

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

November 1, 2021

Members: Tim Gorbach, Chair
Mary Nichols-Rhodes
Jeff Iula

Mr. Gorbach called the meeting to order at 6:57 p.m. All members were present.

The minutes of the September 20, 2021, Finance Committee meeting were approved as written.

Legislation Discussed

Temp. Ord. B-91

Temp. Ord. B-92

Temp. Ord. B-93

Temp. Ord. B-94

Discussion:

Temp. Ord. B-91

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, 2022, and declaring an emergency.

Ohio Revised Code §5705.38 requires local taxing authorities to pass an annual appropriations measure classified so as to set forth the amounts appropriated to each office, department and division of the taxing authority. Article VI, Section 6 of the City Charter requires the Mayor to submit an estimated budget for the coming fiscal year showing the requested allotments of the appropriations and estimated income for each office or department for the calendar year.

Mayor Walters addressed Council with a summary of the City's position going into 2022. The City received an Aa2 bond rating from Moody's and the Finance Department received the Auditor of State Award. Unemployment in the city is low compared to other cities in the area. There is a current need in the city for higher-end, no-maintenance housing for younger professionals who wish to live in Cuyahoga Falls. High priorities for the City are to hire police and fire personnel and spending at least \$3 million on road improvements and paving. The Mayor mentioned upcoming projects like the silent crossing at the Bailey Road railroad crossing and reconstruction of the downtown boardwalk.

Bryan Hoffman, Finance Director, stated that the City has a balance of a little over \$14.6 million in the General Fund. The debt capacity of the City is at half for a city of its size. Income tax collections remain high. They are currently negotiating wages and healthcare with the City's labor union, which will change some of the numbers for the upcoming.

Finance and Appropriations Committee
November 1, 2021 – Page 2

General Fund Five-Year Forecast

Revenues

Property Tax - An increase of 15.0% in 2022 over adopted 2021 budget. Flat in year 2023, increase of 4% relating to re-appraisal in 2024, then flat again for 2025, and 2026.

Admissions Tax - A decrease of 34.4% in 2022 over adopted 2021 budget. Restored to 2021 original estimate for 2023, then 1% increase in subsequent years (2024-26). This revenue source has been rebounding slowly, as concerts began again in July 2021. We are cautiously optimistic it will rebound.

County Local Government - Increase of approximately 25.6% in 2022 over adopted 2021 budget. On 8/2/2021, the County revised the 2021 estimate to \$1,473,658 on our “Certificate of Estimated Resources,” and 2022 is slightly above this amount (\$1,478,239). An increase of 1% increase in subsequent years (2023-26).

Charges for Services - Law, Fire and Communications are 3% contractual agreements.

Internal Service Charges - For 2022, General Administration 8% decrease, Engineering .8% increase, Building & Grounds 26% decrease, Technical Services 58% decrease, and Information Services 10% increase. Subsequent years (2023-2026) reflects an increase of 2% for General Administration, Building & Grounds, and Information Services, while the other categories remain flat. The allocation is a calculation which is based on departmental information from our last completed financial statements (12/31/2020).

Interest Earnings - A decrease of 2.8% in 2022, with an increase of 3% in subsequent years (2023-2026).

Income Tax Transfer In - 8.7% increase in 2022, with an increase of 2% in subsequent years (2023-2026).

Expenses

Personal Services – Current collective bargaining agreements and non-bargaining pay scales go through June 30, 2021, so we budgeted an estimated cost of living adjustment (COLA) of 3% for July 1, 2021 (first half of 2022 budget year), and 3% on July 1, 2022 (second half of 2022 budget year). Retroactive payments for the period of 7-1-2021 through 12/31/2021 are not budgeted in 2022. If these retroactive payments are not made until 2022, we may have to clean-up personal services appropriations for some smaller departments at the end of 2022. This is a similar process that was done during the last contract negotiation period, and it worked well. An increase of 1% increase in subsequent years (2023-2026).

Other Operations & Maintenance - 1% increase annually.

Personal Services

Salaries & Wages

Finance and Appropriations Committee
November 1, 2021 – Page 3

Cost-of-Living Adjustment (COLA) Assumptions

American Federation of State, County and Municipal Employees (AFSCME): 7/1/21 - 3%;
7/1/22 - 3%.

Ohio Patrolmen's Benevolent Association (Patrolmen and Community Service Officers):
7/1/21 - 3%; 7/1/22 - 3%.

Ohio Patrolmen's Benevolent Association (Police Sergeants & Police Lieutenants): 7/1/21 -
3%; 7/1/22 - 3%.

