

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

November 13, 2023

Members: Mary Nichols-Rhodes, Chair
Mike Brillhart
Adam Miller

Ms. Nichols-Rhodes called the meeting to order at 6:46 p.m. All members were present.

Legislation Discussed

Temp. Ord. B-116

Discussion:

Temp. Ord. B-116

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, 2024, 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.

Street

Street Construction, Maintenance and Repair Fund (Page 223)

Revenues - \$50,614 increase. This is mostly related to the projected increase of Hotel/Motel Taxes (42001) \$17,302, and State Levied Shared Taxes group \$65,062 (Gasoline Excise (43010), Gasoline Excise - Added (43011), Motor Vehicle License (43012), and IRP Compensation Distribution (43013)), offset by a decrease in Cable Television Franchise Fees (46000) of \$35,000. With the recent popularity of streaming services, cable franchise fees have continued to decline. The last three complete years of this revenue source for 2020, 2021, and 2022 was \$620,249.40, \$609,433.79, and \$577,644.52, respectively, and current year is trending to be \$543,453.

Personal Services - (\$15,230) decrease. Overtime (51020) was reduced \$25,000, to account for the amount of overtime which is budgeted in the Storm Drainage Utility Fund (606), for leaf pick-up season. Do to the actual department overtime in recent years, and taking into account our unpredictable winter seasons, we are comfortable with this reduction. Reduction offset by Cost of living (COLA) increase from 7/1/2023 which is budgeted for the entire 2024 year, compared to half of year in 2023, coupled with scheduled merit and longevity increases in 2024, and plans to promote several employees to the next level of achievement (i.e., Full-Time Laborer to Street Maintenance Worker).

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Operations expenditures – (\$67,537) decrease. Notable reductions in the following accounts: Paint Supplies (52015) \$5,000 related to less white and yellow traffic paint; Signage Supplies (52071) \$10,000 for reduction in all detailed recurring items (i.e., signposts, blanks, vinyl supplies, etc.); Rock Salt (54103) reduced from \$98,340 to \$0. Rock salt for winter road safety is first expended out of the State Highway Improvement Fund (202), and Municipal License Fund (218), with remaining allocation coming from this fund. Due to available revenues in those funds, current stockpile, and planned need, we are not projecting any expense from this fund for rock salt in 2024.

State Highway Improvement Fund (Page 231)

Revenues - \$4,117 increase. This increase is entirely related to the projected increase of State Levied Shared Taxes group (Gasoline Excise (43010), Gasoline Excise - Added (43011), Motor Vehicle License (43012), and IRP Compensation Distribution (43013)). For these revenue items, Ohio revised code allocates 92.5% to S.C.M.R. and 7.5% to State Highway Improvement.

Operations expenditures - (\$32,000) decrease, which is related to a decrease in the need of Rock Salt (54103) for 2024. We are projecting to purchase 4,000 tons of white salt, and 1,000 tons of green salt in 2024, the total of which is \$298,550 compared to 6,000, and 1,000, respectively in 2023. As noted above, we traditionally use this fund and Municipal License Tax Fund for rock salt, with any additional need coming from S.C.M.R. Fund. This estimate was rounded up to \$300,000, with \$182,000 coming from this fund, and \$118,000 from Municipal License Fund (218).

Mr. Gerard Crawford, xx, was present on behalf of the Street Construction maintenance and Repair Fund.

Mr. Bryan Hoffman, Finance Director, stated that, in the budget, there are two funds that are related to the Street Fund and that is the State Highway Improvement Fund and the Municipal License Tax Fund. They are associated in that they do receive some revenue from gasoline tax as well as license tax, but, in those two funds, historically and in 2024, they plan to use the balances of the funds to pay for any additional road salt that they may need to purchase. That comes out of the SCMR Fund that was discussed on Page 223.

Municipal License Tax Fund (Page 233)

Revenues - \$4,000 projected increase associated with License Surtax- Addition (43009).

Operations expenditures - \$1,000 increase, which is related to the share of Rock Salt (54103), from this fund based on available resources. See above State Highway Improvement Fund (202) description for more detail.

