

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

November 20, 2023

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

Ms. Nichols-Rhodes called the meeting to order at 6:30 p.m. All members were present.

The minutes of the October 16, 2023 and October 23, 2023 Finance Committee meetings were approved as written.

Legislation Discussed

Temp. Ord. B-116
Temp. Ord. B-124
Temp. Ord. B-125
Temp. Ord. B-126
Temp. Ord. B-127
Temp. Ord. B-128
Temp. Ord. B-129

Discussion:

Temp. Ord. B-124

An ordinance authorizing the procurement of Lake Erie Construction Company to install downtown historical signage on State Route 8, and declaring an emergency.

Mr. Tony Demasi, City Engineer, presented Temporary Ordinance B-124 to Council. The City received bids to install downtown historical signage on State Route 8. Lake Erie Construction Company submitted the lowest and best bid for the sign installation, in the amount of \$71,575. The contractor, Lake Erie Construction Company, will exceed the statutory amount for the program year 2023 and requires Council approval. The Director of Finance will be authorized to make payment for the same from the Capital Project Fund, line item Capital Outlay.

Mr. Demasi stated that they looked at promoting Historic Downtown by installing signage on State Route 8. There is a design of six signs on the expressway, three on the northbound side of the expressway and three on the southbound side. They will be brown and white in coloring. The sign will say, "Historic Downtown, Scenic Overlook and High Bridge Glens." It is included in this year's budget. Lake Erie Construction was the low bid. Because Lake Erie Construction has done other projects out of the Capital Projects Fund, mainly guardrail replacement, they will exceed the \$75,000 limit for contracting and, therefore, it will require Council's approval. Work will take place in 2024 at a cost of \$71,575.

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Mr. Brillhart moved to bring out Temp. Ord. B-124 with a favorable recommendation, second by Mr. Miller. Motion passed (3-0).

Temp. Ord. B-125

An ordinance authorizing the Director of Public Service to enter into a contract or contracts for employment agency services related to seasonal and occasional employees, and declaring an emergency.

Ms. Vicki Steiner, Human Resource Director, presented Temporary Ordinance B-125 to Council. The Director of Public Service will be authorized to enter into a contract or contracts, according to law, for employment agency services including recruitment, selection, placement and payroll services in relation to seasonal and occasional employees, for a period of two years with the option to renew for an additional third and fourth year. The Director of Finance will be directed to make payment for same out of various City funds appropriated therefor.

Ms. Stener stated that they are requesting authorization to sign contracts for temporary employment agency service for programs that they have throughout the year, seasonal as well as the youth program. They do utilize and go out to competitive bid and utilize Employ-Temp Staffing. They have come in with an RFP. They are local in the City of Cuyahoga Falls and they have been doing business with them for over 15 years. They do about 50 to 60 temporary workers in a year, including the majority of the Service Department, Water Department, Street Department and the Sanitation Department for the leaf pickup.

Ms. Nichols-Rhodes stated the breakdown for each department is as follows: Street and Sanitation, 13 workers; Leaf Program, 25 to 35 workers; Crossing Guards, 20 workers; Parks and Recreation maintenance, 4 workers; Electric, 2 workers and Water Division, 1 worker.

Mr. Miller moved to bring out Temp. Ord. B-125 with a favorable recommendation, second by Mr. Brillhart. Motion passed (3-0).

Temp. Ord. B-126

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the replacement of curb on Silver Lake Avenue, and declaring an emergency.

Mr. Tony Demasi, City Engineer, presented Temporary Ordinance B-126 to Council. The City Engineer has identified the need to replace curb on Silver Lake Avenue to improve the function of the stormwater system. The Director of Public Service will be authorized to enter into a contract or contracts, according to law, for the replacement of curb on Silver Lake Avenue. The Director of Finance will be authorized and directed to make payment for the same from the Storm Drainage Utility Fund, Line Item Capital Outlay.

Mr. Demasi stated that this project will replace the broken curb on Silver Lake Avenue between 6th Street and 13th Street. This will help roadway drainage and facilitate the resurfacing of Silver

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Lake Avenue. They hope to have it scheduled in the next year. One thousand feet of the curb will be replaced. They may return for more authorization to replace additional curb as they know there is a high potential of additional curb that might need replaced. This project was recently bid and it was budgeted. They want to award the contract to Perrin Asphalt. This work will begin in mid-May of next year after school lets out and they hope to be done by mid-August before school goes into session.

