

**Cuyahoga Falls City Council**  
**Finance Committee Meeting**  
**December 1, 2003**

Members: Mr. Gorbach, Chair  
Mr. Schmidt  
Mr. Barnhart

Mr. Gorbach called the Finance Committee to order at 6:20 p.m. Mr. Barnhart was absent.

Legislation Discussed

Temp. Subst. Ord. No. B-137  
Temp. Ord. No. B-164  
Temp. Ord. No. B-165  
Temp. Ord. No. B-166  
Temp. Ord. No. B-167  
Temp. Ord. No. B-168  
Temp. Ord. No. B-169

Temp. Ord. No. B-167.

Mr. Gorbach read B-167 (second reading). Mrs. Carr stated this is a voluntary program for residents and there is no financial obligation to the City. She introduced Pam Sullivan of Amp-Ohio who gave a short presentation. Ms. Sullivan stated this concerned green power electric energy produced from renewable sources, such as solar and wind. The cost is more expensive than traditional power plants. The customers buy a little more to offset cost which is a green tag. The green tag represents the contractual right that the customer is getting the benefit. They will enter into an agreement with Green Mountain Energy who will purchase the green tags. Customers will pay an additional 1.3¢ per kWh which amounts to approximately \$8 - \$10 per month. This would be added to the regular rate they pay now. Commercial accounts can buy 1 MWh in a block for \$13. It is a three-way program between Amp-Ohio, the City and Green Mountain with each having their own responsibilities and is a five-year contract. It provides renewable energy choice to customers and promotes growth of additional renewable energy assets in the region. Mr. Gorbach asked if customers could contribute a flat amount. Ms. Sullivan responded they could not because it is based on 100% of their usage. Mr. Flinn asked if the 1.3¢ would be constant for the five-year period. Ms. Sullivan stated it would. The agreement states the customer can be charged up to 1.5¢ but they have made it 1.3¢, and it goes to Green Mountain through Amp-Ohio. The reason they are not charging the full 1.5¢ is because the attorneys were concerned about price-setting. Mr. Schmidt asked what the \$25 per customer per year was for. Ms. Sullivan stated

it would be paid to Amp-Ohio for use in printing marketing materials, and radio and television ads. It is a one-time charge paid by Green Mountain. Mr. Schmidt asked how long the promotional program would continue. Ms. Sullivan stated it would be for five years and, at the end of that time, the parties would decide whether to continue the program. Mr. Schmidt asked what was being marketed. Ms. Sullivan stated it was the green pricing power program. Mrs. Carr acknowledged one would wonder why someone would volunteer to pay extra. Bowling Green had a 5% sign-up rate. There has been interest expressed in Cuyahoga Falls, which is considered a trend-setter. Amp-Ohio thinks this will be a good area for people to pay for research and development. Mr. Schmidt asked what times of the year the advertisements would be run. He was concerned about political ties to the ads. Mrs. Carr stated if he looked at the record, they have tried to do things on off political years. This is strictly to promote a program. Mr. Schmidt stated he wanted a guarantee that tax dollars would not be used to promote political positions. Ms. Sullivan stated their agreement is very specific between Amp-Ohio and Green Mountain that they have to approve any marketing material that goes out. Mr. Schmidt stated he supports the program but he just has that concern and would like to see something in writing on how his tax dollars would be used for this. Mrs. Hummel asked if the \$25 one-time charge was for the customer that signs up or a potential customer. Ms. Sullivan stated it was for one that actually signs up. Mrs. Hummel asked what the cost would be to the City. Mrs. Carr stated the cost would be whatever it costs to do things like bill stuffers but it would be minimal. Mrs. Hummel asked if there were other cities on board. Ms. Sullivan stated they had Bowling Green, Wyandotte, MI, and Westerville, Ohio. Their agreements were the same as that being proposed here. Mr. Potts asked if Temp. Ord. B-35 was a dead deal with this current legislation. Mrs. Carr stated it was not. They hope to continue that legislation early next year. They are trying to strike a deal with landfill and wind to reduce the price. Mrs. Klinger asked if Amp-Ohio has done any modeling as to usage and demand. She wondered how much of what Green Mountain is purchasing is already provided by Amp-Ohio. Ms. Sullivan stated it depended on how many members sign up. Mrs. Klinger wondered why Green Mountain was involved at all. It seemed an extra step to her. Ms. Sullivan stated Green Mountain provided marketing expertise, and their program was Green-E certified. They ensure everything is done according to the laws and codes. The parties may decide after five years that they no longer need Green Mountain. This is a major public power program that has brand recognition. Mrs. Klinger asked if they were a publicly held company. Ms. Sullivan stated they were. Mrs. Pyke asked how you can sell a tag if it is not certified. Ms. Sullivan stated their generation facilities are certified and that they sign off. Mrs. Pyke confirmed that Amp-Ohio was not certified to sell the tags. Ms. Sullivan stated she was correct. It will take some time, and five years would give Amp-Ohio time to develop the ability to sell the tags.

