

Cuyahoga Falls City Council
Minutes of the Public Improvements Committee Meeting
September 7, 2010

Members: Don Walters, Chair
Mark Ihasz
Terry Mader

Mr. Walters called the meeting to order at 6:45 p.m. All members were present.

The minutes from the July 19, 2010 and July 26, 2010 committee meetings were approved as submitted.

Legislation Discussed

Temp. Ord. A-107

Discussion

Temp. Ord. A-107

An ordinance authorizing the Director of Development to enter into a contract, and/or contracts, according to law, to facilitate environmental assessment and remediation activities at the property located at 1110-1130 Portage Trail and declaring an emergency.

Mrs. Truby stated this was for property located at 1110 and 1113 Portage Trail which has been vacant for the past several years. The City negotiated an agreement to purchase the property and then applied for, and received, a \$155,250 grant from the Clean Ohio Fund. That money will be used to conduct Phase II environmental testing. This ordinance will permit the appropriation of funds to permit Phase II. It will include soil boring and asbestos detection. She added there were no other bidders for the property, and the City negotiated a price under \$25,000 which will be in another ordinance. This location is not too far from Portage Crossing. Mr. Walters thought there would have been more interest in the property knowing what is coming down Portage Trail. He asked if the money would be added to the grant. Mrs. Truby stated the money the City received as a grant will not be reflected in the purchase price. Mrs. Pyke asked how long it will take for the assessment. Mrs. Truby stated it would be four to six weeks. Demolition should take place by the end of the year. They are also talking to Clear Channel regarding the billboard.

Committee recommended bringing out Temp. Ord. A-107.

Mrs. Carr stated that before the August break, she mentioned the City would be reviewing the rate study for electric service. Mark Beauchamp is present this evening and gave a short presentation regarding the study.

Mrs. Klinger asked about the capital improvements that affect the numbers in the study. Mr. Beauchamp stated they anticipated some small bond issues to fund the capital improvements. They estimated \$1 million in 2011, \$500,000 in 2012 and \$2 million in 2013. Mrs. Carr stated she would provide the Five Year Capital Plan which would show the detail. Mr. Beauchamp stated the City's cost of service numbers came out really good. The recommendation is to focus on the monthly customer charge (currently \$1.71; should be \$9.82) and to move away from the declining block rate structure, which is the more you use electricity, the cost goes down, and move toward inclining rate structure. Basically, the study does not recommend any rate increases until 2013. It does recommend the City adopting a cash reserve policy to

establish a minimum cash reserve. Mrs. Klinger asked if there was a written list showing the percentages used for the cash reserve calculation. Mr. Beauchamp stated there is. Mr. Walters commented on the projected increases in 2013 and 2014 and asked if that would be done in each year. Mr. Beauchamp stated there is some needed in each year but, on the years requiring smaller amounts, those could be delayed to another year. Electric prices are going to go up. How much will depend on capital improvements and growth. He added that the study mainly focused on residential users. Mrs. Carr added that this study will give them a guide to compare against each year to see how the City is doing. They will look at things closer in 2013. Mr. Beauchamp stated that the study needs to be updated on an annual basis. Once you get four or five years out, there are too many variables that can affect things. Mrs. Klinger asked what the cost assumption was. Mr. Beauchamp stated it was 3.5% inflation. Mrs. Colavecchio asked if all assumptions were based on the City using rolling cost averaging. Mr. Beauchamp stated he evaluated the power cost adjustment. It is a good method. One of the big negatives was not a fault in the method but was a fault in the calculation. Mrs. Hummel asked if they took into account the J. Aaron portion that caused the PCF to go up in the past 12 months. Mr. Beauchamp indicated they did. Mrs. Carr confirmed that the other portion was collected in 2009. Mr. Beauchamp indicated the collection of that should be completed in March, 2011. Mrs. Carr confirmed that was correct. She will probably give another update based upon the past two hot months. Mrs. Hummel stated there had been some discussion about doing away with the PCF. Mrs. Carr indicated that was why they had Mr. Beauchamp look at it to see if it is correct and she feels he validated that.

Meeting adjourned at 7:20 p.m.