Mr. Brillhart moved to bring out Temp. Ord. B-126 with a favorable recommendation, second by Mr. Miller. Motion passed (3-0).

Temp. Ord. B-127

An ordinance authorizing the Director of Public Service to enter into the 2023 NPP Power Pool participant schedule with American Municipal Power, Inc., and declaring an emergency.

Mr. Rod Troxell, Electric Superintendent, presented Temporary Ordinance B-127 to Council. The City of Cuyahoga Falls owns and operates an electric utility system for the sale of electric capacity and associated energy for the benefit of its citizens and customers. The City of Cuyahoga Falls is located in the PJM Interconnection, LLC (“PJM”) transmission system territory and is subject to the PJM transmission system regulations and costs as outlined in the PJM Governing Documents. To satisfy the electric capacity, energy, and other requirements of its electric utility system, the City has purchased economical and reliable capacity, energy and related services from American Municipal Power, Inc. (“AMP”), an Ohio non-profit corporation of which the City is a member. To take advantage of economies of scale and to recognize the joint scheduling, interconnection, operation, and transmission arrangements that AMP Members coordinate and share through AMP, those Members desire to form a combined pool NPP to jointly purchase, manage, and coordinate power supplies and related services for Members executing this Schedule. The City and AMP desire to enter into a Power Pool Schedule for (i) energy, capacity, related product scheduling, and operations under the PJM Governing Documents and (ii) economic purchases of capacity, energy, and related products for the beneficial use of Pool Participants.

Mr. Troxell stated that the City is a member of the Northern Power Pool through American Municipal Power (AMP). They purchase power through joint ventures they have with AMP. They also generate power during the peaking season and also have to test the generators from time to time. Any time that they need power, they have an allotted amount through Northern Power Pool that they can get power from relatively cheaply. If they have too much power, they can sell it at a decent price. If they don't have enough power and they have to buy it and it's not from this place, they have to buy it off market. Sometimes, it is fair and, sometimes, it's extremely high.

Ms. Nichols-Rhodes stated that 2011 was the last time it was done, so it's not an annual agreement. Mr. Troxell stated that this contract will go through December 31st of 2030.

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Mr. Miller moved to bring out Temp. Ord. B-127 with a favorable recommendation, second by Mr. Brillhart. Motion passed (3-0).

Temp. Ord. B-128

An ordinance authorizing the Mayor, as Director of Public Safety, to sell to Source Products, Inc., certain used Fire Department equipment and declaring an emergency.

Assistant Fire Chief Breese presented Temporary Ordinance B-128 to Council. Source Products, Inc. is interested in purchasing used equipment that is no longer needed for use by the Cuyahoga Falls Fire Department. In exchange for the equipment, the City will receive a \$4,000 credit to purchase medical supplies. The Mayor, as Director of Safety, will be authorized to sell obsolete Fire Department equipment in exchange for a \$4,000.00 account credit to Source Products, Inc., to be used towards the purchase of medical supplies, by the Cuyahoga Falls Fire Department.

Assistant Fire Chief Breese stated that this legislation is similar to last year when they sold the EMS cots. This legislation would allow the Fire Department to trade in unused and obsolete equipment to provide funds for new supplies used by the Fire Department. They are able to sell it at a cost of \$4,000 and it will be credited as a source for EMS supplies.

Mr. Brillhart moved to bring out Temp. Ord. B-128 with a favorable recommendation, second by Mr. Miller. Motion passed (3-0).

Temp. Ord. B-129

An ordinance authorizing the Park and Recreation Board to enter into a contract or contracts for the interior renovation after publicly advertising for bids, of the Brookledge Golf Club Clubhouse, and declaring an emergency.

Ms. Sara Kline, Parks and Recreation Superintendent, presented Temporary Ordinance B-129 to Council. Brookledge Golf Club Clubhouse was built in 1990. The City desires to incorporate renovations that cater to the community's needs, by modernizing the aesthetics and functionality of the existing structure through interior improvements and enhancements to Brookledge Golf Club Clubhouse. The Park and Recreation Board will be authorized to enter into a contract or contracts, after publicly advertising for bids, for the interior renovation of Brookledge Golf Club Clubhouse. The Director of Finance will be authorized and directed to make payment for the same from the Recreation Levy Fund, Line Item, Capital Outlay.