Ed Webber, 2585 21st Street, stated when they were going to build the atomic plant our power was going to be free. So far, it isn't. Who says this won't

increase also. Mr. Gorbach pointed out it is a voluntary program so it won't be added to anyone's bill who doesn't want it.

Committee recommended bringing out B-167.

Temp. Subst. Ord. No. B-137.

Mr. Gorbach read B-137. He stated this is the retiree health care ordinance that has been discussed since the end of September. This current substitute has some changes from the previous week. The reimbursement amount is now \$2,650 per police retiree per year and \$1,935 per PERS retiree. The reason the amounts are separated out is because PERS health care is stable. Another change is retirees can come back onto the City plan but will only be reimbursed up to these numbers. A third change is anyone hired at the City after January 1, 2004 will not be reimbursed whatsoever. Mr. Schmidt stated he would like to hear from Mr. Sim and Mr. Durkit. Mr. Sim read a prepared statement and indicated he had just received substitute #4 so his statement does not reflect those changes. He reiterated his discontent that the 75/25 agreement arrived at between Police, Fire and Administration was pulled from the table. Mr. Arrington stated the reason the 75/25 offer is not good is because the firefighters refused it. The 75/25 offer was contingent on Fire accepting the package. When they didn't, the City had to come up with another proposal and this is it. This item is not negotiable under the Fire union contract until their contract is renegotiated in 2005. There have been no further discussions with the firefighters because they refused the proposal and no further discussions with Police because it is nonnegotiable. Mr. Durkit confirmed there have been no further discussions and added that they are not part of this ordinance. Mr. Schmidt asked what the City will negotiate with the firefighters 18 months from now. Mr. Arrington stated the 75/25 offer will no longer be on the table in 18 months. At that time, they will not offer the firefighters anything better than any other employee gets and they understand that.

Mr. McCormick, 1944 Victoria Street, asked why there was a difference in that the firefighters had this in their contract and the police did not. Mr. Arrington stated that the firefighters got this benefit into their contract in 1969. Once it got in there, it became a part of collective bargaining forever. There is a distinction made in the firefighter contract and the only way to get it out is to negotiate it out. It has not been in any other contract. The police union cannot negotiate for police retirees. Mr. McCormick wondered why there were two different standards and felt the police should also bargain for it. Mr. Gorbach stated it is not being bargained for at this time because it is not in the police contract. When you allow it to be put into the contract, then you can negotiate it. Mr. Arrington stated he did not know why the benefit got into one contract and not the other. Mr. Schmidt asked if any other incentives were given to the firefighters to get them to go along with the first ordinance. Mr. Arrington stated things were offered in terms of assurance that this issue would not come up again in 18 months. Mr. Schmidt

asked Mr. Durkit if he ever considered asking for something in return for the membership to go along. Mr. Durkit tried to just deal with the cost of insurance going up. They were trying not to throw other issues out there because they did not want to open the contract up to fact finding or mediation so they kept their discussions just on insurance.

