

**Cuyahoga Falls City Council**  
**Minutes of the Finance and Appropriations Committee Meeting**

**November 19, 2018**

**Members:** Tim Gorbach, Chair  
Jerry James  
Mary Ellen Pyke

Mr. Gorbach called the meeting to order at 7:25 p.m. All members were present.

**Legislation Discussed**

Temp. Ord. A-97  
Temp. Ord. A-105  
Temp. Ord. A-106  
Temp. Ord. A-107

**Discussion:**

**Temp. Ord. A-105**

An ordinance providing for health care insurance coverage for benefits-eligible employees, and declaring an emergency.

Ms. Vickie Steiner, Human Resources Director, presented information and a summary of the City's benefits and the addition of HMO MedFlex for the 2019 plan year.

Mrs. Pyke asked what would happen if someone has HMO MedFlex and goes out of town. Ms. Steiner stated that there are no non-network benefits outside of the State of Ohio, but they do have contracted rates with non-network providers. They are switching to what's called an Aetna Choice, which will give employees a broader range. Even though there's no non-network coverage, there is coverage for life or limb emergencies. The three other plans offered by the City all have network and non-network. This is the only plan under the Cuyahoga Falls Health Plan that does not have out-of-network coverage, so it's a true HMO product.

Mrs. Pyke asked if that is explained in detail to employees when they are choosing a plan. Ms. Steiner stated that, in the month of October, the City had a numerous health care presentations in open enrollment educating all the employees on the pros and cons of the HMO MedFlex product, informing them of all of the contracted providers that are in network in the State of Ohio and also informing them that if they have children who are attending a school outside of the State of Ohio, this plan might not cover them. Mrs. Pyke asked for a list of current providers in the State of Ohio. Ms. Steiner stated that she will get that list for Council. She stated that, under this plan, they do not have to have a referral to go to a provider, so there is no gatekeeper for this product like a traditional HMO.

Mrs. Pyke moved to bring out Temp. Ord. A-105 with a favorable recommendation, second by Mr. James. Motion passed (3-0).

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**Temp. Ord. A-106**

An ordinance authorizing the Mayor to enter into a contract or contracts through competitive bidding with Metropolitan Life Insurance Company (MLIC) and/or its subsidiary MetLife for the administration of the City's fully-insured employee dental insurance plan, for a period not to exceed two years, and declaring an emergency.

Ms. Steiner stated that the current Dental Insurance carrier, Anthem, quoted an increase in rates due to the loss ratio the City had this year. MetLife's quote represents a 3.4 decrease over Anthem's rates for annual savings of approximately \$11,000. They have also guaranteed rates for 12 months with an 8-percent renewal rate cap.

Mr. James moved to bring out Temp. Ord. A-106 with a favorable recommendation, second by Mrs. Pyke. Motion passed (3-0).

**Temp. Ord. A-107**

An ordinance authorizing the Mayor to enter into a contract or contracts, through competitive bidding, with Medical Mutual Services, LLC for the administration of the City's self-insured employee medical plans, and for stop-loss insurance coverage related to said plans, for a period not to exceed three years, and declaring an emergency.

Ms. Steiner stated there was a unanimous consensus by the Health Care Committee to remain with Medical Mutual for the following reasons: They are the current provider, so there was no disruption of service; they offered a three-year rate of services fixed costs; there was an increase in annual wellness benefits provided to employees for wellness activities; they offered performance guarantees for MetLife plan implementation. Because this is a new plan, they want to make sure that implementation went smoothly. Overall, MMO has fewer claims costs than the other providers considered. When considering stop-loss quotes, they were substantially higher due to the loss claims made in 2018. NFP was able to negotiate a 27-percent increase with Medical Mutual, so the recommendation is to remain with Medical Mutual for stop-loss insurance.

Mr. Reilly stated that, when he was at the county, they were seeing a lot of increases in stop-loss coverage costs. The County raised the stop-loss amount to \$500,000 and then self-funded in between \$250,000 and \$500,000 in an effort to reduce rates. He asked if that ever been assessed at the City, or is it not feasible because of the number of employees. Ms. Steiner stated that the City is completely self-funded, and then the stop loss kicks in at \$250,000.

Mrs. Pyke moved to bring out Temp. Ord. A-107 with a favorable recommendation, second by Mr. James. Motion passed (3-0).

