

**SPECIAL COUNCIL MEETING
MINUTES
October 22, 2019
6:00 PM**

Mayor Clark called the meeting to order at 6:00pm and led the Pledge of Allegiance.

Roll Call: Paula Tubalkain, Marty Hura, Ben Prescott, Dave Sluka, and Scott Weaver.

❖ Motion to excuse Bob Gaglione by Scott Weaver, seconded by Paula Tubalkain. All eyes on vote.

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

Citizens Present: Tom Aldrich, Ted Bixler, Jason Wysong, Ellie Stamm, Caren Stutzman, Marty Fergus, Bob Ress, Cookie Vanek, Gene Roberts and Tia McKee from Portage County Water Resources.

Legislation:

RES. 2019-49 AN ORDINANCE DECLARING PORTAGE COUNTY THE MOST QUALIFIED AND RESPONSIVE BIDDER IN RESPONSE TO THE VILLAGE OF MANTUA'S REQUEST FOR QUALIFICATIONS AND PROPOSALS RELATIVE TO THE TRANSFER OF ITS WATER AND WASTEWATER SYSTEMS AND AUTHORIZING AN AGREEMENT TO TRANSFER THE OWNERSHIP AND OPERATION OF SAID UTILITIES TO PORTAGE COUNTY, OHIO. 2nd Reading.

Mayor Clark said there are proposed amendments to the language in Section 6.3, 6.33, 6.34, and 6.35. Paula Tubalkain said her major objection to 6.3 is in the computation of the surcharge. She drafted two appendices:

1. The ability to compute the surcharge based on amortization schedule likes banks use, and outstanding repairs and improvements that need to be done has been redrafted as appendix R.
2. Then for Appendix S, instead of reading through all of section 6.3, we would pull out all of those pieces and try to identify what pieces are used for reassessing the baseline for appendix J. These are a listing of outstanding projects and infrastructure update that need done and were previously agreed to by the village and county negotiating team.

❖ Paula moved to add appendices R & S as written to better provide an understanding of how the initial surcharge was established and what would be transpiring to revise appendix J. Ben seconded. All eyes on vote.

Mayor Clark asked Council to refer back to Section 6.3, the proposed language change. It is basically R & S, but we need to change the transfer language as well.

❖ Motion to amend Section 6.3 through 6.35 language changes to concur with the new appendices R & S by Paula with a second by Ben Prescott. All eyes on vote.

Paula explained changes to appendix J previously based on Rich's spreadsheet. Putting in the 1.3% increase is not bad considering the cost of living increase since the 2017 estimate, in order to come up with the \$12 million into a standard amortization schedule, and you come up with the surcharge of \$86.79. By adding one column in section J, you can see these changes. Mayor Clark said you can see the column showing a budget adjustment for 2020 of 1.63% in both water and sewer.

❖ Motion to amend appendix J to the appendix J that is dated 10/22/2019 by Scott Weaver, seconded by Dave Sluka. All eyes on vote.

Citizens-

Caren Stutzman asked if Portage County Water Resources has acquired other villages in this manner. Gene Roberts said no. Caren asked if there is any kind of track record on reducing the surcharge. Gene said every community is different. Caren thinks businesses will have to pass on costs to consumers. This is not an incentive for businesses to stay here. People will buy elsewhere for lower costs. She is concerned about empty buildings and loss of business. When businesses close, that reduces the number of customers to pay that surcharge which could cause the remaining people to have to cover the cost.

Mayor Clark said we currently have a 15% increase through 2024. Dave Sluka said the scheduled 15% annual increase from the village will end up being higher. Caren said she would rather pay the surcharge to the village and have the village keep control of the system. Ben Prescott agreed and asked Council to consider what she is saying.

Mayor Clark read revenues versus expenses for 2018, 2019, and projected revenue for 2020. There is just nothing left over for emergencies. She added that the surcharge can only be used for the village of Mantua. Mayor Clark asked how we can justify keeping the plants, doing the increases and still get nothing done. The EPA could have the county take over anyway.

Paula said it all must be done per ORC 6103 and 6117. Paula added that across the United States, the aging infrastructure was not being addressed. We had no money put in capital funds for improvements. Scott Weaver said we have state of the art plants that we have neglected and not taken care of properly. Mayor Clark said if this goes through, we will work with the county on grants that will help recalculate the annual surcharge.

Paula said in section 13 says "Future development and Extension of Village Facilities" which details that the county has the right to use our facilities and expand usage by extending the lines, but we are paying for it on an ongoing basis. That bothers her. She does not see a reference to any expansion of county customers being garnered to offset the investment in the plants that they are now using. There is no mention of this in Section 13.