Ms. Kline stated that they have been working on the exterior portion of the clubhouse. They are using the \$550,000 that was originally taken out in a bond or a note to finance the construction of the clubhouse that didn't come to fruition because the bids were cost prohibitive. They have a new metal roof. They have new siding being installed that began Friday. Today and tomorrow, they are removing the water wells and the pump house next to the clubhouse that are not in use. They are having stonework done around the clubhouse. They are getting new garage doors installed where the golf carts used to be stored.

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Ms. Kline stated that what they are asking for tonight is for the interior. They are asking for permission to go out to bid on December 5th and start advertising on the 22nd, pending Council's approval. If all goes through, they will have a bid scheduled for December 15. The goal is to complete the interior work over the winter, so they are ready to go in the spring. The architect they have been working with has done a refined version of what they had before, but they are going to have more defined separation between the golf shop and the restaurant/bar area. They are going to redo the bar and have eight stools and, on the other side, they will have a couple kegs, beverages, finger food and things that can be heated up in an air fryer. They are updating the men's restroom and creating a new entry hall. In the back, they are creating an office area, lockers, a safe, and a place for employees to put their things and to count the cash drawer so that they're not in the open.

Ms. Nichols-Rhodes stated that the cost of this project is \$290,000 and it's out of Capital Outlay which has been budgeted at \$550,000.

Mr. Brillhart stated that he drove out there early last week and saw the new roof and it looks beautiful and is a great color.

Ms. Kline reminded Council of Saturday's Annual Holiday Tree Lighting. The tree lighting will take place at the front porch of City Hall. Santa and the Mayor will arrive to light the tree and they will have fireworks.

Mr. Miller moved to bring out Temp. Ord. B-129 with a favorable recommendation, second by Mr. Brillhart. Motion passed (3-0).

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.

Mr. Bryan Hoffman, Finance Director, presented a detailed overview of the Capital Projects Fund Five-Year Projection for 2024.

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Capital Projects Fund (Page 123, Five Year Projection Pages 37-40)

Revenues - \$3,255,333 increase. Revenues in this fund can fluctuate from year to year based on debt structure, grant awards, and transfers in. For fiscal year 2024 we are anticipating a bond issue in the amount of \$11,000,000 for funding of Fire Station #4/Street Building, and issuance of bond anticipation notes of \$4,200,000, of which \$3,500,000 is planned for State-Seasons-Wyoga Lake Intersection, and \$700,000 for Wyoga Lake Road Improvements. This total planned debt issuance is a net \$6,105,000 greater than the adopted 2023 budget. This increase is offset by a reduction of estimated grant revenue of \$3,090,000 in comparison with 2023 adopted budget. For 2024, we are anticipating \$1,400,000 in grant revenue for Hudson, and Bailey Road, and \$10,000 for Mill Pond study. Lastly, we are anticipating an increase of Transfer In of \$1,253,211 relating to net collections of Municipal Income Tax (Capital Projects allocation 29.33%), for an estimated total allocation of \$9,239,821 to this fund.

Capital Outlay - The Five Year projection 2024 - 2028 for the fund is presented on pages 37-40 and will be discussed in detail at the budget hearing. Capital Projects change from year to year and are generally not comparable, with the exception of some annual programs, such as street resurfacing \$3,000,000, concrete street repair \$500,000, sidewalks \$250,000 (+\$30,000), curbs and ramps \$60,000 (+10,000), guardrails \$25,000, assessable tree trimming, and weed cutting \$30,000 each, and bridge work \$50,000. Some significant projects for 2024 are as follows: Fire Station 4/State of the Art Training Facility \$11,000,000, State-Seasons-Wyoga Lake Roadway Improvements \$3,500,000, Hudson and Bailey Road Resurfacing (Graham - 59) \$2,000,000, and above ground fuel storage \$490,000.