Mayor Walters stated that there will be a press release coming out tomorrow stating that the City is going to start a relief fund for the California wildfires, specifically in the city of Camarillo, with a population of 67,000. In that region, they have identified two charities to make donations, the

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Humane Society of Ventura County and the North Valley Community Foundation Evacuation Relief Fund. Mr. Gorbach stated that the residents of the Cuyahoga Falls would love an opportunity to give back given all the destruction in that area. He thanked Mayor Walters for giving the City the opportunity.

**Temp. Ord. A-97**

An ordinance establishing annual appropriations of money for the current expenses, capital expenditures and other expenses of the City of Cuyahoga Falls for the fiscal year ending December 31, 2019, and declaring an emergency.

Mr. Gorbach asked if there were any questions concerning items discussed in the previous budget meeting

Mrs. Pyke asked how long they have been holding the money for Contractual Computer Services for possible legal fees. Mr. Hoffman stated that it has been since 2014 or 2015, when they stopped making payments on that. They have been encumbering those funds and rolling those funds over year after year. Mrs. Pyke asked if that has been in the same proportion every year. Mr. Hoffman stated that is correct. It is a little over \$200,000 a year. Mrs. Pyke asked if that is only in the three Enterprise Funds: Water, Sewer and Electric. Mr. Hoffman stated that was correct. Mrs. Pyke asked if there were any in Utility Billing Contractual Services. Mr. Hoffman stated there is not. All Utility Billing would flow back into those three respective funds. That fund is funded is through those three funds. Mrs. Pyke asked if there would be any problem, should those be need for legal fees, with the fact that they're sitting in a fund called Computer Contractual Services. Mr. Hoffman stated that there isn't any issue there, because that would be under a grouping of Other Operations. From an appropriation standpoint, those funds could be used for legal services. Mrs. Pyke asked if it would come before Council to move them for that purpose and then to use them for the legal fees. Mr. Hoffman stated that it would come before Council for a contract to use those for legal fees. Mr. Gorbach stated that Council approval would not be necessary to move them, as they are already within that grouping, but Council would have to approve the expenditure for the legal fees. Mr. Hoffman stated that was correct. Mrs. Pyke asked if they would have to be moved into one group. Mr. Hoffman stated that they would internally move them to a line item called Legal Fees. They can do one purchase order with the three different funds listed as funding sources for those legal fees. There would be one vendor, one purchase order and the money would be pulled from each one of those funds and would be the shown on the budget sheet.

**CAPITAL PROJECTS**

Mr. Gorbach asked if there were any questions or comments regarding the Revenue portion of the Capital Project Fund.

Mrs. Pyke asked the anticipated amount of the transfer from the Income Tax Fund for 2018. Mr. Gorbach stated that the amount is \$6,877,885. Mrs. Pyke asked if they have met the projections for 2018, since the budgeted amount for 2019 is relatively close to the 2018 number. Mr. Hoffman stated that that was correct. As discussed on Report 21, they have been down in income tax

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collections this year. Mrs. Pyke asked if Mr. Hoffman believed that the City will recover that money in 2019. Mr. Hoffman stated that they will discuss that in detail once they come to the Income Tax Fund.

Mr. Iona asked for a detail on the \$132,000 that is listed. Mr. Hoffman stated that the majority of that, if not all of it, is for the anticipated overage amount projected for the State Road TIF money that's coming in. Mrs. Pyke asked if that was an additional \$132,000. Mr. Hoffman stated that was correct, based on valuation of the State Road/Portage Crossing area.

Mr. Reilly asked if the City pursues people who run into guardrails. Mr. Hoffman stated that they do when possible. Mr. Iona asked how the City recovers the cost of weed cutting. Mr. Hoffman stated that the City will put that on the residents' taxes. They sometimes offer payment plans or payment to the City directly for some of those items, but that is all run through the Economic Development Department. They are very successful in recovering those funds.

Mr. Hoffman stated that, in the Capital Projects Fund, they tend to retire these vehicles. When there are vehicles being passed down, it's generally from an Enterprise Fund; then they tend to come down to a tax-supported fund like this. All these vehicles in the fund are scheduled to be retired. They're all scheduled to be replacements. They are not increasing the number of vehicles here in this budget. Under Street Department, there are four different vehicle purchase replacements. The numbers next to it are identification numbers, for inventory purposes, for the truck or the vehicle that it is replacing. Those are a 5-ton truck with plow, a front-end loader, a 1-ton crew cab truck and a stake body truck. Those trucks are fully depreciated. The list changes all the time, so they tend to put an in a generalized number throughout the budget for future purchases. On the equipment side of things, there is a heavy equipment trailer that's a replacement that is 26 years old. They are replacing a tractor mower. In the leaf machine grouping, they have a one-man leaf machine vehicle that will be very useful out in the Ward 8 area. In Equipment, the same thing is done as in Vehicles. They tend to put a generalized number into the future years for purchases.