The Fraternal Order of Police Ohio Labor Council Inc. (Dispatchers): 7/1/21 - 3%; 7/1/22 -
3%.

Non-Bargaining: 7/1/21 - 3%; 7/1/22 - 3%.

Utility Worker's Union of America AFL-CIO (Electric): 7/1/21 - 3%; 7/1/22 - 3%.

International Firefighter's Association: 7/1/21 - 3%; 7/1/22 - 3%.

Benefits (Employer Share)

Pension: No change.

Medicare: No change.

Workers' Compensation: No change.

Medical Insurance: No change.

Dental: No change.

Vision: No change.

Life Insurance: No change.

City Council

Personal Services - \$21,176 increase. Cost of living (COLA) increase of 3% on a calendar year basis. In addition, there is an increase in Insurance - Medical/Dental, to account for changes in the open enrollment period.

Operations expenditures - \$439 increase, which is mostly related to an increase in Contractual Services for maintenance - E-Mail & Spam Filter, and Dropbox licenses.

Mayor's Office

Personal Services - (\$1,083) decrease, Cost of living (COLA) increase of 3% for department personnel (Non Bargaining), offset by a reduction in Insurance - Medical/Dental, to account for changes in the open enrollment period.

Operations expenditures - \$831 increase, primarily attributable to Non-operating expense group Reserve: Sick Leave (54875) +\$558 for the department's share of the increase in contributions to the Compensated Absences Fund (707). Department allocation is based on the compensated absences liability in the City's 12/31/2020 audited financial statements.

Mayor's Court

Personal Services - (\$1,455) decrease. Cost of living (COLA) increase for department personnel (Non Bargaining), offset by a reduction in Insurance - Medical/Dental, to account for changes in the open enrollment period.

Finance and Appropriations Committee
November 1, 2021 – Page 4

Operations expenditures - \$4,903 increase. Increase is mostly in the Miscellaneous Contractual Services (54005) \$5,000 relating to additional time for magistrates \$3,900., and addition language interpreter fees \$1,100.

Finance

Personal Services - \$31,579 increase. Cost of living (COLA) increases for Non Bargaining, and AFSCME personnel.

Operations expenditures - \$6,085 increase. General increases spread over several accounts, such as Office Supplies, Training and Travel, etc., with the two largest items related to equipment acquisition (MICR check printer) \$1,500, and upgrading four Microsoft licenses \$1,000.

Service Director's Office

Personal Services - \$16,652 increase. Cost of living (COLA) increases for Non Bargaining personnel.

Operations expenditures – (\$5,510) decrease. Decrease is primarily related to Furniture and Fixtures (53019) from one-time purchase of replacement office chairs in 2021. Engineering (Page 193) **Personal Services** - \$45,582 increase. Cost of living (COLA) increases to Non Bargaining, and AFSCME personnel. **Operations expenditures** - \$140,950 increase. The increase is due to an accounting change associated with a new rule, Governmental Accounting Standards Board (GASB) Statement No. 84. It requires the city to account for and appropriate certain funds that are held in trust by the city (i.e. performance deposits, utility construction bonds). Historically, the City has held these moneys in Funds that are not appropriated in accordance with GASB. The City Engineer has the administrative involvement of determining when these items are paid out, so this activity was moved to this department.

Law

Personal Services - \$49,486 increase. Cost of living (COLA) increases for Non Bargaining personnel. In addition, several employees have scheduled merit increases in 2022.

Operations expenditures – (\$4,371) decrease. Decrease is primarily related to Office Equipment (53032) from one-time purchase of replacement of computers in 2021.

Temp. Ord. B-92

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the demolition of structures located at 2844 Audrena Court, and removal of demolition debris, and certifying the cost thereof to the County Fiscal Officer for collection in the manner provided by law, and declaring an emergency.

Mr. Tony Demasi, City Engineer, presented Temporary Ordinance B-92 to Council. Council will be asked to find and determine that the following described structures are insecure, unsafe, and structurally defective within the meaning of Ohio Revised Code Section 37 715.26, and dangerous buildings within the meaning of Chapter 1343 of the Summit County Codified Ordinances: 2844 Audrena Court (structure and detached garage). The Director of Public Service will be authorized to enter into a contract or contracts, according to law, for the demolition of the dangerous

Finance and Appropriations Committee
November 1, 2021 – Page 5

structures listed in Section 1 above, and removal of debris therefrom. The Finance Director will be authorized to make payment for same from the Capital Projects Fund, Line Item Capital Outlay. In accordance with the Ohio Revised Code Section 715.261 the Finance Director will be hereby directed to certify the costs of demolition and debris removal to the Clerk of Council who shall then certify the same to the Summit County Fiscal Officer for placement thereof on the tax duplicate together with interest and penalties provided by law.