Debt service - \$3,797,212 decrease. This decrease is related to the overall decrease in bond anticipation notes issued in the current year, which will be paid in 2024. A majority of that debt is now in the Debt Service Fund. Wyoga Lake Road \$700,000, and State-Seasons-Wyoga Lake Intersection \$350,000, including anticipated interest expense of \$59,063. The remaining anticipated 2024 debt service payment attributable to capital leases is \$187,437.

Debt Service Fund (Page 119, Five Year Projection for entire City Pages 41-50)

Revenues - \$2,425,000 increase, mostly from Transfer In from the General Fund. Interest Income is earmarked to pay debt service. Interest has increased significantly due to rising interest rates.

Debt service - \$139,355 increase. This fund accounts for the principal and interest payments on general government long-term debt. We issued bonds on 10/16/2023, of which \$4,630,000 was related to general government. Therefore, the increase is related to estimated amortization payment of the new bonds, and increase of the principal portion of bonds already outstanding.

Mr. Balthis stated that they are spending \$150,000 a year for maintenance and repairs to the parking garages. The City made a significant investment there five years ago when Front Street opened. He asked what is done with \$150,000 and why it is done and when will they have to increase that in the coming year to make sure those assets are maintained.

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Mr. Tony Demasi, City Engineer, stated that they did invest a significant amount of money in the parking garages, \$3.5 million to \$4 million, and that brought them up to a level of service that they hadn't had in many years and allowed them to go a few years without having to do any maintenance. Time has now caught up with them, and they need to do some regular maintenance. This line item is a place to draw resources from to do some of the regular structural maintenance. Osborne Engineering is their consultant for the parking garages. They take a look at all three garages on an annual basis or every other year and give them a sense of what needs they have. This year, they spent a considerable amount of resources on the Blue Garage. That is the oldest garage and, traditionally, that is the one that has the most needs. This year, they did structural repairs by the elevator. There are reports from Osborne Engineering that are indicating that they need to do some additional maintenance repairs in the upper level that are structural in nature, but things that are to be expected with a structure as old and aged as this one. The Green Garage is in great shape. It may need some lighting and plumbing work on occasion. The elevator seems to be working well. This fund would be a resource from which to draw from to maintain any of the three garages whether it be electrical, mechanical or structural.

Mr. Balthis asked Mr. Demasi if he would send to Council the year that each parking garage was built. He stated that he appreciates all their work.

Ms. Nichols-Rhodes asked if the columbarium will be within the current footprints of the cemetery. Mr. John Ball, Maintenance Superintendent, and Mr. Anthony Zumbo, Service Director, stated that it will be located in the cemetery.

Mr. Mark Wilkinson, 2467 6th Street, Cuyahoga Falls, asked if it will be expanded into the high school practice field at this point in time. Mr. Ball stated that it will not be located in the high school practice area at all. It is in the original cemetery footprint.

Municipal Income Tax Fund (Page 149)

Revenues - \$4,415,199 increase, which is due to projected increases in most income tax revenue accounts, with the largest being withholding \$3,240,353. This revenue source has bounced back significantly since the COVID-19 global pandemic, and coupled with the investment made in the City to attract residents and business is estimated to be the highest in the history of the City. Also, based on current trends, we are anticipating that our annual refund from Regional Income Tax Agency (RITA) in the amount of \$585,564 will be the highest yet. As a note regarding performance of the RITA contract, the City paid retainer of \$685,323.67 in 2020, and received a refund of \$327,519 on 5/28/2021 at the conclusion of their annual audit. For 2021, the City paid retainer of \$791,553.37, and received a refund of \$439,456 on 5/31/2022, and for 2022 the City paid retainer of \$909,338.70, and received a refund of \$560,741 on 6/1/2023. Therefore, the total cost of collection has decreased over time in the amounts of \$357,804.67, \$352,097.37, and \$348,597.70 for 2020, 2021, and 2022, respectively, for income tax collection services. We are pleased with our contractual arrangement with RITA.

Personal Services – (\$4,241) decrease. 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 a longevity

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increase for the Tax Administrator. This is offset by a reduction in benefits from employee health plan selection being different than what was budgeted in the prior year.