Mr. Hoffman stated that, under page 38, Safety, under Police Vehicles, generally, they have bought four police vehicles. This year, they are planning to buy three. The SUV models of police vehicles are holding up fairly well, so they are going to purchase three this year and the plan is to continue on with four next year. Under Fire, most of the items are scheduled replacements of items. There is the Station 4 bay roof replacement. Then there is the Station 3 rebuild project that was mentioned on the Revenue side that's scheduled at \$4 million. They have \$3.5 million in 2019 and \$500,000 in 2020. The other items here are scheduled in future years for the various stations listed there. Under Vehicles, they purchased an EMS squad. With the City doing non-emergency transportation, there is wear and tear on the EMS vehicles, so they use some of those dollars to purchase a squad every year to keep the equipment up-to-date. The next item is a ladder truck. This was actually in the 2018 budget and was pushed over to 2019. There are also command vehicle replacements. Under Equipment, turnout gear, in previous years, the goal was to provide two sets of turnout gear to all of firemen and women. After this year's purchase, there will be two

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sets of turnout gear for everyone on the Fire Department. There is \$70,000, in 2019, and budgeted \$50,000 a year for future years as replacement of turnout gear. Those have a 10-year lifespan, so there's some upkeep to that equipment as time goes on. There is a chest compression tool. That was scheduled out in 2019 and 2020 to buy two more. There is an extractor in 2020. This is something that was purchased through a grant. It's an oversize washing machine purchased to house in the fire station to test it out through last year and this year. It was put in the budget in future years to purchase more. In many cases, it saves on time and it saves on contractual services, because they end up shipping out the turnout gear to have it cleaned somewhere else. There is also a radio equipment upgrade in 2021. Mrs. Pyke asked if the ladder truck is a replacement and at what station will it be located. Fred Jackson, Assistant Fire Chief, stated that it is a replacement, and it will be located at Station 2. Mr. Miller asked where the gear extractor will be located. Mr. Hoffman state that they have one at Station 5 right now purchased through a grant.

Mr. Hoffman stated that in the next item, Bridges, there is the normal amount. They tend to do as much work, on an as-needed basis, on the City's bridges. In Other Projects, under Land, there is cleanup after-dam removal. This was in the 2018 budget and moved into the 2019 budget. They had to come up with a better plan to remove some of the debris, so it was pushed into 2019 as a project to get done. It is a safety issue, because there might be chunks of concrete and other things in the river that could be hazardous to recreation in the river. The next two items are Land Improvements. One is for the scheduled parking lot at the Sheraton under South Front Street Land Improvement, and the other is for another South Front Street piece of property that the City would like to try to get cleaned up. This plan is fluid and subject to change as time goes on, but put into the budget. Next is the Front Street landscape proposal. Landscaping has been done to make the Blue deck look inviting and to make Downtown look nice. There are other areas around the decks where landscaping is planned. That amount is \$29,500 in 2019.

Mr. Hoffmann stated that the next grouping is Building Improvement. This first \$100,000 is an amount that is put in every year for building needs. City Hall is a fairly old building and it does require some upkeep. There are two items for City Hall that are listed separately, because they're a known item, and that is a roof replacement for all of City Hall. This is the pitch roof and flat roof in City Hall. There are leaks in that roof, and it needs replaced. In the Tech Services Building, they would like to keep a natural gas generator to keep that building up and running in case of an outage, because that building houses a lot of the City's radio equipment. The next group is Infrastructure. The first one is a grant for West Portage Trail to do some work from State Road to Albertson Parkway. There is also an amount in 2021 and another in 2023 of \$1.2 million to finish that project off. The next item is Chestnut Boulevard resurfacing. There is a grant for that. It won't be there until 2021, but they would like to do some engineering work on that, because part of the grant stipulation is the project has to be planned out prior to being able to receive that grant. That will be done in 2019, with the anticipation of resurfacing that in 2021. The City Hall parking lot resurfacing is a sealant that keeps the parking lot maintained so that they don't have to completely repave as often. The next item there is Garage UST Closure. This is an ongoing environmental issue that we've had at the Water Department. Mr. Tony Demasi, Engineer, stated that, several years ago, underground storage tanks that contained waste oil were removed. At that

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time, there was some contamination in the sidewalls of the tank cavity. They have been working to get a final order on the project, so this will be the last piece owed on it.

