

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
December 17, 2007

Members: Tim Gorbach, Chair
Jerry James
Carol Klinger

Mr. Gorbach called the meeting to order at 6:48.m. All members were present.

Legislation Considered

Temp. Ord. B-159

Temp. Ord. B-160

Temp. Ord. B-161

Discussion:

Temp. Ord. B-159

An ordinance providing for current operating expenses of the City of Cuyahoga Falls by appropriating, re-appropriating and transferring money within and for the various funds hereinafter set forth, and declaring an emergency.

Temp. Ord. B-160

An ordinance making the annual appropriation for the current expenses, other expenditures and the capital outlays of the City of Cuyahoga Falls for the fiscal year ending December 31, 2008, and declaring an emergency.

Temp. Ord. B-161

An ordinance adopting the report on staffing for the City of Cuyahoga Falls for the year 2008 and declaring an emergency.

Mr. Gorbach resumed budget discussions.

Water – There is an increase of 2.43% over 2007 due to cost of living and step increases, an increase in employer portion of PERS and an increase in capital outlay. Mr. Brodzinski indicated Council received revised worksheets which reflected a change due to tree trimming. He also stated they are looking into doing a water rate increase in the early part of next year which will be approximately 17.5%. John Christopher presented his capital needs to Council. With regard to the proposed rate increase, Mr. Gorbach stated he spoke with Administration and understands it is needed in order to maintain a safe fund balance. He asked if it would be implemented on January 1. Mr. Brodzinski stated they would be bringing legislation to Council when they were ready which will probably be mid-January. Mrs. Carr added that they look at this every year and this year the fund balance concerned them. The City's infrastructure is getting old. The last increase was in 1999 and before that was 1992 and 1984. It has been close to eight years since the last increase, which was 29%. Even with an increase, she said the City would still have the lowest water utility rates. The increase would be approximately \$2.67 per month for a family of four. They do not want to get to the critical point when it would be too late to raise the rate and there is no fund balance to depend on. The increase will be for industrial accounts as well as residential. Mrs. Klinger asked what the new rate would be for high pressure districts. Mrs. Carr indicated it would be \$17.21/thousand on top of the new \$17.95 rate. Mrs. Klinger asked when the high pressure districts would be retired. Mr. Brodzinski estimated in 2013 or 2014 but every time they come with an ordinance for development, those numbers change. Mrs. Klinger requested a scheduled based on today's numbers that would be a current estimate as of right now.

Sewer – There is a decrease of (7.54%) over 2007 due to a decrease in note principal and capital outlay. Mr. Brodzinski stated the note principal is \$1.4 million this year and would be \$900,000 next year. Mr. Christopher reviewed his capital requests.

Street – There is an increase of .11% over 2007. Chuck Novak stated his Department handled the last snow very well and received complements from people driving out of the City and back in. He pointed out that the Epokes have helped reduce the amount of salt needed. There has been more than \$200,000 in savings.

Sanitation – There is an increase of 1.76% over 2007 due to an increase in capital outlay offset by a decrease in personnel services and a decrease in other operations relating to material and supplies. Mr. Brodzinski pointed out that half of Mr. Novak's salary is going to sanitation and the other half to Street. Likewise, half of Mr. Leonard's salary is going to Tech Services and the other half to sanitation. With regard to capital needs, Mr. Novak indicated the Automated Packer he is requesting is the last request for residential, which is for Route 6 in Ward 8. They are looking to start it right after spring clean-up. Mrs. Carr added it will be a delicate process working in Ward 8. That want to give themselves some time and will work with the residents on an individual basis.

Human Resources – There is an increase of 4.30% over 2007 due to cost of living, merit and pension (PERS) increases. Mrs. Carr pointed out the department's significant accomplishments in 2007 most specifically, the City's receipt of the Governor's Excellence Award. The City was one of three business employers in the State to receive the award. They have been diligent on workers' comp. claims and getting people back to work even if it is light duty assignments. Mr. Gorbach stated that workers' comp. can get out of control for public employers fast. He said it shows a lot that the Department looked at it from a private sector standpoint. Mrs. Carr added that they are also doing an analysis of the Department with regard to salaries to get them more in line with other Departments.