Operations expenditures - \$288,081 increase. Substantially due to the true-up of Refunds & Reimbursements (54301) \$162,733, in which Income tax refunds through RITA are estimated to be \$195,000 more in 2024; Income Tax sharing estimated to be (\$34,733) less, mostly from the GOJO CRA which expired in 2023 (\$50,000), and the department's contribution toward the 27th pay period in 2026 \$2,466. In addition, since our RITA retainer is 3% of gross income tax collections, as income tax increases Miscellaneous Contractual Services (54005) increases proportionately. This resulted in an increase of \$124,956.

Transfers Out - \$4,272,797 increase. The allocation of income tax funds are governed by Codified Ordinance Section 161.14. To paraphrase, income tax collections less the costs of collecting, enforcing, and administering are distributed as follows: General Fund 62.67%, Recreation Levy Fund 8.00% and Capital Projects Fund 29.33%. The increase in net transfer is attributable to the upward trend in estimated income tax proceeds, as noted above.

Mr. Matthew Skitzki, Tax Administrator, was present on behalf of the Municipal Income Tax Department.

Information Services (Page 141)

Personal Services - \$42,043 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 (3), 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%. Additionally, a portion of the increase is from employee health plan selection being different than what was budgeted in the prior year.

Operations expenditures - (\$1,014) decrease. Decrease to Computer System Support (54004) (\$2,058) due to the reduction of OARNET VMware (\$2,500) offset by some general increases in costs.

Mr. Josh Kington, Director of Information and Technology Services, was present on behalf of the Information Services Department.

Technical Services (Page 145)

Personal Services - \$9,227 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 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 - \$9,822 increase. Mostly due to Tools & Equipment (53047) \$8,500 for onetime justification for new Fusion Splicer \$5,000, and traffic counting equipment and software \$5,000, coupled with, and offset with some minor general increases and decreases in other accounts.

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Mr. Josh Kington, Director of Information and Technology Services, was present on behalf of the Technical Services Department.

Storm Drainage Utility Fund (Page 265)

Revenues - \$18,627 increase. This is due to an estimated increase in Storm Drainage Fee account (45020) \$20,000 due to current year trending of actual revenue.

Personal Services - \$50,852 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 (8), and longevity (4) increases for employees allocated to this fund. Additionally, a decision was made to allocate the newly promoted Water Meter Repair Specialist III 1/3 to Sewer, Water, and Storm Drainage due to duties. Employee was previously in the Water Stockroom, which is allocated to Sewer and Water 50/50. Increase in benefits is primarily related to Insurance - Medical/Dental +4.1%, Vision +4.1%, and contribution to the Workers' Compensation Fund (706) +1%. Additionally, a portion of the increase is from employee health plan selection being different than what was budgeted in the prior year.

Operations expenditures - (\$26,434) decrease. Mostly due to a reduction of (\$50,000) in Property/Building Maintenance and Repair (53021) for the removal of manhole sealing, and casting replacements offset with an increase in Contractual Services Group for Open Gov work order processing software, and some minor general increases in other accounts.

Capital Outlay - \$136,500 increase. The Five Year projection 2024 - 2028 for the fund is presented on page 267 and will be discussed in detail at the budget hearing. Capital Projects change from year to year and are generally not comparable. FY 2024 Infrastructure is \$75,000 less than the 2023 adopted budget, and Machinery and Equipment (55025) is \$211,500 more. Increase is primarily related to the budgeting of a leaf Machine \$254,000 in 2024, and each subsequent year going forward. These one person operator leaf machines guard the City against operational issues related to temporary labor shortages we have been experiencing in recent years.

Mr. Russ Kring, Water Utilities Superintendent, was present on behalf of the Water and Sewer Department.

Water Fund (Page 253)

Revenues - \$3,522,831 increase. The largest contributing factor to this increase is related to estimated bond proceeds of \$5,495,000 for Waterlines and State Road Pump Station in 2024, which is \$3,195,000 greater than the adopted budget for 2023. In addition, we are forecasting additional charges for services based on a proposed rate increase which was recommended from a rate study commissioned in 2023.

Personal Services - (\$26,718) decrease. 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 (9), and longevity (6) increases for employees allocated to this fund, offset by a reduction to the fund based on realignment of employee allocation. A decision was made to allocate our Maintenance

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Mechanic to Sewer and Water Funds 50/50. Employee was previously in the Water Plant which is allocated entirely to the Water Fund.