Sanitation Fund (Page 235)

Revenues - (\$49,250) decrease. This mostly relates to the Recycling Rebate account (49129) (\$60,000). Due to the current market conditions for recycled material, we are not anticipating any revenue for 2024. We received \$84,657.72 and \$98,367.33 in 2020 and 2021, respectively, and \$0 to date in 2023.

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Personal Services - \$7,645 increase. Cost of living (COLA) increase from 7/1/2023 which is budgeted for the entire 2024 year, compared to half of year in 2023, coupled with scheduled merit and longevity increases in 2024, and plans to promote several employees to the next level of achievement (i.e., Sanitation Route Leader, and Refuse Collector). This increase was offset by a change in secretarial duties in 2023, after a retirement in early 2023. The prior Secretary II was split between Street and Sanitation 50/50. After retirement, this allocation was changed to 100% Street, and a Secretary I position already in Sanitation elevated to a Secretary II. Therefore, each department now has one Secretary II, which slightly decreased cost to the Sanitation Department.

Mr. Gerard Crawford was present on behalf of the Street Construction Maintenance and Repair Fund.

Mr. Crawford stated that they do not anticipate any changes. They do have some costs in there for tipping fees, as well as for the recycling fees. They have seen some fluctuations in rebates/expenses to recycling and more expense than they have rebates recently. That is market driven. The other thing they have is in Capital in which they can buy a couple trucks a year. They instituted, several years ago, a rate increase for sanitation. They do not have a rate increase this year, although the costs are starting to go up in this fund and they have started to see the fund balance start to decrease over time.

Ms. Nichols-Rhodes asked about the personnel change where a prior secretary was flipped between Street and Sanitation 50-50, but now he or she is going to be 100 percent in the Street Department. Mr. Hoffman stated that that happened in 2023 and it is carried over into the budget.

Ms. Nichols-Rhodes stated that it is great that there is no increase in fees and, hopefully, the recycling will come back.

Mr. Brillhart asked if glass still costs \$21 a ton to dump. Mr. Crawford stated that glass is at \$15.99, so it has gone down with the new contract. They are entering into the second year of a five-year contract and those rates will be moving up to \$16.71 per ton.

Mr. Brillhart asked if Number 1 plastics are still paying the most money. Mr. Crawford stated that Numbers 1, 2 and 3 pay the most, but it depends on the volume. They are not getting anything, at this point, for Numbers 4 through 7.

Mr. Brillhart asked if they were still doing well with the cost of metal. Mr. Crawford stated that they saw a dip that took place in May. A little over a year ago, they were getting paid \$350 a ton for aluminum. They are currently at \$126 a ton, but it has been going up a little bit. Steel cans have remained flat at \$200 a ton.

Ms. Nichols-Rhodes asked how often those change. Mr. Crawford stated that they change monthly. That's the SMP process pricing that they have on the secondary markets. They are in the Chicago Midwest area and those prices change on market condition monthly.

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Utility Billing Fund (Page 295)

Revenues - \$77,700 increase. This increase is due to Internal Service Charges (45401) to other City departments estimated to be \$40,000 greater in 2024, and Credit Card Processing Fee revenue account (46021) increase of \$37,700. As noted in the Garage section above, this fund is an internal service fund, and operates under a cost recovery basis. Therefore, as expenses increase, cost recovery charged to other departments does as well. The Credit Card Processing Fee revenue account (46021) increase is due to an increase in the volume of accounts choosing to pay by credit card.

Personal Services - \$33,808 increase. Cost of living (COLA) increase from 7/1/2023 which is budgeted for the entire 2024 year, compared to half of year in 2023, coupled with merit (6), and longevity (2) increases. Increase in benefits is primarily related to Insurance - Medical/Dental +4.1%, Vision +4.1%, and contribution to the Workers' Compensation Fund (706) +1%.

Operations expenditures - \$71,672 increase, which is mostly due to Banking Fees (53004) \$42,640, relating to increased volume of customers using the on-line payment option. It should be noted that the prior year budget for Banking Fees account was reduced from the prior year for the elimination of high dollar credit card transaction fees, and not based on volume. Additionally, Refunds and Reimbursements (54301) is being increase \$16,596 for funding of the departments share of the future 27th pay in 2026. To plan for the 27th pay in 2026, we began encumbering 1/3 of the estimated cost of one pay period, and will do so again in 2024, and 2025, to lessen the financial burden of the additional pay in 2026.

