

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

Members: Tim Gorbach, Chair
Jerry James
Carol Klinger

Mr. James called the meeting to order at 7:32 p.m. Mr. Gorbach was absent.

The minutes of February 20, 2007 were approved as submitted.

Legislation Considered:

Sub. Temp. Ord. B-27
Temp. Ord. B-39
Temp. Ord. B-40
Temp. Ord. B-41

Discussion:

Sub. Temp. Ord. B-27

An ordinance amending Sections 921.02, 921.09, and 941.02 of the Codified Ordinances of the City of Cuyahoga Falls and declaring an emergency.

Mr. James read Sub. B-27 (second reading). Mr. Arrington said this ordinance addresses the problem of collecting delinquent utilities from rental properties. Most Ohio cities that provide utilities currently have a policy that unpaid utilities become a lien on the property. Columbus, which probably has the most rental properties in the state, has a policy similar to the proposed ordinance. Other communities in our area such as Akron, Stow, Kent, Silver Lake and Munroe Falls already have similar laws in place. Under this proposal, City utilities will be put in the name of the landlord (or homeowner), not the tenant. The business of renting property includes a number of business expenses taxes, maintenance, insurance and utilities all of which are the responsibility of the landlord. The City has considered the possibility of increasing utility deposits. Prior to 2001, utility deposits were higher, but both landlords and tenants complained, so they were reduced. Some have recommended turning off utilities on delinquent payers, but the City is reluctant to do that for a number of humanitarian and legal reasons.

Mrs. Carr said the shutoff process now takes 42 days. The City hangs 40-50 door hangers per week as final notice before turnoff. As a result of the hangers, the City normally collects on half of the bills. Once the bills go to collection status, it's much more difficult to recover the money. Currently about 32.1% of the residential property in the City is rental property. There are 7300 accounts. About 78% of collections is on rental accounts.

Mr. Brodzinski said that 95% of the 78% collections is residential rental, not commercial. He reviewed the number of rental accounts in collection from 2003 through 2006, noting that the percentage has increased each year. The uncollected balance for all outstanding accounts is \$908,134.59 citywide.

Mr. Arrington reviewed the collections process. Once the account is terminated and the person moves out with a delinquent balance, it goes to the law department. Some delinquent payers leave the city, and many leave the state. The law department files 50-60 small claims for utilities each month. Even with a court judgment, and the threat of arrest, it's very difficult to collect on delinquent accounts.

Mr. James asked if the City does a credit check on utility applicants. Mr. Arrington said that as a public utility, the City provides utilities to a property, not to a person.

Mrs. Pyke asked if the City could do credit checks on new utility applicants. Mr. Arrington said he's not sure that would solve the problem. Mrs. Pyke asked if landlords are notified when tenants don't pay their utilities on time. Mr. Arrington said no, the utilities are in the tenant's name. Mrs. Pyke said she's not in favor of the ordinance as written and recommended the City work with landlords to find a better solution. She would like the City to consider higher deposits on new accounts, or conduct credit checks and notify landlords.

Mrs. Klinger said that she and her husband are landlords in the City. She said tenants must provide a forwarding address in order to get their security deposit refunded. Perhaps the City could contact landlords and obtain forwarding addresses.

Mr. Barnhart said he is also a landlord. He believes the City should require tenants to sign for their own utilities, pay a deposit, and get billed for them. Ultimately, the landlord could be held responsible if the tenant doesn't pay. He suggested the ordinance be held for further discussion.

Mr. Walters referred to a Shaker Heights website that offers reduced fees for landlord training seminars regarding legal issues, property maintenance, marketing strategies, etc. He asked what the law requires on shutoffs. Mr. Arrington said the time is established in a City ordinance. Mr. Walters said that if this ordinance passes, the landlords should determine the time for utility shutoff, not the City.

Mrs. Hummel said that she is also a landlord in the City. She's had some calls and emails in the last several weeks regarding this issue. She welcomes input from the public.

The following individuals spoke in opposition to the ordinance:

Vincent Frammartino (2789 Aries Way, CF) submitted copy of comments to the Clerk (see attached).

