

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
July 20, 2009

Members: Don Walters, Chair
Debbie Ritzinger
Carol Klinger

Mr. Walters called the meeting to order at 7:10 p.m. All committee members were present.

The minutes from the June 15, 2009 and June 22, 2009 committee meetings were approved as submitted.

Legislation to be Discussed:

Temp. Ord. B-64
Temp. Ord. B-65
Temp. Ord. B-66

Discussion:

Temp. Ord. B-64

An ordinance providing for the issuance and sale of not to exceed \$11,000,000 principal amount of notes, in anticipation of the issuance of bonds, for the purpose of revitalizing the State Road Redevelopment Area by acquiring, clearing and improving certain properties in that area, and declaring an emergency.

Mr. Brodzinski stated that last year, the City borrowed \$11,000,000 in August to purchase the State Road Shopping Center. The note comes due this August. They are going to reissue the note up to a maximum of \$11,000,000. They will be paying down slightly so it will now be approximately \$10.6 million. Mr. Walters asked if the proceeds from the sale of the shopping center would be used to pay down the total. Mr. Brodzinski stated it would. The Development Agreement has not yet been finalized but they do anticipate a transfer that will probably occur next year. They will take those proceeds and pay down on the notes that are outstanding. Mrs. Klinger asked about the \$28,000 in legal fees. Mr. Brodzinski stated they will be charged to Capital Projects Fund, which is the fund the note came from. Mrs. Klinger asked whether it was budgeted. Mr. Brodzinski stated it was not but what ends up happening when they issue notes is they get a premium that carries over and the fee is rolled into it. They also will be paying down on the note so there is room. Mrs. Klinger asked about the ancillary costs. Mr. Brodzinski stated they are \$8,000 to \$10,000. Mrs. Klinger stated for future reference, she would like to see a budget sheet for these types of ancillary costs because they are buried in the legislation.

Committee recommended bringing out Temp. Ord. B-65.

Temp. Ord. B-65

An ordinance authorizing the Park and Recreation Board to extend its contract for the lease of golf carts, and declaring an emergency.

Mr. Lohan stated that Parks & Rec entered into a three-year lease five years ago. Two years ago, they bought an extension of that lease. They are now five years into the carts. They were looking at a \$23,000 increase to replace the fleet. However, they have been in contact with the company who produces these carts and have discovered that a fleet of what the City needs has become available. These carts have canopies, windshields and a rain cover. The rate will be the same for the next three years. The batteries on these carts are only one year old. Mr. Walters stated it is good when you can upgrade at no additional cost.

Mr. Lohan added that with the improvements being made at the golf course, newer carts will add to the nice, new appearance.

Committee recommended bringing out Temp. Ord. B-65.

Temp. Ord. B-66

An ordinance authorizing the Director of Finance to increase appropriations in the SCMR Fund and General Fund and declaring an emergency.

Mr. Novak stated that the City budgeted salt for an average winter but last year ended up being a horrendous season and there is still November and December yet. Current salt prices are effective until September 8, at which time it is expected to increase \$10 - \$13 per ton, which comes out to a 23% to 30% increase over current prices. He would like to purchase salt off the existing contract at \$43.57 per ton. Mr. Novak stated the contract gave a cap of how much they could buy and they could not exceed that amount. Because of last year's salt shortage, municipalities were limited to 12,000 tons. However, 15,000 tons of salt has become available. He requested 5,000 tons and should find out in August how much of that the City will get. There is storage capacity. Mr. Walters stated paying a lower price is always the City's goal. Mrs. Klinger commented that the City would be paying \$200,000 more on salt than was budgeted even though it is a more favorable price. Mr. Novak stated they are looking now while it is at a lower cost. Mrs. Klinger asked where the money would come from. Mr. Brodzinski stated it would come from the General Fund balance. Mrs. Klinger stated they also have a revenue short-fall coming from the General Fund. Mr. Brodzinski stated a piece of it will. Department-wise, they are looking at \$470,000 to \$500,000 under budget on departmental expenses. Also, property tax was budgeted conservatively low so they are looking at an additional \$300,000 there. He also budgeted the state tax low and may be looking at another \$300,000 from that. Mrs. Klinger stated she would like to see the revisions made by appropriation. She would like to see another line item adjusted as well. Mr. Brodzinski stated Mr. Walters has asked for the same via e-mail. Mr. Brodzinski stated that, per the charter, the budget must be amended if appropriations exceed revenue plus any carryover balances from the previous year. The City has not exceeded that at this time. Mrs. Klinger stated she understood that but there is no guarantee. She asked if Mr. Brodzinski was saying he would not spend the money. Mr. Brodzinski stated that the money will not be spent.

Committee recommended bringing out Temp. Ord. B-66.

Mrs. Hummel asked if Report 21 was available for June. Mr. Brodzinski stated it was and he would be sending it out to Council members tomorrow. Mrs. Hummel requested that a hard copy be mailed to her.

Committee adjourned at 7:27 p.m.