Richard Darnstadt, 725 Lehigh, asked if the \$2,650 reimbursement per year was just for premium or copay. Mr. Brodzinski stated it was for everything. If you are a retired police officer with single coverage, you would have 100% of the premium paid with money left over. 31% of retirees are single. Of the 60% with a spouse, under option 1 the retiree would pay \$93.72 to \$121.46 a month. That represents 10% - 13% of the total value of health care. Those with a family will pay \$176 to \$212, which is 15% - 19% of the total value of retiree health care. Mrs. Pyke requested those figures in writing. Mr. Brodzinski stated he would get them. He also pointed out that we are not just talking about retirees under age 65 but also their spouses until their spouses reach age 65.

Mr. Gorbach stated with regard to the 1991 ordinance, the language allowing retirees to come back onto the City's policy remains in tact. He asked if anything else was being changed. Mr. Brodzinski stated there was some language regarding life insurance and that there is no change in the life insurance. Mr. Gorbach reiterated that the City is considering this legislation because of the dramatic increase in insurance costs to the Police and Fire retirees. There has been something put into place that caps this but this Council and future Councils will know what type of money to put into it. Everyone agrees that the City cannot be asked to pay it all. Not everyone might agree with the amount in this legislation but the City has increased what they were paying per retiree by 50% for Police and Fire pension. Just because we are one of the few municipalities who does this, we cannot be held hostage because health care coverage is going up. We are trying to balance the best use of taxpayer money. He thinks this is a good ordinance and a fair percentage. He added that PERS is not really affected because their pension system has not tripled like Police and Fire. If it does, this ordinance will probably be revisited at that time. Again, the City is reacting to news from the pension fund and needs to figure out what to do. Mr. Darnstadt asked if this ordinance takes effect in January, 2004, will bills incurred in December continue to be reimbursed as they are presently. Mr. Arrington stated it would. Mr. Brodzinski stated he spoke with an individual on the pension board and that they indicated the retirees have until December 15 to make their final choice.

Sharon McClair, 1334 Forest Glen, asked about retirees who find other employment. Mr. Arrington stated if a retiree gets another job, the employee can submit that premium to the City and get the same cap, but it must be at the retiree's premiums.

Don Smith, 3388 Kellybrook, distributed a memo to Council. He feels the City is abandoning the retirees and that the retirees are going to suffer.

Mr. Walters asked what the cost would be to the City if the pension terminates. Mr. Arrington stated that needed to be discussed with Mr. Brodzinski. Mr. Walters stated it could happen and if the City were to absorb them, we need to know what that coverage would be. Mr. Gorbach stated the ordinance went from not allowing an individual to come back at all to allowing them to come back to city coverage at the cap. Mr. Arrington stated they will tweak the language a little to reflect that. This language does not do that. He will make it the same so that \$2,650 will be on premium and not on coverage.

Ted Alexander, 2882 Cedar Hill Road, stated it seems like Council and the City has broken faith with retirees. He understands everyone has increased costs but the police have given 30 years to the City and it appears they are being kicked. Mr. Gorbach stated he would like to pay 100% of all costs but the City only has X amount of dollars. It looks like we are taking money but we are actually giving 50% more. This ordinance has us paying more than we have in the past. He understood what the 1991 legislation says but no one could see 12 years ago what health care was going to do. Our City is one of the few in the State who pays anything for retirees.

Mark Wiggins, Bailey Road, stated he currently had City insurance. He wanted to confirm if something happened to the pension plan, he would come back under city insurance and under this premium.

Mike Anderson, 2414 15<sup>th</sup> Street, stated that every time they go to contract negotiation, they get more taken away. They look forward to retirement but it just gets chiseled away.

Don Nelsch, North Haven Blvd., stated he retired 12 years ago from private industry. As of three years ago, he did not pay any additional premium. Today, he pays \$212 for health insurance. What he is hearing here tonight is everyone is crying to the wrong guy. He thinks this legislation being offered is very fair.

