

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
March 3, 2008

Members: Don Walters, Chair
Debbie Ritzinger
Carol Klinger

Mr. Walters called the meeting to order at 6:15 p.m. All members were present.

Legislation Considered

Temp. Ord. A-32

Temp. Ord. A-33

Temp. Ord. A-34

Discussion:

Mr. Walters stated Council would continue to hold A-15. There are going to be other pieces of legislation that will go with it and everything will be discussed together. They are hoping to do that on April 7.

Mr. Arrington indicated they've had several meetings the past week and the one issue they kept coming back to was the timing of the sequence of events. They decided it would be beneficial for everyone if all the pieces could be voted on at the same time. There will be legislation for the financing, one to approve the plan and one for approving the agreement. He promised that Council would have the agreement in advance in order to have sufficient time to review it.

Mr. Walters stated that tonight's legislation would be discussed out of sequence so that the officials present from Silver Lake could get to their own Council meeting.

Temp. Ord. A-34 (Finance)

An ordinance authorizing the Director of Public Service to enter into an agreement with the Village of Silver Lake to provide building review and inspection services, and declaring an emergency.

Mrs. Carr stated that Silver Lake was looking for a new group to take over their building inspections. They approached Cuyahoga Falls about picking up their work. The City averages 4,500 inspections each year. Silver Lake had 82 which averages to 1 or 2 more per day per inspector. Silver Lake needs inspections on decks, re-roofs, fences, etc. for residential and they currently have two commercial projects which need inspected. The charge would be the City's rate plus a 20% surcharge.

Mr. Walters stated that the 20% surcharge would cover our extended time and driving. He asked if Cuyahoga Falls residents would be given priority if a request came in from a Silver Lake resident at the same time. Mr. Bell stated there is a 3-day period to do an inspection. If the City is called early enough in the day, it does the inspection that same day. Sometimes an inspection needs to be pushed to a second day but that's never been a problem. Mrs. Carr stated if they had mass inspections, they would look to City residents first and added that the City has back-up inspectors to cover vacations, etc.

Mrs. Colavecchio asked with regard to fee structure, whether Exhibit A would change as the City's fees change. Mr. Arrington stated if we wanted to renegotiate the fees, we would bring another ordinance as

an amendment to the contract. Mrs. Carr added that since we just raised the fees 1-1/2 years ago, she does not see us raising them soon.

Mrs. Hummel stated that paragraph 8 refers to reporting violations but does not indicate to whom the violations are reported. Mr. Bell indicated if there are violations, the City must report them to the State and copy the clerk.

Bernie Hovey, Mayor of Silver Lake, stated this matter will go before Silver Lake's Council as soon as it is determined what Cuyahoga Falls is going to do.

Bill Rhines, 1868 Windsor Street, stated it was confusing to follow what was being discussed because those in the audience did not have a copy of what Council had. Mr. Walters indicated that Mr. Rhines should be able to get a copy of the contract. He also indicated that extra copies of new legislation being introduced at Council meetings are available to anyone wanting one. Mr. Arrington added that people can get copies of any public record by asking the Law Department.

Mayor Hovey stated he appreciated the deliberateness that Council gives to items on behalf of the citizens of Cuyahoga Falls. He appreciates the City being a good neighbor to Silver Lake

Committee recommended bringing out Temp. Ord. No. A-34.

Temp. Ord. A-32 (Finance)

An ordinance amending Section 923.01 of the Codified Ordinances establishing Water Rates and declaring an emergency.

Mrs. Carr stated the City has not raised its rates since 1999, and we it has reached a point where they need to be raised. Prices have gone up significantly. For example, copper is up 410% since 2003; fire hydrants are up 30% and chemicals have increased 40% – 81%. In addition, the City's infrastructure continues to age, and there have been an increase in main breaks. Some of those have to do with the weather and some with age. There were 116 main breaks last year. She provided a rate comparison with other cities and, with the increase, Cuyahoga Falls' rates will still be the lowest in the Summit County area. The only changes on the chart from the previous one distributed is that Silver Lake has already increased its rate. They did 2% in 2008, 2% in 2009 and 2% in 2010. Also, and Barberton approved 6-1/2% increase in March, 2008.

Mr. Walters stated he looked at the information for water sales and wondered if consumption was down which would cause the revenue to be low. Mrs. Carr stated that water consumption was not down. Mr. Walters stated that if revenues were not down, then the low revenue could be from expenses going up. He asked if the rate shown for Silver Lake, Munroe Falls and parts of Stow was a set rate. Mrs. Carr indicated the City provides them water at the City's rate plus 20%, then the communities add on their own fees because they are the distributor. We just deliver. Mr. Walters asked which rate we use to sell to them. Mr. Christopher indicated that their usage would put them at the lowest rate. Mrs. Carr said she would double check and get back to Council.