Mr. William Bezbatchesko, Utility Billing Manager, was present on behalf of the Utility Billing Department.

Mr. Hoffman stated that the only real change in this fund as they move into 2024 is they started to see an increase in credit card processing volume. They like to have electronic payment where they can. It makes it less burdensome for the people that do the work and makes for more efficient transactions and reconciliation. They still continue to charge a fee for processing credit cards at \$2.90 since they instituted that fee and they do not anticipate change in 2024.

Police (Page 155)

Personal Services - \$317,603 increase. Cost of living (COLA) increase from 7/1/2023 which is budgeted for the entire 2024 year, compared to half of year in 2023, coupled with merit, and longevity increases. Additionally, Overtime: Safety Forces (51021) and Compensatory Time Sellback (51044) accounts are being increased \$39,156, and \$15,000, respectively. Increase in benefits is primarily related to Insurance - Medical/Dental +4.1%, Vision +4.1%, and contribution to the Workers' Compensation Fund (706) +1%.

Due to the additional volume of clerical work related to Police body and cruiser cameras, we are requesting an additional Secretary I position, which is being partially funded by a reduction of two part-time records clerks, and one CSO. Due to our agreement with the Summit Emergency Communications Center Council of Government (COG), we are required to have a part-time

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Terminal Agency Coordinator, which was added to the Police records, in lieu of personal services in the Communications department.

Operations expenditures - \$211,180 increase. Increases in the following accounts: Firearm Supplies (52080) \$12,231 for one-time pistol replacement; Property/Building Maintenance and Repair (53021) \$23,730 mostly for one-time ceiling tile replacement, and light fixtures for jail; Property/Building Service Contracts (53022) \$34,420 mostly for recurring jail cleaning service; Office Equipment (53032) \$45,660 for several one-time items, such as eticket printers, scanner, laptop, Mobile Data Terminals (MDT) and modems for cruisers; and Miscellaneous Contractual Services (54005) \$23,917 mostly for property room audit associated with protocol for Chief of Police replacement.

The Police Department has several Special Revenue Funds under their management including the Drug Law Enforcement Fund (Fund 214), Law Enforcement Trust Fund (215), Enforcement and Education Fund 2024 (217), Federal Law Enforcement Trust Fund (220), Law Enforcement Assistance Fund (222), and the newly created OneOhio Opioid Settlement Fund (228). The nature of these funds is to account for specific revenues that are legally restricted to expenditure for particular purposes. These funds are budgeted at the Chief's discretion based on restriction of use and available resources. The following fund descriptions are from excerpts from our City's Annual Financial Report, or Ordinance creating the fund:

Drug Law Enforcement Fund - 214 (Page 167)

To account for fines received by the City that are restricted under the Ohio Revised Code to subsidize law enforcement efforts that pertain to drug offenses.

Law Enforcement Trust Fund - 215 (Page 171)

To account for proceeds from the sale of contraband that are restricted to subsidizing law enforcement efforts.

Enforcement and Education Fund - 217 (Page 175)

To account for proceeds realized from fines to pay only those costs incurred in enforcing Section 4511.19 of the Ohio Revised Code or a substantially similar municipal ordinance and in educating the public of laws governing the operation of a motor vehicle and the dangers of operation of a motor vehicle while under the influence of alcohol and other information relating to the operation of a motor vehicle and the consumption of alcoholic beverages.

Federal Law Enforcement Trust Fund – 220 (Page 179)

To account for the subsidy received by the Police Department for its efforts pertaining to (1) complex investigations/prosecutions by the City's Police/Law Departments; (2) provision of technical training or expertise of a law enforcement nature for Police Department members; (3) provision of matching funds to obtain federal grants; and (4) for such other law enforcement purposes that are deemed appropriate.

