

**Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
December 22, 2008**

Members: Don Walters, Chair
Debbie Ritzinger
Carol Klinger

Mr. Walters called the meeting to order at 6:41 p.m. All members were present.

Legislation Discussed

Temp. Ord. A-132

Temp. Ord. A-133

Temp. Ord. A-134

Discussion:

Temp. Ord. A-132

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. A-133

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, 2009, and declaring an emergency.

Temp. Ord. A-134

An ordinance adopting the report on staffing for the City of Cuyahoga Falls for the year 2009, and declaring an emergency.

Mr. Walters asked if there were any open issues from prior discussions. Mrs. Pyke asked what the money was generated from in the capital improvement reserve. Mr. Brodzinski stated it is City-wide interest received on investments. It is less this year because as the feds cut the rates, it affects the City.

Mr. Walters stated that Council received the staffing report which will be discussed next week.

Street

The proposed budget is \$3,694,443, which is a (6.08%) decrease from 2008. The reason for the change is due to (1) a decrease in “personal services” due to the reallocation of some salaries and fringe benefits, to properly account for the function of their services; and (2) a decrease in “other operations – rock salt” due to the planned purchase of additional E-pokes. No capital needs were presented. Mr. Novak stated that the exempt salary is half of his—his other half is under sanitation. He stated that the City currently gets its rock salt from three sources. The E-poke savings will reduce the SCMR account. The other two will stay the same. So far, the City is in good shape this season. Mr. Walters asked about the reports of a salt shortage. Mr. Novak stated that last winter affected the supply across the nation. Salt companies never caught up with refilling their stock piles so they cannot keep up with bids. Mrs. Klinger asked why only

half of the budgeted amount for tree trimming has been spent. Mr. Novak stated there are a lot of open purchase orders for which the company has not yet billed the City. Mr. Brodzinski stated \$58,000 was encumbered. Mrs. Hummel asked why the garage repair costs were up \$60,000. Mr. Novak indicated it was due to overall repair costs. Everything costs more and those costs are still going up. Fuel is also part of that. Mrs. Hummel asked which vehicles the seven new E-pokes would be put on. Mr. Novak stated one would be put on the new truck in the budget, and the others would be placed on the trucks with the older-style hoppers. Mrs. Hummel asked about the age of the fleet. Mr. Novak believed most trucks were late 90s and a couple in the early 2000s but would confirm that and get back to her. Mrs. Hummel asked about maintenance on the E-pokes the City currently has. Mr. Novak stated there have been minor repairs made but overall, he is very happy with their performance. Mrs. Klinger asked which account the tools equipment maintenance and repair was in. Mr. Brodzinski stated he would look at the mapping and get that information to her.

Sanitation

The proposed budget is \$3,431,324, which is a (14.62%) decrease from 2008. The reasons for the changes are due to (1) decrease in personnel costs through a reduction of staff; (2) decrease in capital outlay; and (3) decrease in other operations relating to material and supplies (refuse containers). One capital need was presented. Mr. Novak indicated the exempt salaries were for half of Bob Leonard and half of his own. Mr. Walters asked about the jump in land buildings maintenance and repair. Mr. Novak stated the doors in the big garage need to be repaired. Mr. Walters asked whether any detectors had been installed in the garage that would notify the fire department should another fire occur. Mr. Novak stated there were detectors in the storage area in the back but none in the big bay. The fire was electrical in nature and, because of the high ceilings, it ended up putting itself out. The trucks are stored inside during the winter but are stored mostly outdoors in the warmer months. With regard to the 25 Yard Tandem Rear Load Packer listed as a capital need, he stated they were looking at getting something used to fill their needs. They had been buying new fully-automatic trucks so the rear-load fleet is getting old. The rear-loaders do mostly bulk items. Mrs. Klinger asked about the change in motor vehicles repair and maintenance in terms of actual this year vs. budgeted next year. Mr. Novak indicated that was the ACER contract. They originally budgeted at \$250,000 and had a good year with the equipment so that is why the balance has not been used. They decreased the amount in 2009 by \$50,000. Mrs. Hummel asked about the \$12,000 under electric. Mr. Brodzinski indicated he would check on that.

