

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
June 18, 2007

Members: Tim Gorbach, Chair
Jerry James
Carol Klinger

Mr. Gorbach called the meeting to order at 6:40 p.m. All members were present.

The minutes of the April 2, 2007, May 7, 2007, May 21, 2007 and June 4, 2007 committee meetings were approved as submitted.

Legislation Considered

Subst. Temp. Ord. B-27
Temp. Ord. B-88

Discussion:

Temp. Ord. B-88

A resolution authorizing the Mayor to file an application and enter into an agreement with the Ohio Attorney General's Office, Children's Protection Section, for the purpose of acquiring funds through the DARE Grants Program pursuant to Senate Bill 62 of 1993, and declaring an emergency.

Chief Conley stated that during the last two years, the \$12,000 that was brought in through the grant program helped pay the salary of the DARE officer. There is a new officer starting in the fall. The Department has been involved in the program since 1988. He is not sure how much they will receive this year but in the past it has been approximately \$12,000. It depends on how money is disbursed by the Attorney General.

The Committee recommended bringing out Temp. Ord. B-88 for approval.

Substitute Temp. Ord. B-27

An ordinance amending Sections 921.01, 921.02, 921.03, 921.04, 921.05, 921.08, 921.09, and 921.10, and repealing Sections 923.02, 933.09, 933.13 and 933.14 of the Codified Ordinances of the City of Cuyahoga Falls and declaring an emergency.

Mr. Arrington reviewed the changes that were made to the legislation based on discussions from the previous week. He pointed out that the penalty portion will not go into effect until September 1 in order to give residents sufficient notice that late payments are subject to penalties. With regard to the lien provisions, he stated they added an appeal process which is not there for a customer wanting sympathy but only to make sure the City followed procedures correctly before placing a lien on the property.

Mr. Gorbach stated the NSF fee was left the same. With regard to liens, Administration initially intended to place a lien for nonpayment of all utilities but came back later for just water and sewer. He stated the legislation does not specify "water and sewer". It says "in accordance with the Ohio Revised Code" which is currently water and sewer. If the O.R.C. should change in the future to include other utilities, there is no need to come back to Council since Ohio law would allow the change to automatically go into effect. He understands from a legal standpoint leaving it as O.R.C. and not bounce back and forth but he would like to have the legislation reflect exactly what was discussed, which is water and sewer.

Mr. Flinn wanted to clarify his previous statement regarding the NSF charge, which was listed in the previous legislation at \$30. His intent was not to lower it to \$10. He stated that there is much administrative costs incurred when faced with dealing with an NSF check and he wanted to make sure that the City has its costs covered as much as possible. He is comfortable with leaving the charge at \$30 as it will cover not only the fee from the bank but also the costs incurred in collecting on that check. He stated he will make an amendment to raise the NSF fee back to \$30. His second comment is in regard to the lien provision. He feels the legislation is strong enough without the lien process and believes the lien process would not be necessary once the balance of the legislation has had time to work. The higher fees and charges will help offset enough of the deficit that it should not be necessary to levy many liens. He does not think it is right to charge a property owner for a debt that is incurred by someone else. He would like the City to try the other fees out for 2007-2008 and then have Administration come back in 2009 and see where the deficient stands. He stated he would be making an amendment to eliminate lines 119 through 136.

Mr. Gorbach appreciated Mr. Flinn's comments and hopes the City never needs to use the lien process, but if a lien does need to be made, the language is in there. He is comfortable leaving it as it is with the appeal process.

Mr. Walters asked about situations when service gets shut off in the winter whether the landlord would have to pay the entire unpaid balance to keep the pipes from freezing. Mrs. Carr stated they will do everything they can to let the landlord know so they don't get to that point. She pointed out that the landlord can switch the utilities into his name at any time.

Mrs. Colavecchio questioned why the second sentence in 921.04(b) was in that paragraph. She felt it should be under another section. Mr. Arrington stated the City wanted to make sure customers knew that once their deposit has been applied to an account, they cannot get service until another deposit has been made. She felt it was confusing to have that sentence in that particular location of the legislation. Mr. Arrington stated that liens were certified once a year and that once a lien was levied, there would be no balance on the account. Mr. Brodzinski stated the certifications go to the County each September. If the customer pays it after that time, the City would call the County to get the certification removed. It is the same process as street assessments.