Mr. Hoffman stated that the next item, the retaining walls at Howe Avenue and Main Street, in front of the Eat and Park area and south of there belong to the City. Those retaining walls have been deteriorating, so they need to be replaced. Mrs. Pyke asked if when those retaining walls are replaced, will they be putting in sidewalks. Mr. Demasi stated that there are sidewalks there now. Mr. Hoffman stated that, under Parking Deck Repairs, there was a large expenditure to bring those parking decks up to a serviceable level. They have used the \$200,000 in the budget for parking deck repairs on a yearly basis. It was decreased to \$75,000. In 2019, they bumped it up to \$100,000 and, in the following year, with the anticipation that they did want to maintain those decks at a very high level. Community and Electronic Signage is something in the budget in 2018. They've been been working with Community Development on signage in the Front Street area. Some of the reasons it wasn't done in 2018 is they have been working on the best locations. Riverfront Parkway Boardwalk Repair was in the budget for about \$100,000 to do some repairs and restoration. They would like to do a little bit more in 2019. The Mud Brook/Mill Pond Greenway is another item the City had a grant for on the revenue side. That's the trail right on Bath Road. Downtown lighting upgrades are something they would like to do around the Pavilion area to enhance that lighting to make it walkable and very nice down there.

Mr. Hoffman stated that the next item there is On-Street Parking at Portage Trail and Second Street. This is in anticipated possible redevelopment of the Westfield Bank on the corner. There have been some discussions about tearing that building down and putting another building there with another footprint. They would like to do a bump-in of the sidewalk and put some on-street parking on that corner. That was put in the budget as a preliminary estimate. We would like to get that done, or at least have it in the budget to do it if it moves forward. Fiber Engineering was in the budget in 2018 for \$250,000; in 2019, it was put in for \$200,000. They are finalizing the very first part of this plan very soon with a report as to how it should move forward. This is the fiber project to go throughout the city and has been a very-anticipated project. The next item here is Underground Storage Tank Pipes at the Service Complex. That's in the amount of \$25,000. In 2020, there is the amount of \$470,000. That is in anticipation an above-ground tank may need to be installed. Those tanks are approaching the end of life. If they start to leak, there will be more environmental costs, so they are trying to get ahead of that. A fix to that is putting in above-ground storage tanks. They are still in the process of evaluating what those tanks look like at the Service Center. On page 39 is a silent railroad crossing at Bailey Road. The City currently has gotten approval for a silent railroad crossing at Broad Boulevard. The next silent crossing the City is looking at doing is on the Bailey Road next to River Estates. That project is in the budget of 2020 at \$250,000. The next item is Steels Corners resurfacing. That's in 2021. There is an AMATS grant for that, and the money won't be available until 2021, but it is in the budget as an anticipated expense.

Mr. Gorbach asked when the last time City Hall's roof was replaced. Mr. John Ball, Buildings and Grounds Maintenance Superintendent, stated that the roof is over 40 years old. Mr. Gorbach

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asked when the project would start and how long it would take to complete. Mr. Ball stated that he would like to start in the spring, so in about a month. Mrs. Pyke asked if the anticipated total cost of the Fiber Engineering project was \$2 million. Mr. Hoffman stated that he doesn't have a number on the entire project, but he anticipates it to be much more than \$2 million. The number listed for Fiber Engineering is a number that was from the consultant that is working on the first part of the plan. A project like this would be quite a bit more than \$2 million. Mrs. Pyke asked if they could throw out the project. She doesn't know that Council would want to be voting on anything if this project is not feasible. Mr. Gorbach stated that voting on the budget isn't necessarily approving this \$200,000. That would come to Council on separate legislation with respect to anything like that. Mr. Hoffman stated that was correct. Mr. Gorbach stated that that doesn't mean Council will approve it once it comes before it. Mrs. Pyke asked if there was an approximate amount. Mr. Hoffman stated that it might be too early to get into what the total cost might be for the City. Mrs. Pyke asked if there was any grant money for the silent railroad crossing on Bailey Road. Mr. Demasi stated that there was not. He doesn't know of any programs available to fund it. If there is a history of accidents, there can be safety funding for it, but if it's just for convenience or sound, there aren't any grants for that.