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Law Enforcement Assistance Fund - 222 (Page 181)

To account for the reimbursement of professional training costs for law enforcement officers. This is no longer being funded by the State of Ohio Attorney General, due to policy changes.

OneOhio Opioid Settlement Fund - 228 (Page 183)

This was a new fund in 2022, authorized by Ordinance 84-2022. The purpose of which is to use settlement funds for evidence-based forward-thinking strategies, programming and services used to (i) expand the availability of treatment for individuals affected by substance use disorders, (ii) develop, promote, and provide evidence-based substance use prevention strategies, (iii) provide substance use avoidance and awareness education, (iv) decrease the oversupply of licit, and illicit opioids, and (v) support recovery from addiction services performed by qualified and appropriately licensed providers. Although specific plans have not been determined, we appropriated current fund balance of \$81,631 in Refunds and Reimbursements (54301), so funds are available for use.

Other than the creation of the new fund, the most notable changes to Police Special Revenue Funds was in the Law Enforcement Trust Fund (215), in which there was \$9,000 increase related to Miscellaneous Operating Expenses (53028) \$4,500, and Computer System Support (54004) \$4,500 for Cyber check evidence collection system.

Police Chief Davis was present on behalf of the Police Department and related funds.

Mr. Hoffman stated that the Police Department budget is similar, as well. They put in a cost of living increase. They do have a couple of small changes to the Records Department. Their staffing levels have been a hot topic lately in determining how they get public records out with the change in the records law. The police part of that is moving to the Dispatch Center. The Dispatch Center has a change in the records side results, as well.

Chief Davis stated that the safety of their officers and the safety of the citizens is paramount. Body cameras have added a lot of work to the Records Department.

Ms. Nichols-Rhodes noted that the Attorney General is no longer offering money for training. Chief Davis stated that they are and they aren't. It used to go into a special fund. They still get reimbursement for training. They do 24 hours and they give them half of their officers' salaries for that time, but it has to go back into the General Fund because they are paid out of that fund. It used to be in Fund 222, but now it has to go back to the General Fund.

Communications (Page 163)

Personal Services – (\$1,115,777) decrease. Due to our agreement with the Summit Emergency Communications Center Council of Government (COG), our dispatch function will be a contractual obligation going forward, and we will no longer have personal services expenses, other than the part-time Terminal Agency Coordinator, which was moved to the Police records.

Operations expenditures - \$1,326,468 increase, which is a placeholder related to contractual costs of the COG. Therefore, total department appropriations are the same as 2023.

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Police Chief Davis was present on Behalf of the Communications Department.

Chief Davis stated that the big change in the Communication Department is the Dispatch Center. The personnel has changed completely, but there is more contractual service out of that and they are getting used to that. They are still heavily involved. Captain Norfolk meets regularly with them. It's only been in operation a couple of weeks and they are working out things. A lot of their dispatchers went over there.

Ms. Nichols-Rhodes stated that it seems like all positive things. The preparation made it a success.

Mr. Hoffman stated that, regarding the Communications budget, they have one line item under Service. The amount they put in there was an estimate at this point in time based upon the total expenditures in the 2023 budget. What they do not have there is a formalized budget approved by the Dispatch Center. That is going to be coming very soon. There have been some floated drafts of a budget and, in that, they will probably see a savings to what they have budgeted there. It will be a public document that can be shared with City Council at the time they get that approval. Since the City is a part of the Board, they do have some say in that.

Fire (Page 185)

Personal Services - \$333,521 increase. Cost of living (COLA) increase from 7/1/2023 which is budgeted for the entire 2024 year, compared to half of year in 2023, coupled with merit, and longevity increases. Additionally, the Compensatory Time Sellback (51044) account is now being budgeted for \$150,000. Expense prior to 2022 were fairly insignificant, and were covered by the department's overtime allocation, however, due to the program becoming more popular, as evidenced by \$99,645.98 expense in 2022, and \$113,709.71 through October 2023, we feel we need to budget this. Increase in benefits is primarily related to Insurance - Medical/Dental +4.1%, Vision +4.1%, and contribution to the Workers' Compensation Fund (706) +1%. The department is well staffed with only one unfilled Firefighter position, from a retirement in July.