Operations expenditures - \$557,911 increase. Mostly due to the following: Waterline Supplies (52023) 50,000 for additional material such as copper tubing, curb boxes, etc.; Property/Building Maintenance and Repair (53021) \$233,000 for non-capital building, HVAC, pump, valves, and motor repairs, as well as additional well inspection and maintenance; Architectural/Engineering Services (54002) \$140,000 for shelf-ready design of future projects. If timing of projects change we may redirect this to Capital Outlay in 2024 during the budget cleanup.

Capital outlay - \$3,200,197 increase. The Five-year Capital Plan 2024-2028 for this fund is on pages 255- 56 and will be discussed in detail at the budget hearing. Capital Projects change from year to year and are generally not comparable. FY 2024 proposed budget has a few large items for consideration: Water Stockroom roof replacement \$750,000; Waterline replacement on Bailey Road (Myrtle – McShane) \$1,000,000, Brookpark Area \$2,000,000, and Oakwood Drive (Graham – Monroe) \$1,500,000; and Bailey Road Pump Station \$500,000.

Debt service - \$259,024 increase. Recent Bond issuances for purchase of meters (2022 - \$1,940,000), and installation (2023 - \$2,285,000) has increased our annual debt service requirement for this fund. This is detailed in the Five year debt projection on pages 41-50.

Mr. Russ Kring, Water Utilities Superintendent, was present on behalf of the Water Department.

Mr. Ashton asked about the age of the current treatment process plant. Mr. Kring stated that the main building that can be seen from Munroe Falls Avenue was built in the early 1900's. It houses five of the main high-service pumps which pump the finished water out to the system. Those pumps are all mid-1900's at the newest. They have one filter building that was built in early 1950's that is still in use. The chemical building was built in the 1990's. It contains what they call a low pipe gallery where a lot of the pipes are housed, it is dated, and it needs replaced. They have some booster stations out in the system. Those were put in in the 1960's and are used to fill the tanks. State Road fills the State Road tank and Bailey Road fills the Indian Mountain tank. Those are crucial. It's important to get those renovated, updated and automated as much as possible. The wells would be another facility. They have 18 wells out behind Waterworks Park. The first one of those, Well Number 1, was drilled in 1937. The newest of those, Well Numbers 20, 21 and 22, were late 1980's, so there are maintenance needs there, as well.

Mr. Mark Wilkerson, 2467 6th Street, Cuyahoga Falls, asked if it is necessary to have as much chlorine in the water as there is. Mr. Kring stated that it is. They test the water. Chlorine is used not only a disinfectant; it is also used to remove iron and manganese. Because they are a ground-water source and not a surface-water source, they have a high level of iron and manganese. Chlorine is used to oxidize that before they remove it. Depending on where they are located and how long the water has been in the system, it tends to dissipate. Mr. Wilkerson stated that, on his street, it is extremely high. He microwaves the water and lets it cool off. It evaporates it.

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Sanitary Sewer Fund (Page 243)

Revenues - (\$1,621,104) decrease. The largest contributing factor to this decrease is related to bond proceeds \$2,300,000. We had a bond issuance in 2023 for the installation of meters associated with the Automatic Meter Reading (AMR) project, with no bond issuance planned for 2024. This is offset with increases in charges for services to outside customers \$671,461 and a planned rate increase, which is due to the increase of costs of contractual sewage disposal with the City of Akron and Summit County passed on to our customers.

Personal Services - \$58,045 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 (8), and longevity (4) increases for employees allocated to this fund, coupled with an increase to the fund based on realignment of employee allocation. A decision was made to allocate our Maintenance Mechanic to Sewer and Water Funds 50/50. Employee was previously in the Water Plant which is allocated entirely to the Water Fund.

Operations expenditures - \$495,956 increase. Mostly due to the following: Property/Building Maintenance and Repair (53021) \$50,000 for one-time sewer lift station inspections \$100,000, offset by the removal of manhole sealing, and casting replacements (\$50,000), which was also noted in Storm Drainage Utility Fund, as this expense was split 50/50; Miscellaneous Contractual Services \$150,000 for televising of sewer lines which is planned to be recurring for four years (2024 \$150,000, 2025 \$200,000, 2026 \$250,000, and 2027 \$300,000); Sewage Disposal - Akron (54120) \$148,379, and Sewage Disposal - County \$125,255, for increase in sewage disposal costs.