Mrs. Carr stated that the rate increase would be \$17.95 per 1,000 c.f. It is a \$2.67 increase for a family of four. Mr. Walters stated that the EPA did a survey in 2005. Out of 1,380 municipalities, only 37 are lower than Cuyahoga Falls with the new increase.

Mrs. Klinger asked what the total revenue was for 2007. Mr. Brodzinski stated it was \$4.586 million and pointed out that charges for Services and Other were combined. Mrs. Klinger asked how the City came up with the \$17.95 rate. Mrs. Carr indicated they looked at where the fund balance would end up and

compared it to their goal of where they wanted it to be. The increase will produce approximately \$700,000 a year. They are trying to get the fund balance a little higher. Mr. Brodzinski added that they created a detailed 5-year plan on the water fund in terms of revenues and expenditures. Mrs. Klinger asked if the residents would see the increase immediately. Mrs. Carr stated it does not take long to change the rate in the machine. They were thinking about April 1 but could hold up until May 1. Mrs. Klinger was concerned about putting them into effect right away after a cold winter. Mrs. Carr stated this would be about \$32 more a year per family of four and agreed it will impact a lot of people. They could probably actually go higher but they only went where they needed to. Mr. Mader confirmed that this increase had nothing to do with the high pressure district. Mrs. Carr stated he was correct and added that the high pressure district money is used to pay off the infrastructure debt and has nothing to do with the increase. Mr. Mader added for the benefit of Mr. Rhines that the high pressure district fee exists only for certain Ward 8 residents.

Mrs. Hummel asked which category the City is charging Silver Lake, Munroe Falls and parts of Stow. Mrs. Carr indicated she would forward that information to Council. [Note: Mrs. Carr's response is attached hereto].

Bill Rhines, 1868 Windsor Street, stated that \$2 or \$3 does not sound like much but when you add in what residents have to pay for schools and the new Metro levy, it adds up. Mr. Rhines felt the City is spending a lot of money on other areas but when it comes down to this, the residents pay taxes to the City. Mr. Walters indicated the water is an enterprise fund. The money that comes in runs the utility. If we do not have enough money to supply the water, we cannot do that. We also have to repair the infrastructure and add chemicals. The City is at the mercy of the costs. It also likes to be proactive. Mrs. Carr added that residents' taxes are not paid into the water fund. The water fund is self-contained. She is still proud that Cuyahoga Falls charges one of the lowest rates in the State.

Committee recommended bringing out Temp. Ord. No. A-32.

Temp. Res. A-33 (Finance)

A resolution authorizing the filing of a grant application with the Summit Akron Solid Waste Management Authority, and declaring an emergency.

Mrs. Carr stated that typically each year, they apply for this grant through the Summit Waste Authority. If we meet the requirements for recycling, we get \$1 per resident for a grant, so the City can receive a grant for \$50,000 just for its recycling effort. That money is then used to pay the salaries of the recycling employees.

Committee recommended bringing out Temp. Ord. No. A-33.

The meeting adjourned at 6:50 p.m.

Meacham, Cathy

From: DON WALTERS [dsnkwalters@sbcglobal.net]
Sent: Monday, March 17, 2008 8:12 PM
To: Meacham, Cathy
Subject: Fw: Silver Lake & Munroe Falls charges

Cathy,

This response should go in minutes. The question was asked in Committee.

Thanks,

Don

----- Forwarded Message -----

From: "CarrVW@cityofcf.com" <CarrVW@cityofcf.com>
To: Council%CCFO@cityofcf.com
Cc: SpeckLA@cityofcf.com; ChristopherJS@cityofcf.com; BrodzinskiJF@cityofcf.com
Sent: Tuesday, March 4, 2008 2:18:00 PM
Subject: Silver Lake & Munroe Falls charges

Silver Lake and Munroe Falls both pay the third tier of pricing, which is currently \$10.62 per 1,000 cu. ft. This section in the ordinance reads as follows:

All over 20,000 cubic feet per month by users located outside the City of Cuyahoga Falls or the next 130,000 cubic feet per month by users located within the City of Cuyahoga Falls, (the charge is) \$10.62 per month

Both Silver Lake and Munroe Falls have a usage over that 20,000 cu. ft. mark. Therefore, they pay as follows:

$\$10.62 \times 20\% = \12.74 per 1000 cu. ft. per month.

If the proposed legislation passes the new rate will be as follows:

$\$10.62 \times 17.5\% = \$12.48 \times 20\% = \$14.98$ per 1000 cu. ft. month.

If you need anything else let me know.

Valerie