Operations expenditures - \$25,886 increase. Moderate increases in the following accounts: Firearm Supplies (52080) \$1,250 for ammunition for SWAT medics; Fuel (52051) \$3,000 for generator fuel; Awards and Promotions (53003) \$5,000 for awards ceremony initiative; Vehicle Maintenance and Repair (53029) \$12,000 for increased costs of parts and labor; Tools & Equipment Maintenance & Repair (53048) \$11,500, of which \$10,000 increase is related to maintenance agreements for Stryker Stretchers, Lifepak AEDs, and Lucas devices. Several accounts were reduced to account for more resources for the above mentioned items.

Fire Chief Martin was present on behalf of the Fire Department.

Mr. Hoffman stated that the Fire budget is similar to previous years, as well. The budget is similar to 2023 without change to personnel and things like that. They are looking forward, in 2024, to getting some budget projects they have going and moving the Fire Department forward.

Ms. Nichols-Rhodes stated that there is only one unfilled firefighter position is open, so that is good.

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Chief Martin stated that one brand-new thing they are instituting is a recognition dinner ceremony where they will see honors and awards, such as a firefighter of the year. They are going to recognize their own in a more formal way. They are going to do that next year. All the support from the Administration and from Council keeps them going and they appreciate it.

Ms. Rebecca Garner, 1336 West Bath Road, Cuyahoga Falls, asked if they have ever considered fire hydrants on West Bath Road between Northampton Road and Akron-Peninsula Road. Chief Martin stated that there are 9 hydrant districts in the City, of which they have roughly between 20 to 30 streets that do not have hydrants. What they do in place is bolster their operations, training and equipment. Their firefighters are very well versed on the non-hydrant districts. At Station 4, they have a 1,200-gallon tank on that engine and those personnel receive extra training on an annual basis. They have those areas marked in CAD, so they know where they are going, so when they get there, they do not have to make any amendments. They do have enough water going towards those addresses. When it comes to adding hydrants, they are a small part of a larger system. They deal with what they have in front of them. They have to maintain the City budget and work in coordination with the City Administration, and they respect all the decisions that are made and what is possible and what is not. So, they amend their operations and stay consistent and vigilant on all problem areas or things that cause a change in their operations.

Building and Grounds Maintenance (Page 213)

Personal Services - \$54,554 increase. Cost of living (COLA) increase from 7/1/2023 which is budgeted for the entire 2024 year, compared to half of year in 2023, coupled with merit (1), and longevity (3) increases. Increase in benefits is primarily related to Insurance - Medical/Dental +4.1%, Vision +4.1%, and contribution to the Workers' Compensation Fund (706) +1%, as well as estimated Medical/Dental coverage for an additional full-time employee.

Due to the difficulty in hiring and keeping part-time staff, we are requesting to replace two previously budgeted Regular Part Time Workers (RPT) with a Full-time Laborer to assist in building cleaning and department workload. This adds an estimated \$1,500 to department Personal Services costs for 2024.

Operations expenditures - \$15,271 increase, which is mostly due to Property/Building Maintenance (53021) \$10,000 for a one-time account increase justifications for Finance area and second floor hallway new drop ceiling \$9,000; Property/Building Service Contracts (53022) \$4,523 for estimated increase to HVAC Quarterly Maintenance.

Mr. John Ball, Building and Grounds Maintenance Superintendent, was present on behalf of Building and Grounds Maintenance.

Mr. Ball stated that there are no major changes for 2024 for the Building and Grounds Maintenance Department.

Mr. Hoffman stated that one change they did have in their budget is that they had two part-time workers and moved that into one full-time worker in the budget. Finding part-time help has been

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a real concern. Over the last several years, some of these part-time positions have been moved into a full-time positions just to try to fill positions in the City.

Ms. Nichols-Rhodes asked if someone is in that position. Mr. Hoffman stated that they do not have a full-time person in that position yet.

Mr. Brillhart thanked Mr. Ball for everything he and his department does to upgrade the City. The garage doors on the new building look great. The flowers and buildings are well maintained, and it's very much appreciated.

The meeting adjourned at 7:10 p.m.