Mr. Iona asked how many parking spots the City is getting for \$235,000 in reference to the South Front Street parking lot and the South Front Street land improvement. Mr. Demasi stated that they have already started to design the parking lot on the Sheraton property. That one will have approximately 50 spots by the time landscaping and lighting is installed. They have not started sketching anything for the other parking lot. Mr. Iona asked if the land is worked out for the second one. Mr. Hoffman stated that they don't have the land worked out yet. It is very much a work in progress. Mr. Pallotta asked if the Infrastructure, West Portage Trail improvements was widening the road and sidewalks. Mr. Demasi stated that it is a two-lane road. They are going to be adding a center turn lane all the way to Albertson Parkway, and then adding sidewalks on the north side, from State Road to Cedar Hill. On the south side, they will be adding a multi-purpose path from State Road to Valley. Mrs. Pyke asked where the the land cleanup after dam removal was located. Ms. Teresa Hazlett, Deputy Service Director, stated that there have been some areas identified near the Sheraton. There are areas where they are going to bring in heavy equipment to remove the heavy materials like concrete and tires. Every year when they are on the river, they identify more areas where debris has now come to the surface.

Ms. Sue Truby, 2976 Devan Vale Drive, asked if the South Front Street land improvement of \$133,000 and the South Front Street parking of \$235,000 applicable to City-owned land. Mr. Hoffman stated that on the first one next to the Sheraton, there is a lease agreement that is being worked out with the Sheraton for access to that property. The second one is very much in its infancy, and the City doesn't own that land yet. That is something that was put into the budget as an anticipated project where the City could possibly acquire some land. Ms. Truby asked where the signs referenced under Infrastructure in Community Electric would be located. Mr. Hoffman stated that they had initially anticipated one in front of City Hall and one over on the Broad Boulevard area. Ms. Truby asked if the Development Department will be in charge of the signage content. Mr. Hoffman stated that it has not yet been determined how they are going to provide

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content on those signs. Ms. Truby asked what department has oversight on the boardwalk. Mr. Hoffman stated that part of it has been in conjunction with Parks and Recreation and Building and Grounds. Mr. Demasi stated that he did an evaluation of the entire boardwalk a few weeks ago, and it's in dire need of repair because of years of neglect. It needs repaired structurally not only on top, but the substructure needs totally rebuilt.

Under Vehicles, Mr. Hoffman stated that there are two replacement vehicles, one in Engineering and a transit cutaway van for Tech Services. In Equipment, there's a replacement of a zero-turn mower for the cemetery. They intend to purchase one every year. In 2019, they purchased a track hoe, which has made getting through the cemetery much easier for personnel to do maintenance in the cemetery. One of the items they would like to purchase in 2019 is an attachment stump grinder attachment and a trailer to move that piece of equipment around the City. Mr. Hoffman stated that the next item is parking deck cameras for downtown. This is an additional number of cameras they would like to put in and around the downtown area. Under Traffic Signal Controller Upgrades, the City tends to put \$50,000 in the budget every year for controller upgrades. In 2019, there is some additional need for controller upgrades. One is a traffic light on State Road at the GoJo area, as well as possibly doing something at Chart Road. Under Radio Tower Painting, the radio tower needs painting. The next item is a traffic signal conflict tester. This is an item that broke, and they want to purchase another one. The next one is Network Storage and Switches. This is an annual amount to keep up with all of the changes from the IT staff. In 2020, there is anticipated PC replacement. This is on a five-year anticipated schedule. This might be something they can push out depending on analysis of the need for PCs in the city. Mr. Hoffman stated that that completes all the projects we have listed under the Capital Projects Fund. Mrs. Pyke stated that, under Revenues, a grant is shown for Barney's Busy Corners, but she doesn't see any expenditure shown for it. She asked if the City is going to use that money in 2019. Mr. Demasi stated that the expenditure was in this year's budget, and the City is going to bill ODOT back the money next year as they go through the design. It shows up in the 2018 budget. The money is already spent. Mr. Gorbach stated that the City hasn't billed ODOT yet. It will receive the money in 2019. It is happening because they are bridging years. Mrs. Pyke stated that the balance won't be correct. If they are showing a balance in the Capital Projects Fund, this revenue is already technically spent. The \$276,000 is encumbered for 2018, so if they take total expenses and total revenues, it's not going to be \$1,001,384. Mr. Hoffman stated that what Mrs. Pyke is alluding to is that because the revenue does not meet the expense in the same year that shows that revenue, but not the expense, it doesn't match up. That is taken into account, so that expense, in 2018 would be reflected in that number at the top of the page. Mr. Gorbach stated that that money is less, because it was expended in 2018.

