

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
November 5, 2007

Members: Tim Gorbach, Chair
Jerry James
Carol Klinger

Mr. Gorbach called the meeting to order at 6:18 p.m. All members were present.

The minutes from the October 15, 2007 and October 22, 2007 Finance Committee meetings were approved as submitted.

Legislation Considered

Temp. Ord. B-138
Temp. Ord. B-139
Temp. Ord. B-140
Temp. Ord. B-141
Temp. Ord. B-143

Discussion:

Temp. Ord. B-138

An ordinance authorizing the Mayor to enter into a contract with Finley Fire Equipment for weekly vehicle maintenance service, and declaring an emergency.

Paul Moledor stated this was a new contract with Finley Fire Equipment for \$31,280. They have a mechanic come once a week to the station to perform maintenance on the trucks. This is the tenth year for this program.

Mr. Gorbach stated the Chief was always pleased with the work done by Finley. Mr. Moledor agreed they were an outstanding company to deal with. It is a benefit that they come to the fire stations vs. having to take the trucks out of service to go elsewhere. It also saves money in the long run by doing preventative maintenance.

Mr. Gorbach pointed out this was a slight increase but not enough to be alarmed about.

Committee recommended bringing out Temp. Ord. B-138.

Temp. Ord. B-139

An ordinance authorizing the Director of Public Service to enter into a project development agreement with Johnson Controls, and declaring an emergency.

Mrs. Carr stated they were looking at entering into an agreement with Johnson Controls to do work under H.B. 300, which allows self-funded programs to do energy-efficient projects such as replacing windows in the City building, making a change to more efficient lighting, etc. Savings for the projects will usually pay for the projects themselves. Johnson Controls does an analysis to find cost savings areas. Automated meter reading is one project that cities are doing under H.B. 300. It is an expensive project up front and H.B. 300 allows cities to go into a program that is self-funded. Two cities that recently did this are North Ridgeville (who used Johnson Controls) and Middletown. Automated meter reading (AMR) allows a city to move away from the manual process of reading meters. It also allows a city to set up specific due dates per customer

request. Other areas that can be done through H.B. 300 include solar and wind power and also building efficiency. She stated that representatives of Johnson Controls were present to answer questions.

Mr. Gorbach stated he spoke with Mr. Brodzinski. Johnson Controls is doing an analysis on various types of cost savings and will come back to Council with a list of potential cost-savings projects. Mrs. Carr added that the agreement was structured as a performance contract so if Johnson Controls is wrong, they pay. Mr. Gorbach stated he assumed Johnson Controls' fee would be absorbed into the cost savings and that the worst case scenario would be if the City decides to not pursue any of the projects, the fee was an amount not to exceed \$100,000.

Mark Havens of Johnson Controls stated this is a self-funded program. They will provide a report of a cost savings analysis that will list what they find and what those costs and paybacks are. They have done this with counties and governments throughout Ohio.

Mr. Gorbach asked about the timeframe to perform the analysis and report back to Administration. Mr. Havens stated they anticipate getting back to Administration and then coming back to Council in mid February for legislative action. The City would then have a specific timeframe in which to decide which projects it wished to pursue. He stated they may come up with a list that exceeds 30 or 40 measures and that the municipality typically chooses to accept a majority of those. Their choices are based on payback or needs. Mrs. Klinger asked what the standard payback was. Mr. Havens indicated it is usually ten years or less.

Mr. Walters asked with regard to AMR what the ballpark was per house for water and electric, and asked how those meters transmit. Mr. Havens stated they were still evaluating. A meter would report to transponders located at buildings and poles throughout the City which would then come in to Billing. He thought it would be \$300 to \$500 per meter.

Mrs. Hummel questioned why there was no language in the legislation regarding the fee being not to exceed \$100,000. Mrs. Carr stated there was no particular reason for it not being in there and would agree to adding it. Mrs. Hummel stated this is to be paid from water and electric fund under "other operations" and asked if it was budgeted in 2007 or 2008. Mrs. Carr stated it was not budgeted in 2007 but they plan to include it in 2008. They do not intend to spend any funds in 2007. She added that AMR is something they will probably be pursuing. They have been talking about it for over ten years. The City's software for the hand-held units will soon be obsolete so they need to move forward. Mrs. Hummel asked how many individuals currently did meter reading. Mrs. Carr stated there were five meter readers and one individual that does turn-ons and turn-offs. They always try to find other areas to place workers who may be displaced due to changes. She pointed out there will still be a need for people to fix things.

Mrs. Pyke stated it sounded like the City was getting ready to move to AMR. Mrs. Carr stated they are looking at that and H.B. 300 is a way to help the City get it. She plans to look at other things, too, but her main priority is the AMR system.

Mr. Gorbach felt a not-to-exceed amount needed to be included in the legislation but he didn't want to choke the project by including it. Mrs. Carr stated it would be fine because the \$100,000 was only if the City did not pursue any of the options. Mr. Arrington stated he would revise the legislation.

Mr. Gorbach stated that implementing AMR would certainly have a phase-in period and was concerned that affected employees may hear about this discussion. Mrs. Carr indicated they spoke with the employees approximately two weeks ago. She also reminded the union president that this legislation, which is the first piece of the process, would be discussed this evening. They have never laid off individuals due to a

technological change. Mr. Gorbach added that this piece of legislation does not mean the City is going forward with AMR but only doing a study. The City needs to be good stewards of the taxpayers' money.

Don Nelsch of North Haven Blvd. asked if the AMR would include water. Mr. Havens stated it would. Mrs. Carr added they contacted Dominion about working with the City to include their meters but so far they are not receptive. She intends to keep working at that.

Committee recommended bringing out Temp. Ord. B-139.

Temp. Ord. B-140

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the lease and/or purchase of a low entry cab and chassis for use in the Sanitation Division, and declaring an emergency.

Chuck Novak stated they had a planned purchase that was going to occur next year. However, he attended an equipment show recently and there was a cab and chassis that was a couple of years old and was for sale for \$68,000. If they purchased a cab and chassis next year, it would cost \$110,000. He had the City Superintendent look at it, as well as ACER, and he ran it through the equipment procurement committee. It has the same specs as the other trucks in the City's fleet. It is a 2005 that has never been used and would be a \$42,000 savings. He stated this would replace something else in the fleet but he was not sure exactly what at this time.

Committee recommended bringing out Temp. Ord. B-140.

Temp. Ord. B-141

An ordinance authorizing the City of Cuyahoga Falls, Ohio to become a member of, adopting the Code of Regulations of, and directing the Mayor to enter into the Membership Agreement, the Master Services and Consulting Agreement, and the Master Products Agreement with, the Northeast Ohio Sourcing Office, and declaring an emergency.

Mr. Arrington stated the City purchases supplies and goods from various companies. The Northeast Ohio Sourcing Office is another buyer in the group. It covers Northeast Ohio schools and communities and the prices are impressive. It costs nothing to become a member.

Mr. Gorbach asked if this gives different prices than the City gets from State bids. Mr. Arrington stated it would. Once this legislation is passed, the Northeast Ohio Sourcing Office would have a meeting to formally accept the City's contract. Mr. Gorbach hoped it would be in time for the City to take advantage of some savings in the budget process.

The Committee recommended bringing out Temp. Ord. B-141.

The meeting adjourned at 6:49 p.m.