Paula Suveges, 31 Orville Avenue, stated it sounded as if the City were putting an operating procedure in place. Mrs. Carr confirmed that the City was indeed doing just that as part of the law. Mrs. Suveges was concerned about the 42 days it takes before an account is turned off. Mrs. Carr stated the City follows certain procedures and that it currently takes 42 days from when the bill is sent out until an account is shut off. State law requires only a seven day notice. Mrs. Suveges was concerned that she did not see anywhere that the landlord gets notified if a tenant is past due. Mr. Arrington stated that Section 921.08 requires a notice be sent to the customer as well as the owner of a premises. He added that the lien process is covered by state law and that the property owner receives notice of that.

Fatima Rida, 3272 Elgin, asked about when a husband and wife have utilities that are in only one of their names and they do not pay a utility bill, does the City know not to open a new account in the other's name. Mrs. Carr stated they have record when two people live together and the City does its best to make sure previous accounts under one spouse are paid before a new account is opened under either spouse's name. Mrs. Rida asked if a landlord's account gets certified and the tenant opens a new account at a later time, does the City require the tenant to reimburse the landlord for the certified amount. Mr. Arrington stated the City does not. That is between the landlord and the tenant.

Dennis Bates, 730 Woodbrook, felt that if people owed bills, they ought to pay them. He still feels there is an adverse affect on landlords with the high deposits required making it difficult for the tenants to pay those deposits. He feels the \$250 is unbelievable and that it is anti-business, anti-landlord and anti-tenant. He

feels deposits should be based on two months of a tenant's average usage. If that is not enough, then three months. It is harder and harder to get their units rented in the City. Mr. Flinn stated he does not understand how a landlord can charge a security deposit and first month's rent and that take fault with the City for doing the same thing. The City has a right to protect itself.

Steve Neal, 2651 Third Street, stated as far as accounts being late, he has one tenant who is \$600 behind in his utilities and wondered how that happened. Mrs. Carr stated the City must do some things automated. If a customer makes any kind of payment, it does not get put into a termination file. She offered to look at that particular account and see why the tenant is \$600 behind. Mr. Neal stated he begins eviction proceedings immediately if a tenant gets behind and that the City should be ashamed of itself for allowing accounts to get so delinquent.

Mr. Flinn stated he is on the landlords' side. He clarified his earlier statement and did not mean that landlords should not collect security deposits but that the landlords should not collect them and then tell the City it cannot. The City has to protect its business just like the landlords protect their's. He does not think the City should do the lien process at this time. It is unfair that the landlords should pay a tenant's obligation. He feels the City needs to collect the moneys due from the person who incurred the debt.

Mrs. Carr took exception to Mr. Neal's statement that the City should be ashamed. She agreed that there are certain things that could have been done better. She stated that 33 percent of accounts are rentals. Of those, 75 percent are delinquent. That is why they are starting here. The people in Utility Billing are compassionate and are trying to do the best they can. 42 days is extremely fast in this industry. She knows that not everyone will agree with the proposed process but at least they are taking a proactive approach.

Sandy Immel, 3549 Antoinette, agreed with Mr. Flinn regarding placing liens against the properties. She asked how payments are applied if a tenant pays only a portion. Mrs. Carr stated that payments will be applied against water and sewer first, then sanitation, storm water and electric. They will make sure it gets applied against the water and sewer first because of the lien.

Mr. Bates added that he requires the first month's rent and a security deposit equal to one month's rent. He feels the City is requesting deposits that represent four and five months worth of usage.

Mr. Gorbach stated that the deposits are set up for all utilities and not just electric. When you look at all of that, it is much more in line with a two month usage. As landlords, they do things when a unit needs to be rented and suggested that perhaps the landlord could pay the deposit as an incentive. The landlords should speak to Mrs. Carr and her staff regarding the best way to handle things. He stated there is a lot of passion on both sides. The City does not want to discourage business or have taxpayers receive less services.

Mrs. Hummel pointed out that the 33% of housing in the City being rentals is pretty much in line with nationwide figures and that we are not that different from other cities. Landlords are feeling the pinch since 2003 because people just do not have as much money as they did in the 90s. She stated she was not in favor of the initial legislation and feels the draft currently before Council is a reasonable compromise. The City needs to move on with this and get money collected as timely as possible.

The Committee recommended bringing out Substitute B-27 dated 6-15-07 for approval.

The meeting adjourned at 7:50 p.m.