

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
October 20, 2008

Members: Don Walters, Chair
Debbie Ritzinger
Carol Klinger

Mr. Walters called the meeting to order at 8:15 p.m. All members were present.

Mr. Walters stated the legislation will be discussed a little out of order.

Legislation Discussed

Temp. Ord. A-104
Temp. Ord. A-105
Temp. Ord. A-106
Temp. Ord. A-107
Temp. Ord. A-108
Temp. Ord. A-109
Temp. Res. A-110
Temp. Ord. A-111

Discussion

Temp. Ord. A-104

An ordinance providing for the issuance and sale of \$1,000,000 notes, in anticipation of the issuance of bonds, for the purpose of constructing a public festival site to be known as falls river square, including an amphitheatre, pavilion, outdoor ice skating area and water fountain and related improvements, and declaring an emergency.

Mr. Brodzinski stated that Ordinances 104-108 deal with old project money—none is new money. With A-104 regarding Falls River Square, they are paying down \$400,000 of notes. It will be going from \$1.4 million to \$1 million. This was budgeted at the beginning of the year.

Mr. Walters stated that the interest rates for notes are still better than those for bonds, and asked what the rate would be for these notes. Mr. Brodzinski stated he did not know but agreed that it will be better than for bonds. The rate is 2.5% - 3.0% right now. The City will be doing an official statement to bring the financing more up-to-date. They will be doing a conference call with Moody's to get a MIG-1 rating. He stated the City is not in bad shape due to the favorable bond rating it has with Moody's. It is a solid rating. Mr. Walters asked how the City would know when to make the jump to bonds. Mr. Brodzinski stated the notes are done through Wachovia who has people working the desk. The City puts out a tentative date but if the market changes, it can act quickly.

Mrs. Klinger asked if the City had any debt covenants (which she defined as financial statements that would not allow the City to meet its debt covenants) that may be at risk. Mr. Brodzinski indicated there were none. Mrs. Klinger asked for a summary of what the banks expect the City to meet.

Committee recommended bringing out Temp. Ord. A-104.

Temp. Ord. A-106

An ordinance providing for the issuance and sale of \$300,000 notes, in anticipation of the issuance of bonds, for the purpose of improving State Road from the south corporation line to Portage Trail, including by constructing or installing concrete curbs, catch basins, storm sewers where required, roadway asphalt, concrete driveway aprons and concrete sidewalks, traffic signalization and control, and signage where required, together with necessary appurtenances thereto, and declaring an emergency.

Mr. Brodzinski stated this is budgeted to pay down \$200,000 on the State Road note. It will be coming down from \$500,000 to \$300,000.

Committee recommended bringing out Temp. Ord. A-106.

Temp. Ord. A-107

An ordinance providing for the issuance and sale of \$400,000 notes, in anticipation of the issuance of bonds, for the purpose of paying costs of constructing sanitary sewer lines in Kellybrook Drive and Antoinette Drive and of constructing sanitary sewer lines in Monroe Falls Avenue as part of the Second Street and Vincent Street combined sewer separation project, together with, in each case, all appurtenances relating thereto, and declaring an emergency.

Mr. Brodzinski stated they are paying this down from \$900,000 to \$400,000.

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

Temp. Ord. A-108

An ordinance providing for the issuance and sale of \$1,000,000 notes, in anticipation of the issuance of bonds, for the purpose of improving Front Street from State Route 8 to Oakpark Boulevard, Hudson Drive from Front Street to State Route 8, and Bailey Road in and around its intersection with Front Street, by widening the pavement and constructing or reconstructing curbs, sidewalks, and driveway approaches, and installing traffic signalization, sanitary and storm sewers and water lines, where necessary, together with all necessary appurtenances and related improvements thereto, and acquiring real estate and interests in real estate therefor, and declaring an emergency.

Mr. Brodzinski stated this is being paid down from \$1,250,000 to \$1,000,000.

Committee recommended bringing out Temp. Ord. A-108.

Temp. Ord. A-105

An ordinance providing for the issuance and sale of notes in the maximum principal amount of \$19,500,000, in anticipation of the issuance of bonds, for the purpose of paying a portion of the costs of constructing a community recreation center and acquiring real estate and interests in real estate therefor, and declaring an emergency.

Mr. Brodzinski stated this legislation states a maximum of \$19.5 million. In the 2008 budget, the City indicated they would be paying down \$400,000 on the notes for the Natatorium. Three years ago, Mr. Lohan budgeted the Natatorium in the 5 Year Plan. They are current mapping better than it looked. In the capital project funds this year, they anticipated the actual sale of the State Road Shopping Center would be in 2007. The debt reserve is set at \$1 million each year. They are asking to pay \$600,000 out of the debt reserve money for a total of \$1 million which would bring the total down to \$18.5 million. The wording of the ordinance is such so that Administration would not need to create a new ordinance should Council not agree to the additional payment.

Mr. Walters stated the Natatorium is self-supporting and contributes to the debt service. Mrs. Klinger stated the City hired a consultant to look at possible funding for this facility and asked what the result was. Mr. Brodzinski stated the consultant came up with three alternatives that were not advantageous for the City. Mrs. Klinger asked if an executive summary was available. Mr. Brodzinski stated he would give a copy to all of Council.

Bill Lohan stated the Natatorium has been extremely successful. They have been doing aggressive marketing and feels they are moving in the right direction. Mrs. Klinger asked if the Natatorium will be profitable outside of debt pay down. Mr. Brodzinski stated there will be excess operating revenue, exclusive of debt, of over \$800,000.

Committee recommended bringing out Temp. Ord. A-105.

Temp. Ord. A-109

An ordinance authorizing the Director of Finance to enter into a contract or contracts, according to law, for the purchase of paper for office use by various departments throughout the City and Cuyahoga Falls Municipal Court, and declaring an emergency.

John Konich stated they opened a purchase order the first of the year in the amount of \$25,000. Because of increases of 15 percent in costs, they will be asking for an additional \$5,000 that they will need by the end of the year. This would cover paper and envelopes.

Committee recommended bringing out Temp. Ord. A-109.

Temp. Res. A-110

A resolution accepting the amounts and rates as determined by the Budget Commission and authorizing the necessary tax levies and certifying them to the County Fiscal Officer, and declaring an emergency.

Mr. Brodzinski stated this is an annual ordinance that gives the County the authority to send the City its portion of property tax when it is collected.

Committee recommended bringing out Temp. Ord. A-110.

Temp. Ord. A-111

An ordinance authorizing the Mayor to enter into a collective bargaining agreement with Local 399 of the Utility Workers of America, AFL-CIO, effective from July 1, 2008 through December 31, 2010, and declaring an emergency.

Mr. Arrington stated they have just completed negotiations with the utility workers in the electric department. The City has historically had and continues to have an excellent relationship with this group. Negotiations were cordial and amicable. The union has ratified this contract. Raises will be 2.5% effective July 1, 2008; 2.25% January, 2009; and 2.25% in January, 2010. Increases are reflective of the economy, and he is grateful to the union for recognizing that.

Committee recommended bringing out Temp. Ord. A-111.

The meeting adjourned at 7:05 p.m.