POLICE

Mrs. Pyke asked if, for the 2018 budget, the \$33,000 for firearm supplies, they have only spent \$1,000. Police Chief Davis stated that that has all been spent. The Police Department purchased some ammunition. Mrs. Pyke asked why they did not buy any medical supplies for \$6,420. Chief Davis stated that, under Materials and Supplies, the Police Depart was going to purchase tourniquets for each of their officers, and Western Reserve Hospital provided those to them. They



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do have an order out for ADD batteries and electrodes. Mrs. Pyke asked if the Police Department purchases Narcan. Chief Davis stated that they are currently getting Narcan from the Fire Department. Summit County Public Health is going to provide them with it without reimbursement. Mrs. Pyke stated that under Clothing, Safety, Line 53014, in the Other Operations category, they were at \$2,800 and raised it to \$12,590. She asked if there is something special being purchased for this year. Chief Davis stated that they are buying vests out of Special Funds.

Mrs. Pyke asked if they really expect to pay over \$3,500 on banking fees next year. Mr. Paul Novelli, Treasurer, stated that that is the credit card fees that are associated with the parking meters on Front Street. Mrs. Pyke asked if they have to spend that much to get that money from those parking meters. Mr. Novelli stated that is all dependent upon the volume of activity. Mrs. Pyke asked if it shows in Revenue. Mr. Novelli stated that it does. Mr. Gorbach stated that on page 25 in the General Fund, \$33,000 was budgeted for parking meter revenue. As of 9/30, they are at \$18,000. It's credit card transaction fees that they want to reduce, because they are subsidizing the large credit card usage on utility payments. Mr. Hoffman stated that is correct. Mrs. Pyke asked if 10 percent is typical. Mr. Novelli stated that this is their first real go around with small-dollar-amount transactions. In general, it is around two percent for an average sale of a \$100. The parking meters are very small transactions, so they are anticipating fees to be higher as a result of it.

Mrs. Pyke asked if the Police Department is getting new office equipment. Chief Davis stated that they are purchasing new PC's for \$12,000.

**FIRE**

Mrs. Pyke stated asked if the budgeted amount for medical supplies should be less since they are not paying for the Narcan anymore. Fire Chief Moledor stated that that is only for the amount of Narcan if police officers get there first. Mrs. Pyke asked for a breakdown of how much the Fire Department pays for Narcan.

**MUNICIPAL INCOME TAX**

Mr. Gorbach stated that, looking at the revenue, that \$24,247,500 is the gross amount of tax that is going to be collected by RITA. Under Contractual Services and Other Operations, there is a number of \$727,752. That number is exactly 3 percent of \$24,247,500. That is what RITA withholds on a retainage basis. That doesn't necessarily mean that's going to be the cost. They were told that number was usually 1.5 to 1.9 percent, so that number will likely be less than \$727,750. Mr. Gorbach asked, going from the 2018 budget of \$24.6 million and then budgeting \$24.2 million, what happened to that seven hundred, eight hundred thousand. Mr. Gorbach asked Mr. Hoffman to explain that difference and how they are handling that amount of money in the budget. Mr. Hoffman stated that the number of \$24,247,500 that was put into the proposed budget under the Municipal Income Tax Fund is a number that Finance will use as a projection based on current collections. They have seen some income tax numbers coming in this year, and are using those numbers to make a projection for the budget commission at the County. When they submit this budget for revenues and estimated resources, they have to put some numbers together and

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send it down to the County, where the Budget Commission then does an approval of those revenue items. They have some data bases for the \$24,247,500 as far as current collection numbers. Mr. Gorbach stated that they are looking on page 33, the very last line, Operating Transfers in Transfer Income Tax, the 2019 budget column and then the 2019 projection. Mr. Hoffman stated that the 2019 budget listed is for purposes with the County reporting. They anticipate, based on where they feel the economy is today with it being similar or probably a little bit better than last year or the year before, they are going to far exceed those revenue estimates in 2019 and in 2020, and will start to see income tax collection come up there. When they looked on the expense side of it, they talked about the savings with RITA. That is actually shown in this budget on the expense side.