Electric

The proposed budget is \$42,524,655, which is a 10.30% increase over 2008. The reason for the change is due to an increase in capital outlay. Seventeen capital needs were presented. Mrs. Klinger noted that it appeared that residential consumption was down. Mr. Bye indicated it was due to the economy. He and Mr. Brodzinski will get her a spreadsheet showing a month-by-month analysis for 2007 and 2008, the variance and the percent of variance. Mr. Brodzinski also stated he would check to see what date the YTD is through. Mr. Walters asked about the amount for land building maintenance and repair. Mr. Bye stated there are six outer doors on the building that are in bad shape. They will not seal and are rusted at the bottom. He wants to get those replaced. With regard to Substation #4 on the capital items, Mr. Bye stated that was the cost to rebuild and move the substation. This is being done in conjunction with the State Road property. They are not sure where the substation will be moved to but it is planned to be within 1/4 mile of its current location. The project will take approximately 18 months to complete. With regard to the other capital projects, Mr. Bye stated his department will do as much in-house as possible and will contract the rest out.

Human Resources

The proposed budget is \$366,695, which is a 8.52% increase over 2008. The reasons for the changes are due to (1) reclassification of copier rent/lease and computer system support from the Information Services Fund; and (2) increase in “other operations – internal service charges.” No capital needs were presented. Mrs. Carr discussed the plans for department reorganization. Mrs. Pyke asked if they were still contracting part-time work out. Ms. Megahart replied they are. They are using Employ Temps. Mrs. Hummel asked what the self-insurance fund’s medical services contractor was for. Ms. Megahart indicated it was used for things like physicals required under the police and fire contracts. Also, they need to make sure certain employees have the appropriate vaccines. She added that Medical Mutual has continued to be the lowest cost provider. She did not believe anyone else could compete.

Parks and Recreation

The proposed budget is \$2,941,692, which is a (0.50%) decrease from 2008. The reason for the change is due to a decrease in expenditures in lieu of rising minimum wage costs. No capital needs were presented. Mr. Lohan gave a general overview of how they looked at revenue in determining the figures to use in the budget. With regard to contractual other, he said they are getting hit due to the increases in minimum wage.

Recreation Levy Fund

The proposed budget is \$1,448,081, which is an 8.16% increase over 2008. The reason for the change is due to an increase in capital outlay. One capital need was presented. Mr. Lohan stated the irrigation in his capital item is the third stage of the project. The irrigation will support and maintain the work completed in the first two stages. The current system is 22 years old.

Leisure Time

The proposed budget is \$26,854,367, which is a (0.79%) decrease from 2008. The reason for the change is due to a reduction of bond and note principal and interest. Three capital needs were presented.

Natorium – Mr. Lohan indicated they plan to replace the equipment. Mrs. Pyke asked why there was a decrease in cleaning supplies. Mr. Lohan indicated the amount was split between two accounts. Mr. Walters commented on the utility charges being down significantly. Mr. Lohan stated it was due to natural gas prices being down. Mrs. Klinger asked about the computer system support. Mr. Brodzinski stated it was for the maintenance contract for Kronos.

Water Works – Mr. Lohan stated they have no plans to put in a new feature. A study has shown that the payback is just not there when this type of facility adds a new feature.

Golf Course – Mr. Lohan explained about the irrigation improvements and also the sand trap reconstruction. It was not possible for his department to do the sand trap work themselves because there is a lot more that needs to go into it than just digging a hole and filling it with sand.

Quirk Cultural Center – Mr. Lohan stated there are no plans in 2009 to change the way Quirk is currently running. There will be no membership charges. However, negotiations with Dr. Holland could impact the Center.

Downview – Mr. Lohan stated the full-time administrator has retired and is now working part-time. Mrs. Pyke asked how the skate park was doing. Mr. Stewart stated it is one of the most-used facilities that Parks and Rec has.

Committee recommended holding Temp. Ord. Nos. A-132, A-133 and A-134

The meeting adjourned at 8:40 p.m.

Residential Electric Revenue

	2007	2008	Difference
January	1,678,941.04	1,411,144.55	(267,796.49)
February	1,229,958.70	1,353,122.04	123,163.34
March	1,562,382.73	1,092,552.11	(469,830.62)
April	1,223,207.80	1,185,780.22	(37,427.58)
May	1,261,717.11	1,105,112.73	(156,604.38)
June	1,109,940.26	990,403.63	(119,536.63)
July	1,455,262.77	1,331,025.88	(124,236.89)
August	1,547,478.56	1,355,689.43	(191,789.13)
September	1,608,892.69	1,499,772.89	(109,119.80)
October	1,643,701.21	1,396,520.16	(247,181.05)
November	1,225,563.63	978,423.18	(247,140.45)
December	1,173,801.75		
Totals	<u>16,720,848.25</u>	<u>13,699,546.82</u>	<u>(1,847,499.68)</u>