

**Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
May 5, 2008**

Members: Don Walters, Chair
Debbie Ritzinger
Carol Klinger

Mr. Walters called the meeting to order at 8:10 p.m. All members were present.

The minutes from the April 7, 2008 committee meeting were approved as submitted.

Legislation Considered

Temp. Ord. A-15
Temp. Ord. A-39
Temp. Ord. A-55
Temp. Ord. A-56

Mr. Walters stated that the Finance Committee would continue to hold the two pieces of legislation regarding the State Road Shopping Center. Mr. Arrington stated that a status hearing is scheduled for Friday at 9:00 a.m. with Judge Shapiro.

Discussion:

Temp. Ord. A-55

An ordinance authorizing the Director of Public Service to enter into a contract with Johnson Controls, and declaring an emergency.

Mrs. Carr stated that after the ordinance was passed in November, the City entered into an agreement with Johnson Controls to do a study that would look at facility improvements for energy efficiency as well as automatic meter reading (AMR). The City is now to the point of being able to do this. The last page of the booklet details the savings that can come from AMR. Flexibility for customers is a major portion. It will allow residents to choose their own bill date. Also, the City's hand-held equipment is going to be going away because everyone is switching to this technology. The provider will not be able support what the City has within the next couple of years. This contract is a ten-year program. Johnson Controls has the risk if the numbers are wrong. They currently have contracts with two other cities with AMR—Lakewood and Middleton. With regard to the meter readers, she has been working with the union to do this in the right way. She has also worked with the employees individually and as a group. The employees have pledged their cooperation as well. There will be a large public relations push when AMR goes into effect because the City will need to get into every single house in order to change out the meter. Mr. Walters asked about the first payment. Mr. Brodzinski stated that assuming an interest rate of 3.25% on a ten-year lease with a completion date of November 1, the first payment would be the first week of January 2010.

Mr. Walters asked how many meter readers were employed by the City. Mrs. Carr stated there were five meter readers and one person who did the turn-ons and turn-offs. Mr. Walters asked if we phased the meter readers out, would they go on lay-off. Mrs. Carr stated that is what technically would have happened, however, they've reviewed the retirement schedule and found there are some positions that will

be coming open. They have also left other positions vacant on purpose so she feels there is some cushion where people could be placed. Mr. Walters stated this seemed like a win-win situation. He added that the number one call he receives as Council representative is for estimated bills. AMR would eliminate all of that. The City would also have savings on utility theft because this technology would eliminate that as well. He asked if there were any other cities besides Middleton and Lakewood who worked with Johnson Controls on this technology.

Mark Havens of Johnson Controls stated they have done 50 of these projects in the United States. Middleton is the only Ohio city that is similar in size to Cuyahoga Falls. Unfortunately, there is not currently a lot of AMR in Ohio.

Mrs. Colavecchio asked, in order to address safety concerns, how would the employees be able to be identified when they come to change out meters. Mr. Havens indicated they would be wearing uniforms and would have IDs. A marketing campaign will be key. They will have fliers, meetings and support on the website. They will be setting up the communication system during the first six months of the contract so they will educate the public during that time. Mrs. Carr added that all meter changes would be made by appointment so the people will know that someone is coming. No one will just show up at a door. Mrs. Colavecchio asked about vacant properties. Mrs. Carr stated there will be a certain number of homes they will not be able to get into and those will go onto a problem list. The City has the ability to turn them off which will get their attention and they will call. Mrs. Colavecchio asked what happens with the Service Agreement at the end of the ten-year period. Mrs. Carr stated they would renew it or move on. It will be determined at that time what the best course of action would be.