Mrs. Hummel stated we have listened to a lot of discussion tonight. This is not an easy topic for any of us. If it were, the decision would already have been made. We are not going to cover retiree health care for anyone hired after January 1. That does not impact anyone sitting in this room. As members of the pension board, you need to exert some pressure on your board. She stated she would make herself available to anyone who wanted to discuss this matter between now and next Monday. Mr. Darnstadt stated with regard to the sign-up deadline, his last notification stated November 28. Mr. Sim stated that it was his understanding that letters would be going out giving retirees until December 15. Based on Mr. Sim's comments about a difference in numbers, Mr. Gorbach stated he wanted to get with Mr. Brodzinski to fully understand where all of the

numbers were coming from. He did not want anyone to think Council was not looking at the correct numbers. Mr. Schmidt suggested bringing the legislation out with a recommendation. He felt everyone had a good understanding of it. Mr. Gorbach reiterated that anyone could call a Council member with their questions.

Subst. B-137 was brought out without a recommendation.

Temp. Ord. No. B-164.

Mr. Gorbach read B-164 (second reading). Mr. Pierson stated this was a small piece of land needed to establish an east-west connector in Cuyahoga Valley National Park/Towpath. It is approximately 1.5 acres and is known as the "Fickey Property." There is an existing home on the property that would be part of the purchase. It is well worth the investment. Mr. Potts added it is zoned R-17 so an apartment complex could go in there. It has been an essential piece for long time planning and meets all requirements of land preservation. Mr. Schmidt stated he supports this legislation. Mrs. Klinger stated that people were complaining that the City was taking the "rural" out of North Hampton. This puts it back in. Mrs. Pyke asked if the easement was in the form of a road. Mr. Potts stated it is a drive but the City could repair or fix it. Mr. Arrington added it is an access easement for the City. Mrs. Pyke asked if anyone could go on the easement. Mr. Arrington stated he would have to see how it is drawn up. Mrs. Pyke asked if it was publicly-owned property, does the public have a right to it. Mr. Arrington stated yes to the extent the City opens the property up to the public as a right of access. Mrs. Hummel confirmed that the City has not spent any money in 2003. Mrs. Truby stated it has not. Mrs. Hummel confirmed that the purchase price was \$100,000. Mr. Pierson stated it was. Mr. Walters asked if the City got this parcel appraised. Mr. Pierson indicated it was appraised at \$100,000. Mr. Walters asked if the wetlands had limited use. Mr. Potts stated they are considered wetlands because they are drainage ravines. Mr. Walters asked when Hunter will connect to the other end of Hunter Parkway. Mr. Arrington stated it is required to be done by May 1.

Dick Schultz, 3489 E. Prescott Circle, reminded Council that it had voted to raise the bridge in order to have a walking path built in the future.

Pearl Sherry, 3563 E. Prescott Circle, stated this offers so much potential for a hike and bike trail. Many residents support it and have attended meetings for land preservation. This is just another way to complement an area that will serve many people.

Committee recommended bringing out B-164.

Temp. Ord. No. B-165

Mr. Gorbach read B-165 (second reading). Mr. Bell stated this was the annual patch program. This year, they had quite a number of patches. This legislation will get them through the end of the year. The bad winter last year contributed.

Committee recommended bringing out B-165.

Temp. Ord. No. B-166.

Mr. Gorbach read B-166 (second reading). Mrs. Truby stated this should be the final legislation. The majority would go to the construction of the pavilion, which was the last phase of the project. They started leasing the pavilion out in November. The total is \$267,172, which is 5.27% of the original amount but if you add in the \$250,000 grant from the State together with the sale of bricks, the project is 1.3% under. Mr. Gorbach stated we made a good decision to do the contingencies as they came along. Mrs. Klinger stated she had the opportunity to go into the building and felt it was very warm and inviting. It will be a beautiful asset to the City.

Committee recommended bringing out B-166.

Temp. Ord. No. B-169.

Mr. Gorbach read B-169 (second reading). Chief Conley stated these are units for the police cars. The current software is older and they would like to go to a lease-purchase option to make it more compatible for the AVLs. They can start earlier this year because of a pricing option offered by Motorola. They can save approximately \$11,500 by doing this now. They will be shifting everything by one year. Mr. Gorbach confirmed it will be in the capital budget for the years indicated by Chief Conley. He felt it sounded like a good move. Mrs. Klinger asked if this was proprietary equipment. Mr. Brodzinski stated it was. Mrs. Klinger confirmed that we have not looked at purchasing a generic type. Chief Conley stated they have not but that they still have the MDTs. Mrs. Klinger asked if they have overcome the problems with hard drives and weather. Chief Conley stated there is a short delay before the heaters kick in but they are able to activate the system quicker.