Mr. Gorbach asked if Mr. Hoffman could explain how those reconcile that the City is saving money moving to RITA. Mr. Hoffman stated that from the 2018 adopted budget on the sheet and 2019 proposed budget, that's \$455,483. The effective rate that they have been using to look at the cost of going to RITA is about 1.9 percent of collections, which is approximately \$460,703 based upon the revenue number of \$24,247,500. That would mean that the City would then get back about \$267,050 from the Contractual Services line item in the proposed budget 2019. Mr. Gorbach stated that that would reduce the \$727,752 in Contractual Services, which they have to budget that 3 percent, because that's what they're going to withhold at the beginning, but that number would be reduced by \$267,050, based on their historical costs. Mr. Hoffman stated that that is correct. He thinks that is a conservative number. RITA stated their average costs among all communities that they serve are 1.5 to 1.6 percent. The City is using 1.9 percent as a conservative estimate on the total cost. Mr. Gorbach stated that the total difference between 2019 proposed and 2018 is \$455,483. They are reducing that by \$267,050 based on the 1.9 percent, which is likely a higher number than what they've shown. That leaves a difference of \$188,433 that 2019 is higher than 2018. Mr. Hoffman stated that that is correct. One of the main reasons they recommended moving to RITA was that the Income Tax Department was severely understaffed, and, at that point in time, they would have had to make some staffing adjustments and some increases to staffing in that department to have a fully-functioning Income Tax Department. The cost he had projected at that time and in this analysis is roughly \$240,000 in increased staffing costs to that department between 2018 and 2019. Taking that and subtracting it out of the \$188,433 there is a savings, within these budgetary numbers, of \$51,567 with going to RITA on the budgetary numbers.

Mrs. Pyke asked where they are with Municipal Tax on this month's Report 21. Mr. Hoffman stated that there is a difference there in 2018 versus 2017 in collections through October. Mrs. Pyke stated that that shows they are almost \$1 million behind from the 2017 number and asked where that money is coming from. Mr. Hoffman stated that that is coming from the fund balance for 2018. Mrs. Pyke asked if Mr. Hoffman took any actual numbers from what was taken in through 2018 and, if so, what type of growth did they project. Mr. Hoffman stated that the budgetary numbers provided here are based on current collections seen through this year, with a very small growth number in it. Those are not the numbers that he anticipates collecting next year once they move to RITA. Those numbers can be shown on page 33 from an income tax transfer number. Mrs. Pyke asked if he had any idea why they didn't meet what was expected. Mr. Hoffman stated that, in the plan to move to from the Income Tax Department to RITA, part of the

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reason in moving to RITA was they were at the crossroads with income tax and didn't want to lay anybody off in our Income Tax Department. Because of that, they found other places to move people around. They are currently processing returns for 2017 and getting things cleaned up. They are getting the transition moving forward in 2018. Mrs. Pyke asked if RITA is working on monies not recovered from 2017. Mr. Hoffman stated that the City is currently working on those. RITA will be working on those starting January 1st, 2019. Those aren't dollars that are lost. Those are dollars that they fully intend on collecting.

**INFORMATION SERVICES**

Mr. Gorbach asked if the microphones have been ordered. Mr. John Konich, Director of IT Services, stated that the purchase order was generated last Friday and he has placed the order.

Mrs. Pyke asked for the job description for Electronic Signal Tech and the qualifications for that position. Mr. Konich stated that he will e-mail them to her.

**BUILDING AND GROUNDS**

Mr. Gorbach stated that some of the Riverfront District, on page 279, is flowing from there into Buildings and Facilities. The 2018 budget in the Riverfront Centre District is \$638,000. These services are moving to Buildings and Grounds, but the 2019 budget of Building and Facilities, the Other Operations total doesn't increase by \$600,000. He asked Mr. Hoffman earlier today what happened to these. When the Riverfront Centre District was closed down, some moneys went to Buildings and Grounds and some some expenditures went to Parks and Recreation and the NECCO Department. The Personal Services increase versus Personal Services adopted budget decrease from Riverfront Centre District match up as Mr. Hoffman put in here on the highlight sheet.

The meeting adjourned at 9:06 p.m.