Mrs. Hummel asked how long Johnson Controls has been doing AMR. Mr. Havens stated they've been doing them for 10 to 12 years. Mrs. Hummel asked whether Johnson Controls currently has any ten-year agreements and asked how they've worked out. Rick Smith of Johnson Controls stated that AMR has been around for 20 years. It started with hand-held devices and then turned into a drive-by from a car. Now it is a fixed-base system where it can read meters without a person. Of the 50 they have done, they have had some shortfall. They have \$4 billion guaranteed and are paying out less than 1/2 of 1% which is about \$250,000. Mrs. Hummel asked in terms of AMR, where the company had not met its benchmarks and how they paid those off. Mr. Smith indicated he would get her that information. Mrs. Hummel asked about Middleton. Mr. Smith indicated Middleton had an existing fiber network. Their issues were mainly customer service and leak detection. Their meters were also oversized or undersized so usage was not ringing up to the correct amount. He added that they were in the third year of that contract and that Administration had the Middleton contact information should Council members wish to contact them.

Bob Bye stated he's been looking for a way to do automation on the system. It would be costly to put fiber in Ward 8. A fiber network would enable them to open and close switches in order to isolate a problem and help keep people in power, especially in Ward 8.

Mrs. Hummel stated that under "facility improvement measures" in the report it listed parking decks as facilities needing lighting and wondered if that was for all of the decks. Mrs. Carr indicated it was. Mrs. Hummel mentioned she did not see Lions Park on the building list. Mr. Havens indicated they did not find anything that would pay back. Mrs. Hummel asked whether the full study was available. Mrs. Carr stated it was and would get Council a copy. Mrs. Hummel confirmed the current interest rate at 3.25%. Mr. Brodzinski indicated it was. Mrs. Hummel asked whether that was the interest rate used in performing the calculations for cost savings in the agreement. Mr. Brodzinski stated it was not because they do not know what the interest rate would be in November, 2009. Mrs. Hummel asked whether the numbers were then based on savings given by Johnson Controls plus an interest rate to be named 18 months from now. Mr. Brodzinski indicated that was correct. Mrs. Hummel commented on the savings

in utility billing. Mrs. Carr indicated savings would occur on meters that are currently not reading correctly. Once a new meter is installed, there will be an increase in billing. Mrs. Hummel stated she had a new meter put in 15 years ago and when they first came out to do it, they could not install it until she put in a new water line. Mrs. Carr stated that is an issue the City will need to work through with the public.

Mr. Walters asked whether the old meters had any value as scrap. Mr. Bye stated they would be given to Blick Clinic who tears them apart for copper or steel. Mr. Walters asked about battery life. Mr. Havens indicated they have 20 years life. Mrs. Carr added they will stagger them so they will not need to replace them all at once. Mr. Walters asked about the remote shut-offs. Mrs. Carr indicated that 20% of the meters will be remote shutoffs and would be for problem areas where the City has to continually turn off service.

Mrs. Klinger stated that the report mentioned savings on maintenance areas in buildings by caulking and wondered why the City needed someone to tell them to do that. Mrs. Carr stated Johnson Controls did an overall review. The City does do that but this is a more large scale process doing it at one time. The City has probably not done it as much as they could have. Mrs. Klinger asked what the cost of replacement batteries was. Mr. Havens stated it was \$80 a piece but was covered under the service contract.

Bill Rhines, 1868 Windsor Street, asked how many meters were in the City. Mr. Havens stated there were 17,000 water and 24,000 electric. He asked if this would affect all residents with meters. Mr. Havens stated it would.

Mr. Walters asked if the City would need to gain entry to households to determine whether a meter is reading correctly. Mr. Havens stated the computer would tell if there was a problem.

Mr. Walters stated when there is a guarantee on something, it is hard to lose.

Committee recommended bringing out Temp. Ord. No. A-55.

Temp. Ord. A-56

An ordinance amending Section 303.10 of the Codified Ordinances, and declaring an emergency.

Chief Conley stated that in January, 2001, Council passed legislation setting rates for towing. Those rates were reviewed in 2004. He has reviewed them again and would like to bring them more in line with costs and also with what other agencies charge.

Mr. Walters stated this puts us in line with other communities. He asked if there was a limit as to what insurance will pay for towing. Chief Conley stated not with private insurance. Most will pay for accidents.

Committee recommended bringing out Temp. Ord. No. A-56.

The meeting adjourned at 9:10 p.m.