcharge and that is what is

down vs. last year for sewer. Also, the City does the billing off reports it receives from the County and then sends it to Tallmadge to pay. That is a timing issue of about \$50,000. In 2011, there were issues with the County so those bills did not get paid until 2012. Mrs. Klinger stated that Leisure Time continues to be down \$94,000 but she noted expenditures are also down \$64,000 so things are within margin. Mr. Brodzinski stated there is also a timing issue with the soda vendor invoicing that usually comes in May but this year it came in June. This report just compares to where we were last year. Waterworks is up \$4,000. Obviously, good weather in June helped but, per the budget, it is still up.

The meeting adjourned at 7:05 p.m.