Lee Nelson (2514 Broad Blvd., CF)

Steven Neal (2651-3rd St., CF)

Ruth Tang (3925 Northampton Rd., CF)

David Dorsey (2525 North Haven Blvd., CF)
Matt Lint (840 Falls Ave., CF)
Sam Chairappa (Summit Properties, 250 W. Market St., AK)
Sandy Immel (3549 Antoinette Dr., CF)
Todd Ward (305 Quartette Lane, CF)
Bob Dieter (B & T Properties, 223 S. Holling Rd., Tallmadge)
Andrew Raines (2750 Northampton Rd., CF)
Mike Battaglia (4779 Quick Rd., Peninsula)
Chris Spreitzer (1214 Munroe Falls Ave., CF)
Ron Garske (2017 Grant Ave. Apt. 4, CF)
Donna Cunha (1774 Calvert Dr., CF)
Carol Hohman (2030 Falls Ave., CF)
Frances Dillon Kline (Gen. Mgr. Executive Properties, 733 W. Market St., AK)
Robert Yeager (2676-3rd St., CF)
Laurie Savage (3135 Highland Dr., SL)
Ed Newman (Summit Management, 730 W. Market St., AK)
James Casto (838 Seasons Rd., Stow)
Walid QaQish (763 Clay Dr., AK)
Don Thames (2338-8th St., CF)
Lou Schott (P.O. Box 144, CF)
Jim Henes (1818 Joan of Arc Cr., CF)
Dave Sensius (4049 Glenrich Cr., Stow)
Theresa Koberlein (3447 Saratoga Blvd., Stow)
Carol Vincent (2556-25th St., CF)
Dennis Bates (Pres. Landlord Council, 730 Woodbrook Rd., CF)
Fatima Rida (VPres. Landlord Council, 3272 Elgin, AK)
Phil Hoffman (2803 Outlook Dr., SL)
Gary Ducaster (518 Clinton St., Ravenna)
Paula Suveges (31 Orrville Ave., CF)
James Mullin (2920-6th St., CF)
Bruce Bycura (387 Florian Dr., AK)
Joe Procaccio (2283-7th St., CF)
Betty Wise (2375-13th St., CF)
Mark Niederst (2220 High St., CF)
Mary Ann Kenny (144 Grant Ave., CF)
Tim Seeley (2441 Burnham Rd., Fairlawn)

The speakers recommended that the City address the problem in various ways including:
1) Charge higher utility deposits; 2) Appoint a committee comprised of landlords and city officials to reach practical solutions to the problem; 3) Charge different rates to utility users based on credit scores or pay history; 4) Provide automatic bill payment via credit card or checking account; 5) Conduct credit checks on new utility accounts; 6) Provide internet access to tenant utility accounts for landlords who want to monitor delinquencies; 7) Create a more restrictive shutoff policy to protect landlords; 8) Conduct a thorough review of other cities' policies; 9) Establish a landlord notification policy for delinquent utility accounts.

Mrs. Klinger recommended the legislation be held for further discussion and review. Mr. James agreed to hold the ordinance in committee.

Temp. Ord. B-39

An ordinance amending Exhibit A of Ordinance 12-2007 establishing pay ranges for part-time, per diem, and special classification workers, and declaring an emergency.

Mr. James read B-39 (second reading). Mr. Brodzinski said this ordinance clarifies the pay range Exhibit A attached to Ord. 12-2007 previously passed by Council.

The committee recommended bringing out Temp. Ord. B-39 for approval.

Temp. Ord. B-40

An ordinance amending Sections 901.01, 901.06, 901.07, 901.12(a), 903.01, 903.02, 903.03 and 927.06 of the Codified Ordinances of the City of Cuyahoga Falls, and declaring an emergency.

Mr. James read B-40 (second reading). Mr. Demasi said this ordinance will provide for an increase in engineering permit fees, some of which haven't been changed since 1988. The new rates are more in line with other communities in the area.

Mrs. Pyke inquired about the \$50 downspout fee. Mr. Demasi said the City does only about 30-40 per year. Mrs. Pyke said she would like to encourage residents to fix their storm drainage problems for a small fee and suggested the money come from the Storm Water fund. Mr. Brodzinski said that is not considered a capital expenditure.

The committee recommended bringing out Temp. Ord. B-40 for approval.

Temp. Ord. B-41

An ordinance authorizing the Mayor to enter into a contract or contracts with a firm or firms for Community Correctional Services, and declaring an emergency.

Mr. James read B-41 (second reading). Chief Conley said this ordinance allows fines from DUI to be put into the Law Enforcement Education Fund which pays for alternative prisoner housing such as Oriana.

Mr. Flinn asked why the amount was twice that requested last year. Chief Conley said the amount may fluctuate month-to-month. Mr. Brodzinski said that while \$20,000 is budgeted, the City may spend less depending on how many people are sentenced to Oriana.

The committee recommended bringing out Temp. Ord. B-41 for approval.

The meeting adjourned at 10:00 p.m.