Capital outlay - (\$1,907,303) decrease. The Five-year Capital Plan 2024-2028 for this fund is on page 245 and will be discussed in detail at the budget hearing. Capital Projects change from year to year and are generally not comparable. FY 2024 proposed budget is considerably lower than the previous years, due to the purchase of meters in 2022, and installation in 2023 associated with the Automatic Meter Reading (AMR) project.

Debt service - \$259,648 increase. Recent Bond issuances for purchase of meters (2022 - \$1,935,000), and installation (2023 - \$2,285,000) has increased our annual debt service requirement for this fund. This is detailed in the Five year debt projection on pages 41-50.

Mr. Russ Kring, Water Utilities Superintendent, was present on behalf of the Sewer Department.

Electric Fund (Page 275)

Revenues – (\$12,314,282) decrease. The largest contributing factor to this decrease is related to the difference in anticipated debt issuance between 2023 and 2024. Debt issuance budget for 2023 was \$16,725,000 for the continuation of the Automatic Meter Reading (AMR) project, and construction of a new Electric Office Building/Warehouse Facility on Cochran Road, with an issuance of \$5,200,000 being planned in 2024 for substation major equipment, which is a difference of (\$11,525,000).

Personal Services - \$299,482 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 many scheduled

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merit and longevity increases, and planned promotion of several employees to the next level of achievement (i.e., Lineman B to Lineman A). Increase in benefits is primarily related to Insurance - Medical/Dental +4.1%, Vision +4.1%, and contribution to the Workers' Compensation Fund (706) +1%. Additionally, a portion of the increase is from employee health plan selection being different than what was budgeted in the prior year. This is offset by savings from replacement of retirees/ resignations at lower rates of pay. Currently the departments has 5 vacancies.

Operations expenditures - \$501,686 increase. With a large service distribution process with a fund like this, there are usually many increases and decreases to various accounts based on current supplies, pricing, and planned needs through the year. Notable increases are as follows: Pole Line Supplies (52030) \$35,000 due to the rising cost of these products, and Substation Supplies (52031) \$170,000 for critter guards \$75,000, oil processing for equipment \$50,000, and transformers which do not meet our capitalization threshold \$60,000; Tools & Equipment Maintenance and Repair (53048) \$155,000 for increase in CF1 and CF2 generator repair \$70,000, LTC (Load Tap Changer) maintenance \$30,000, regulator refurbishing \$5,000 increase, and substation breaker repair \$50,000; Miscellaneous Contractual Services 54005 \$154,200 for increase in after-hours dispatch services \$10,000, LUCCO moving equipment To new building one-time item \$45,000, rate study for 2024 \$32,000, and substation automation \$50,000 to name a few.

Capital outlay - (\$10,308,970) decrease. The Five-year Capital Plan 2024-2028 for this fund is on page 278 and will be discussed in detail at the budget hearing. Capital projects change from year to year and are generally not comparable, however, a big portion of the decrease is related to the construction of a new Office Building/Warehouse Facility on Cochran Road in 2023 \$15,000,000. Large items budgeted in 2024 are the carryover of Gaylord Grove Substation Transformers \$8,200,000, and Capacitor Banks at Substations \$3,000,000.

Debt service - \$1,348,812 increase. Recent Bond issuances for purchase of meters (2022 - \$3,335,000), and installation (2023 - \$1,710,000), and Electric System Building Improvements (2023 - \$14,270,000) has increased our annual debt service requirement for this fund. This is detailed in the Five year debt projection on pages 41-50.

Mr. Rod Troxell, Electric Superintendent, was present on behalf of the Electric Department.

Mr. Brillhart asked if they were still having problems getting transformers. Mr. Troxell stated that some of the big substation transformers have a long lead time. They are hopefully going to purchase those next year because it may take three years. They bought some refurbished transformers. They have received some transformers and have a good bit in inventory. It's better than last year, but there are still transformers on order where they are telling him November of 2025.