Temp. Ord. No. B-168.

Mr. Gorbach read B-168 (second reading). Mr. Brodzinski stated the Capital Projects budget report was in the same format as previous years. In 2004, they are looking at special assessment notes. The residents' portion is a guess. Note proceeds include the notes we did this year. That number is different because next year is the first year they will be paying down. The end of 2007 will be the last of the note proceeds. Falls River Square and State Road will be paid off. At

some point, the Natatorium bond will lock in and they will add Hudson. The ice rink did not make it in the 2003 funding. They are reapplying. Also the Fire Department received a grant to convert their analog radios to digital. Mr. Gorbach stated one item that had been discussed was to bill the Medicare portion of transport. Mr. Brodzinski stated he had factored that in. Regarding the sale of land, they hope to sell the old Crocker site. Mrs. Hummel asked for an updated debt service spread sheet. Mr. Brodzinski stated he would provide one. Mrs. Klinger asked if it was necessary to do something with Howe Road. There has been quite a bit of work already and constituents are not happy. Mr. Bell stated it is starting to reach the end of its service life and that they may never quit making improvements down there. Mrs. Carr added that they will look at residents' needs first. There is a concrete street the City needs to work on so they may not be doing Howe Road. Mrs. Pyke asked about forming a committee to discuss streets in 2006, 2007 and 2008. Mrs. Carr stated she was open to that. Anyone interested should let her know and they will form something. Mr. Gorbach felt a committee would be a good way to get everyone on the same page. Mr. Walters asked if McCoy & Assoc. would be looking at those for potential drainage problems. Mrs. Carr stated their concentration is storm and sanitary but they may look at it. Mr. Brodzinski stated that one thing they are proposing in this year's budget is looking at a funding mechanism to create a separate capital projects fund and all storm water would go into that fund. Mrs. Carr stated she would be talking about this with the water budget. There are many communities looking at this right now because of the July storms.

With regard to Streets, Mr. Gorbach asked how many street sweepers the City had now. Mr. Novak stated they had two. A 1995 and the 2003. Mr. Gorbach asked what the cat loader was used for. Mr. Novak stated it was used to load salt or stone on trucks. They have two. One is in Ward 8. This one will be a replacement for a 1989 caterpillar loader, which they have put \$27,000 into for repairs.

With regard to Fire, Mr. Gorbach asked when the fire complex would be breaking ground. Mrs. Truby stated they have sent out RFQs. It will take three to four weeks to apply. They do not take possession of the property until mid-February. She said it would take two to three months to get design plans. Mr. Gorbach stated everyone knows the City needs this station. Mrs. Truby felt that ground breaking would probably occur in late spring. Mr. Gorbach asked if the radios were compatible with safety forces in different communities. Chief Snyder stated they were. Everything is going digital and these would be analog/digital capable. Mr. Gorbach asked how many radios there would be. Chief Snyder replied 45 to 50. He hopes to get additional money next year to purchase more. Mrs. Pyke asked where the last train monitoring camera will go. Chief Snyder stated right now they have cameras located at Howe, Broad, Bailey and Rte. 91. This would be for an additional camera near Tallmadge Road in Akron to help Station 1 make the decision to cross Broad Blvd. Mrs. Klinger asked what size structure

the fire complex would be. Mrs. Truby indicated it would be approximately 12,000 to 15,000 sq. ft., but probably closer to the 15,000 sq. ft.

Sue Truby stated that the remaining Ward Charrettes for 3, 5, 6 and 8 will be held in 2004. Also, Gould & Evans will be working on the design for the zoning code.