Electric – There is an increase of 6.21% over 2007 due to an increase in other operations relating to purchased power and OMEGAS Joint ventures and also an increase in capital outlay. Mr. Bye stated that AMP-Ohio is looking for an increase of power costs of approximately 6.5%. There is a 2% - 3% growth each year. This year, they did not go up as much but next year could be a lot different. He then reviewed his capital needs.

Parks and Recreation – There is an increase of 1.39% over 2007 due to an increase in contractual services – temporary staffing, while reducing part-time payroll. Daryl Lovelett stated they were looking to use as many part-timers as they could.

Recreation Levy Fund – There is an increase of .32% over 2007. Mrs. Hummel asked about the absence of bond payments under actual expenses even though it was budgeted. Mr. Brodzinski stated that bond payments occur on December 1. Half the interest is paid on June 1 and the remaining half plus the principal amount is paid on December 1.

Leisure Time – There is a decrease of (.74%) over 2007 due to cost of living and step increases while reducing other operations accounts. Mr. Brodzinski stated they put together a five-year plan for 2006 – 2010. Some items might look higher because some of the purchase orders were carried over. He also plans to pay the debt down quicker than what he indicated when the legislation came to Council.

Natatorium – Mr. Gorbach asked how the year went at the Natatorium. Bill Lohan stated between the end of 2005 and the end of 2007, they held labor flat while increasing revenue by \$750,000. They've squeezed everything they could squeeze. From this point forward, there are some things they need to watch, one of which is capacity. He indicated they are doing a study regarding meeting room space to see if perhaps

exercise equipment and programs could be expanded to those areas which would help control overcrowding. One of the programs being looked at by the study is senior fitness. Mrs. Hummel commented about granting Silver Lake residents a discount should the contracts be signed between the two municipalities regarding EMS service. She stated she attended a Park Board meeting where a presentation was made regarding Natatorium fees and the Park Board voted for those fees. She wanted to know what procedural changes occurred that made him offer the discount without discussing it with the Park Board. Mr. Lohan estimated the impact to be approximately \$13,123, which represents 40 members. The City offers a significantly lower rate for residents over Akron General but it is not so significant when compared to nonresidents. The premise was to shore up retention. Mrs. Hummel stated that a Park Board member was not aware of the offer until they read it in the paper. Mrs. Hummel indicated she was shocked to find out it was used as an incentive. She was also dismayed and disappointed she did not know about it until she read it in the paper.

C.J. Raines, 540 E. Portage Trail, stated she was very pleased the City was doing a study on senior fitness. She asked if there would be any input from medical professionals in an advisory capacity. Mr. Loan indicated that right now, they have built into the budget to hire someone to do the study and he would take a large lead from that person as to who would be included.

Waterworks – Mr. Lovelett stated they had a busy summer. Expenditures were kept under budget to get the facility operating closer to the plan. He indicated he expects additional revenues this month due to season pass sales. Mr. Gorbach asked if there were any plans in the five-year capital plan with regard to a possible additional feature. Mr. Lovelett stated they are looking into it but it is difficult to add a feature that would get the return they need. Two things they are looking at are an arcade or a portable climbing wall. They are also offering Tallmadge a one-year only rate. Tallmadge's pool is undergoing reconstruction so residents will be without a pool. He talked to the Park & Rec Board to see if we could be Tallmadge's home pool and give them a reduced rate. The Board agreed so a letter will be going out to Tallmadge residents informing them.

Golf Course – Brookledge made a number of changes in 2007. They do not have a golf pro but are fortunate to have Mike Minear who has been a great asset and has been used more and more for the day-to-day operations. They've raised rates slightly in different areas. They are looking at different programs to add to get people to play more rounds. They are also working with area hotels in putting together some golf packages, and will be in the Entertainment Book next year.

Quirk – A lot of time has been spent looking at the programs at Quirk and the groups that are using those programs. The evening programs are packed. There is also a loyal group that utilizes the facility during the day. However, there is still space in the building that is unused.

Downview – The driving range is behind this year so they are looking at something that will turn that around. It is the one facility they promoted the least. They plan to make direct contacts to leagues and schools. They are the only facility like it in town so they need to remind people they are there.

Committee recommended holding Temp. Ord. Nos. B-159, B-160 and B-161.

The meeting adjourned at 8:30 p.m.