Mr. Brillhart asked if they are replacing all the streetlights over a two-year time period. Mr. Troxell stated that they are not. They have replaced the streetlights with LED lights. The originally purchased AFL lights that were horrible. As they get out there, they are putting newer-style LED lights throughout the city. They have budgeted \$500,000 for the next two years to have a company go out and replace any poles that have foundation issues and mount the lights on top of that median concrete instead of sitting on the plates so the salt is not getting in there.

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Mr. Brillhart asked if they have gotten a lot of phone calls about streetlights being out or any kind of problem. Mr. Troxell stated that they have had a few that they have had some problems with. They are under warranty and the company replaces them with no problem. The biggest issue they have is they start strobing because of a ground or a neutral problem. As soon as they see the strobe, they know exactly what it is and fix the problem.

Mr. Brillhart asked if, other than that, they are satisfied with the bulbs, the five or ten-year lifespan. Mr. Troxell stated that the manufacturers say they are 10-year bulbs. He will believe it when he sees it, but they are happy with what they see out there.

Mr. Balthis said the City's system is incredibly reliable and has won awards. He appreciates all the work Mr. Troxell and his crew do. They spend a lot of resources to try to prevent the electric going out. Mr. Troxell had mentioned a couple of the tools utilized to keep birds and squirrels out of the system. The Electric Department has a tree-trimming program and how much money the City spends to keep trees away from power lines so they don't lose power in a storm. He asked what the Electric Department plans to do to prevent squirrels and birds out of the system.

Mr. Troxell stated that they have budgeted approximately \$1.2 million for 2024. Their department has been pretty quiet because of the tree trimming. Two or three years ago, they had a tree company that would go throughout the city and they would take sections at a time. A couple years ago, they got together and discussed doing it by substation and doing it by substation feeders. At that time, Substation 13 was having a lot of issues with power outages, so Substation 13 is where they started. and they are rolling down to Substation 1. They are currently on Substation 6. They have had some pretty serious winds, and it has been really quiet. The outages they have had most recently are squirrels that are highly active trying to store food for the winter. Two years ago, they added another crew to help them out, so that's why the budget went up a little bit on that. They have a three-year contract they renewed last year.

Ms. Nichols-Rhodes asked about critter guards used to prevent squirrels and birds from getting into the system. Mr. Troxell stated that they have some things up for squirrels that get into certain poles. They have spinners across the line that look like spaceships. What they have learned is if there are two of those spinners, the squirrels know how to hit one, jump over the other one and go where they need to go. Three spinners mess them up, so they fall off of it. They hit the ground, flatten out, stand up, shake their heads and move on. They can actually cover different things in the substation to keep them from getting across two different phases. It keeps the squirrels safe, and it keeps them from going out of power.

Ms. Nichols-Rhodes asked how often a squirrel or a bird causes an outage. Mr. Troxell stated that they are the number two cause of outages. Number one is trees. That is going to change next year. Substation 6 near the McDonald's on State Road feeds. They have tried things like owls. They are going to put that critter guard on that substation. It is an expensive process. Substation 6 and Substation 3 are the two substations that they are going to focus on. Substation 3 is on Victor Avenue and Pierce Avenue off of Oakwood and Northland. Their goal is not to have any power outages. They will never be 100 percent because of nature, but they try to achieve it as much as they can.

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Mr. James asked what route they are looking at for Gaylord Grove. There is a lot of concern from the River Estates residents about the proposal of it going behind their homes on Ruth Avenue. Mr. Troxell stated that the old railroad route is the number one route that they want to take. They do have an alternate route that goes along River Estates along with the railroad tracks. It's not necessarily through their property, but kind of behind it.

Mr. James asked if the new route is more across the track like Munroe Falls Avenue. Mr. Troxell stated that the alternate route would be on the River Estate side of those tracks, but that is not the favorable route. They would like it to be along the old rail path. There has been some movement along those lines, but not enough to stay if it is a go or not a go. They are waiting for an appraisal for the value of the land that is the old rail bed, so that they can see if that would be something that they can get from Metro RTA. If they could do that, that's going to be it. They are waiting on Metro RTA. Initially, it was Metro RTA's legal department going through to figure out what they need to do to be able to get rid of that property and now they are waiting on the appraisal. They had a hard time finding a company that wanted to appraise land along a track and rail line.

The meeting adjourned at 7:54 p.m.