Dave Sluka said that the committee did talk about royalties and basically just said that was not realistic. Mayor Clark said we had a prior Council person that thought we should ask for royalties. Mayor Clark said the county people at that time just laughed. She said in 6.4 it kind of explains how that anything within our service area expands, that comes back to us.

Gene said in 6.4 the service areas defined by boundaries will pay tap in fees. The tap in fees will credit the balance due of Mantua's debt. All future users inside the service area will pay the

surcharge. Gene said the county does not plan on expanding outside of the service area. They are only planning on connecting on Rt. 44 to the county for emergencies. Gene has been told that three times the village was without water. This is unacceptable. There is grant money for this. This is in the budget and will be built. Mantua will pay 25% of the local cost and the county will pay 75%. For that exchange (the village only paying 25%), the county will keep all customers south that will tap in.

Ted Bixler asked if the county uses any water from our system and sells to other customers, will the village be compensated. Gene said the base fee may be reduced in the future if they are adding customers.

Bob Ress asked if there is a way to write off the surcharge as a tax write off as a bad investment. Gene said no. There are customers that don't pay and we assess their taxes. Bob asked if the Homestead users get a break. Gene said only on the base rate but not the surcharge. Paula asked if there is a form to apply for the homestead user exemption. Tia said it is on their website.

Dave Sluka said that section 10.2 says Portage County can modify the Mantua Village district. This means possible expansion. He asked if the "needs list" is solely for the village, not for expansion. Gene said some of the things on the list are to make Mantua comparable to other areas, and some things are to keep Mantua compliant. Dave said if the county decides to use the unused 60% capacity, any investment to do that would only be something the county would exclusively pay for. Gene said the developer would cover the cost of the tie in. That surplus would generate some revenue and help stabilize rates.

Ted Bixler reads that the surcharge increases could be no more than 3%. Paula said the surcharge cap increases about 3% every year starting with the \$86.79. The surcharge of \$86.79 never changes, just the cap changes.

Gene said they plan to start all projects within 5 years. The increase would be 3% or the Construction Price Index (CPI). This should not cost the county customers. It is his job to protect the county customers. They have to be concerned about C.P.I.'s. Last year it went up 2.97%.

Ted thanked the county for all of their assistance while this is being worked out. He thinks there should be some type of compensation to the village after construction. Gene said the EPA is requiring the emergency tie in. Dave Sluka said chapter 13 discussed future growth beyond current usage. Tia said that if a subdivision gets built, section 13 allows them to expand. Gene said the population projections from August 2018 are actually showing a reduction in population. Partnering with the village on grant applications will be helpful. They don't want a lot of smaller entities; they want one larger entity. If the village approves this, he still has to convince the County Commissioners. Bob Ress said he understands that the plants need to be upgraded regardless of capacity.

Caren Stutzman asked if there will be meetings occasionally with progress updates? Gene said there will be complete accountability. Maybe they can update their website. Michele said in Section 6.3.3 calls for annual meetings with the Portage County Commissioners where surcharges will be assessed.

Jason Wysong said he would like to see status of projects, loans and grants. Rich said he would like to see the county produce an annual financial analysis of where we stand with grants, match, and the projects. He is anticipating low interest financing. Scott said the unforeseen things that happen that are not on the needs list should also be shown.

Caren asked if any waterlines will be re-routed when they are replaced. Gene said possibly to the opposite side of the street. We will follow standards. Caren said as a property owner, you are responsible to get to the waterline even if you have to go under the road. Gene said the county is responsible to the right of way.

Ted Bixler said this is the right thing to do. We do not have the money to maintain the plants, the development, the grant writers and proper management to keep the plants.

Cookie Vanek asked if this will take place Jan. 1 if approved. Gene said it will be the date in the transfer agreement. You are a Mantua customer December 31, a county customer January 1. All receivables, cash, payroll and invoices will all come to the county.

Scott Weaver asked when the meters will be changed over. Gene said they will have three weeks to do it. In most cases they will just be changing the meter head, not the whole meter. Each one takes about a half hour to change. They will all be radio reads. The other option is about 6 months of estimated bills based on their previous 12 months' usage. The county will be using cubic feet just as the village does.

The next meeting with the third reading on this will be November 19th. That is when Council will make the final vote on this. If anyone has questions they can come to the Service meeting on Nov. 5th. The next Finance meeting is cancelled due to lack of quorum.

Adjournment

- ❖ Motion to adjourn at 7:50 pm made by Ben Prescott, with a second by Scott Weaver. **All Eyes on vote.**

Mayor Linda Clark

Jenny August, Clerk-Treasurer