Mr. Gorbach stated that he is glad the City is moving forward on structures like this. It is beneficial to the neighborhood, and the neighbors are appreciative. Mr. Iula asked if this house was located on the left side or right side going up that way. Mr. Demasi stated that is it the second house on the left.

Ms. Nichols-Rhodes moved to bring out Temp. Ord. B-92 with a favorable recommendation, second by Mr. Iula. Motion passed (3-0).

Temp. Ord. B-93

An ordinance authorizing the Mayor to enter into a contract or contracts, without competitive bidding, with GVS Getac Video for the purchase or lease of body and cruiser video cameras and all necessary accessories for use by the Police Department, and declaring an emergency.

Chief Davis and Captain Norfolk presented Temporary Ordinance B-93 to Council. The Police Department proposes to purchase cruiser and body cameras. The cameras will enhance police services, protect police officers and collect valuable video in significant events. The Mayor will be authorized to enter into a contract or contracts, without competitive bidding, with GVS Getac Inc., for the purchase of body and cruiser video cameras and all necessary accessories, software, and services. The Director of Finance will be authorized and directed to make payment for same from the Capital Projects Fund, Line Item Capital Outlay.

Mr. Gorbach asked what stood out with Getac versus the other companies. Captain Norfolk stated that the seamlessness between the body cameras, the cruiser cameras and their interior room cameras. For evidence preservation, everything is in one place. Also, Getac's customer service is amazing.

Mr. Gorbach asked about the warranty, annual maintenance payments and software upgrades. Captain Norfolk stated that all of that is built into the purchase price. There are no additional annual warranties, like the previous company they had. Mr. Gorbach asked what the lead time or deployment time will be. Captain Norfolk stated that if everything goes smoothly, before Christmas. They are looking to purchase 60 body cameras and 22 in-car systems. The install is going to be done by a third party. Tech Services will do the four cruisers they typically purchase each year and the maintenance issues.

Ms. Nichols-Rhodes asked how they will be balancing the large amount of data space this system will use. Captain Norfolk stated that that is built into the purchase. They are doing cloud storage.

Finance and Appropriations Committee
November 1, 2021 – Page 6

Mr. Iula moved to bring out Temp. Ord. B-93 with a favorable recommendation, second by Ms. Nichols-Rhodes. Motion passed (3-0).

Temp. Ord. B-94

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, without competitive bidding, with Badger Meter for the purchase of meters to be installed at the Ledges at Pine Ridge and Princeton Place developments, and declaring an emergency.

Mr. Russ Kring, Water Utilities Superintendent, presented Temporary Ordinance B-94 to Council. Badger Meters are used throughout the City for monitoring water usage. It is necessary to maintain continuity with City meters in use. While no specific expenditure for these meters has exceeded the threshold for the competitive bidding amount this calendar year, collectively these expenditures may soon exceed the competitive bidding amount of \$50,000. The Director of Public Service will be authorized to enter into a contract or contracts, without competitive bidding, with Badger Meter for the purchase of meters to be installed at the Ledges at Pine Ridge and Princeton Place developments. The Director of Finance will be authorized to make payment for same from the Water Fund, Line Item Capital Outlay.

Mr. Kring stated that there are two large developments starting up right now. This will be to purchase water meters so they would be ready to go when they need them. This will replenish their stock and make sure that they have what the developer needs when they need it.

Mr. Gorbach asked if they are in the process of changing over water meters. Mr. Kring stated that this will provide them with meters that have the new technology that they will be purchasing. They will not have to be changed out at some point. Mr. Gorbach asked how many meters there are. Mr. Kring stated that there are varied sizes. The ones that are going in are between three-fourths inch up to 1 1/2 inches depending on the development and how they are laid out. Again, this is replenishing their stock, so there would be a wide variety of sizes.

Mr. Gorbach asked if there is a longer lead time for these meters due to the supply shortages that they have had. Mr. Kring stated that that is why they are presenting this ordinance now. They will not need them until the new year, but lead times are exceptionally long, so they are trying to stay ahead of the game on this one and the next one.

Ms. Nichols-Rhodes moved to bring out Temp. Ord. B-94 with a favorable recommendation, second by Mr. Iula. Motion passed (3-0).

The meeting adjourned at 7:30 p.m.