Ron Sabino stated the roadblock with regard to beginning the Steels Corners widening is a right-of-way issue. Mr. Bell stated they are in negotiations with all three property owners and it is not going like they hoped. They have had them all appraised and are trying to get them to work with the City to reach an agreeable price. Mr. Gorbach asked if the City was taking a lot of land. Mr. Bell stated they need 170 sq. ft. from one parcel, 350 sq. ft. from another. Two of the parcels are car dealers. Mr. Gorbach asked what the time schedule was to complete the project. Mr. Bell stated they are assuming they will get the rights-of-way they need, which should be done by the first part of March but they will not break ground until May. Mr. Sabino added there is an increased amount of traffic through that intersection. Plus, the trucks cannot make the turns. They especially need a northbound right-turn lane. Mrs. Hummel asked if the \$350,000 was for the entire project, including rights-of-way and signals. Mr. Sabino stated it was.

With regard to Parcel 107, Mrs. Truby stated they are working with a developer to develop the site. It will be a multi-use project including retail use parking and public parking. These are preliminary numbers and she hopes to have a better estimate within the next few months. The amount could be reduced if the City does not add additional public parking.

Finance Committee recessed at 10:10 p.m. and reconvened at 10:15 p.m.

The minutes from the October 21, 2003, November 3, 2003 and November 17, 2003 Finance Committee meetings were approved as submitted.

#### Other Business

Mr. Arrington discussed the July 21 claims. He stated if they are going to pay any claims, they need to appropriate some money for that. There are 178 claims. Many did not receive FEMA because they had insurance. FEMA had indicated if a homeowner had insurance, they were not to submit a claim to FEMA. He needs some guidelines from Council on how to resolve these claims. He sent letters to 80 claims to request additional information. Those responses are coming in now. Most people made an effort to contact FEMA. Mrs. Pyke stated she needed to know that these claims were going through a couple of people and not just handled by one person. Mr. Arrington stated that is what he has been doing with Board of Control. He does not want to make these decisions alone. Mrs. Pyke asked how many claims have been paid. Mr.

Arrington stated none. They do not have the money to pay them so that is why he is here. He needs money appropriated and some specific direction. Mr. Gorbach added that we need to come up with some type of formula or grading system to get these paid.

John Myers, 2836 Fairview Place, stated his basement has flooded with sewage three times in the past four years. He had just started replacing items from the May 15 storm when the July storm hit. FEMA gave him money for the damage to his walls but not any toward items he lost and needs to replace things such as his washer and dryer. He has talked with some of his neighbors and they have decided to install a flow control. He indicated someone came out to look at his property the other day and told him there is a problem in the sewer. Mrs. Carr stated that was McCoy & Associates and added that there were households on Fairview that were affected by the illegal pipe. She stated that McCoy is looking at that area to try to further pinpoint the problem. She would not recommend putting in a flow control at this time. Mr. Arrington stated the illegal tap does not explain every flooded basement on Fairview. Mr. Gorbach suggested appropriating \$400,000 but added that did not mean the City needed to spend \$400,000. We need a number to apply a formula to. Mrs. Klinger stated she did not have a problem appropriating \$400,000. She told Mr. Myers that until the City finds out what the problem is, he is going to have to accept the fact that he cannot put anything in his basement. Mr. Gorbach added that if people are not cooperating with the McCoy study, they need to know they will not get paid. The City is paying on an Act of God and putting its best foot forward to help the community. Mr. Walters indicated he would contact the individuals listed in his Ward to get any further information that Mr. Arrington needs. That would help move things along quicker. Mr. Arrington asked about the discussion about not paying people twice and wondered if that was still something they want to consider. Mr. Gorbach suggested we get the appropriation ordinance next week to discuss and pass. In the meantime, Council should get with Mr. Arrington and Mrs. Carr to get some kind of plan in place by next Monday. Mr. Myers asked why the companies who came in to clean the basements were submitting bills to the residents. Mrs. Carr stated she made it very clear to the people who were answering the phones that night that they had a list of companies who could help the residents in cleaning up their basements and made sure they did not say the City would pay for that.

Mrs. Hummel stated she distributed copies of a certified letter regarding the hiring of Gould & Assoc. to all Council members for their review. Mr. Brodzinski indicated they are drafting a response to that letter.

Finance Committee adjourned at 11:00 p.m.