

SPECIAL COUNCIL MEETING
MINUTES
July 25, 2019
6:00 PM

Mayor Clark called the meeting to order at 6:05pm and led the Pledge of Allegiance.

Roll Call: Bob Gaglione, Paula Tubalkain, Marty Hura, Ben Prescott, and Scott Weaver.

❖ Motion to excuse Dave Sluka by Scott Weaver, 2nd by Bob Gaglione **All Ayes on vote**

Other Village Personnel: Mayor Linda Clark; Clerk- Treasurer, Jenny August; Village Administrator, John Trew; Police Chief Joe Urso, Village Solicitor Michele Stuck, Village Engineer Rich Iafelice.

Citizens Present: Kyle Gray, Ted Bixler, Linda Schilling, Tom Aldrich, Marty Fergus, Bob Ress, Cookie Vanek, Mike McCauley, Harry Buchert, Jason Wysong, Ellie Stamm.

Discussions:

Low to Moderate Income Study

Mayor Clark said the first discussion was about the LMI (Low to Moderate Income) study. Doing this study will help the village become eligible to certain grants and for 0-1% loans. Mr. Todd Peetz, Director of Portage County Regional Planning says that we have 413 households in the village, and we need to have 250 responses to the study. We have 59 technical assistance hours available. Mayor Clark is going to approach the County Commissioners and see if the county would donate some of their hours to help us pay for the study. Otherwise, it will cost us about \$6,700. We would notify the residents by placing a notice with their water bills and also we will have a link to the survey on our website. For some of the rental property areas, we will be going door to door. The DMRC will be helping us with this. The survey is broken down by street.

❖ Motion to go forward with the LMI study by Paula Tubalkain, with a second by Bob Gaglione. – **All Ayes on vote**

Negotiations and Management of the Water and Wastewater Plants

Mayor Clark said the county is willing to manage our plants until the end of August and that is it. She has a letter from the Commissioners stating that we have reached an impasse. Michele has prepared an ordinance for us to extend the current contract until August 30. Mayor Clark is on the agenda for their meeting next week to ask them to consider giving us until the end of the year.

❖ Motion to suspend the rules by Scott Weaver, seconded by Bob Gaglione.
All ayes on vote

❖ Motion to extend the contract with the county to manage our plants until August 30, 2019 by Scott Weaver, seconded by Marty Hura. **All ayes on vote**

Next, Mayor Clark turned the meeting over to Village Engineer Rich Iafelice. Rich presented a slide presentation showing the progression of the negotiations. First, he gave an overview of what we have. In short, we have 35,000 feet of waterlines from the water treatment plant that

was built in 1996. The cost to replace the 4” pipe that is still out there is about 1.6 million dollars. If we spread that out over 10 years, it would cost about \$500,000 per year. Some of the wastewater pipes are 100-year-old clay tiles. The costs needed that are related to wastewater are around \$700,000 annually. The County is proposing to leave our current rate structure as is, which provides for a 15% annual rate increase in both water and sewer until 2024. The County says that there are 32 projects on the wastewater side that are going to need to be done. The amount needed for the water projects is about \$4.1 million. There are 21 projects on the water side amount needed for the water projects is about \$9 million. This 13.1 million will be funded by the difference between what our residents are paying with the current rate structure (including increases through 2024) and what the county customers are paying will fund the projects. The original County proposal said the wastewater projects will be paid off by 2030, and the water projects will be paid off by 2041. On this project list, Rich found several projects that are “Wants” versus “Needs”. Some of these projects are not necessary and we would not have to do them if we kept the plants. Rich reviewed the reductions in the “Needs” list of the projects. After adding up what is a true “Need”, he reduced the dollar amounts needed from \$13.1 million to \$9 million.

Regarding the rates, Rich said for a village resident that uses 400 cubic feet per month, that is about 100 gallons a day. The water bill would be \$27.46. The county water bill would be \$24.97. In 2024, village residents will be paying \$33 more per month than county residents. In 2024 the sewer is much worse. According to the County proposal of 5/26, the rates are going to remain in the rate structure until projects are paid off, so there is no guarantee when the surcharges will be retired.

Kyle Gray asked if the village rates are set in stone, or if they can be amended. He also asked if the surcharge that village residents pay can be allocated to Capital Improvements. Rich responded that the village did not keep rates high enough to cover capital improvements, just operating. The village did not reinvest in our systems.

Bob Ress said if the County gets the plants and also the property, they are getting assets. Rich said the County knows they are getting a used system and can't compare to new.

Jason Wysong asked if we will pay our rates plus a surcharge. Rich said no. We will pay village rates. The surcharge will be the difference between what the county rates are and the village rates.

Ted Bixler said if the projects are done at the wastewater plants, would capacity go to 100%. If we are currently using 50-60% and not using 40%, why would we fund these projects. If the county funds it, they will tie in and use the plants at 100% capacity. Rich said regardless of the capacity we use, there are fixed costs. Ted disagreed. He toured the plants and saw a lot of empty tanks with weeds. This is unused design capacity. If we rehabilitate those, the county can use the unused capacity. Rich said there is no customer that will use all of that. The sewer would have to come to them. We could use those empty tanks for back up. Ted believes that is why the county is looking at this. Ted said if we go with the county, the village should benefit from the additional capacity and he does not see that in the negotiations. Rich said we are not done negotiating yet.

Paula said if we end up with EPA issues for not being compliant, it would behoove the county to consider that. Mantua is part of the county. They could have helped out. Look what happened with Brady Lake. We can regionalize to help share the operation and maintenance costs.

Bob Ress asked about having another company operate the plants, and we borrow money to stay in compliance until the debts have been satisfied, then we have ownership after the debts and can start working on replacing. John Trew said we don't have the revenue to operate the plants as they should be. We can't get loans without the money in the funds. We would have to raise rates even more.

Kyle Gray asked what would happen if the county doesn't agree with the 15% increases and they go even more. Kyle said this town won't exist if that happens.

Mayor Clark said two of the Commissioners have asked her to present at their meeting so they can hear our side. She wants them to extend the agreement so they can give us more time. Calculating her average bill of at 500 CF per month, the monthly bill is about \$120.86 currently. If we go with the county, they bill quarterly, so that would be a quarterly bill of \$365. With the current rate structure that Council set and the county wants to keep in place, that same amount becomes \$752.16. We would become a ghost town. Nobody will want to rent an apartment here. We have 50% rentals. When Council set the increases, it was also to be reviewed every two years (Council could reduce the percentage of increase if they wanted).

Kyle said to consider what the schools would have to pay. They might have to shut down. He works for a large company with many stores. When one store needs major repairs, the cost is shared by all stores. They don't just charge it to that one store.

Rich said back in 2015 the #1 discussion point was for water that was being sold outside the village would generate royalties to the village. Mineral rights. The county disagreed and also asked to acquire the land that could be needed for future expansion.

Mayor Clark said Rich has gone over the hours that we approved for these negotiations. She said all of Council received a copy of the letter she was going to be presenting to the Commissioners. She asked if anyone had suggestions.

Rich said he came up with a different idea for rate stabilization that he wants to bring forth. He has a counter proposal that would help illustrate how we would stabilize our rates while improving the infrastructure. He created a financial analysis spreadsheet for Council to review.

Adjournment

- ❖ Motion to adjourn at 8:20 pm made by Paula Tubalkain, with a second by Scott Weaver. **All Ayes.**

Mayor Linda Clark

Jenny August, Clerk-Treasurer