

**SPECIAL COUNCIL MEETING
MINUTES
December 10, 2019
6:00 PM**

Mayor Clark called the meeting to order at 6:00 pm

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

- ❖ Motion to excuse Bob Gaglione by Scott Weaver, seconded by Dave Sluka. All ayes on vote.

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

Citizens Present: James Sherbaugh, Randy & Ruth Osborne, Terri Vechery, Dave & Linda Westenfelder, Ted Bixler, Giles Seith, Ursula Ficht, Marty Fergus, Roger & Donna Hawkins, John & Ann Lee Heinl, Dave Pifer, Lauren Weaver, Beth Sluka, Nina Schroeder, Steven & Rebecca Laing, Jeff, Edie & Brock Benner, Jon Harmon, Kathy Jaczko, Wayne Erickson, Blanche Wetherholt, Tom Aldrich, Jason Wysong, Joe Nairn, Eric Hummel, Sean Doyle, Rod & Lois Summerlin, Mike Zamecnik, Ellie Stamm, Harry Buchert, Greg Benner, Aaron Gula, Caren Stutzman, Jodie Fiala, Karen Schultz, Gene Roberts & Tia McKee from Portage County Water Resources, Greg Kovar, Roy Peck, Larry & Caroline Stephens, Don Buchert, Matt Denzinger, John Clark, Jeff Novak, Matt & Cindy Kelly, John Kruis, and Tod Hilty.

Discussion:

Mayor Clark explained to Council that tonight's Special meeting is for Council to discuss and hear the first reading on Ordinance 2019-60 which would involve adding a monthly surcharge to the water-sewer bills since we might end up keeping the plants temporarily or permanently due to the referendum petition that has been submitted to the Clerk.

Scott Weaver, Chair of the Service Committee, informed the residents that at the last Council meeting, this Council voted to sell the plants to the county. Due to the referendum petition, we may need to run the plants again. At the Service meeting they are working on the "Needs List" and also a contingency plan. He said we could not raise the rates high enough to make these repairs. Adding a surcharge however, will cover these costs. This is something we must do. This is an informational meeting only.

Dave Sluka, Chair of the Finance Committee, thanked everyone for attending. He said we have been having meetings about the water & sewer plants for at least 10 months. We have an Ad-Hoc committee consisting of residents that have been involved. One of those residents wrote a letter to the Editor of the Record Courier stating having the county at the helm of these valuable assets is the right thing to do. As Chair of Finance, I feel fiscally responsible for this community and now as a result of this referendum, we are back to square one. Tonight we are here to talk about our options.

Next, Mayor Clark had a power slide presentation to help Council review some of the factors of the surcharge. She said that at the last Service meeting, they discussed adding the surcharge, and

they also reviewed the “needs list”. They are able to reduce the needs list by at least 1 million dollars for debt, because we will be paying that out of our appropriations in the operating budget. The committee discussed leaving the rates as they are now, and adding a surcharge of \$72.16 per month, which is lower than the county’s proposed surcharge because we have reduced the needs list. We are in the process of repairing the reservoir roof. We received a grant for \$300,000, and a loan for \$150,000. We have learned that the cost has increased by \$65,000 and this cannot be added to the grant. We will have to pay for this ourselves. The Skada system has not worked properly for years. The county has it running now in conjunction with their equipment, but when the county is done on Dec. 27th, they may remove their equipment and we will be back to the way it was. The dehumidifier has been replaced. Only one well is functioning now. Council will have to review the needs list and prioritize. John Trew added that as projects get completed, the surcharge will not decrease.

Village Engineer Rich Iafelice said the village needs 3.5 million for waterline replacements immediately. John Trew said this is not a wish list. These are needs. Rich said the majority of these costs are not in the plants, they are in the infrastructure. We need 1.7 million for cistern repairs. Mayor Clark broke down the costs as being about 63% water (\$6,323,964) and about 37% sewer (\$3,683,250). The total is now \$10,007,214 after removing the previously mentioned needs from the list. She reviewed the 2020 appropriations, and there is a narrow margin between revenues and expenditures, which does not leave much for emergencies or capital projects.

Paula Tubalkain said the funds are used for operating and maintenance. There are capital funds established for both water and sewer. The water capital fund has \$4,455 and the sewer capital fund has \$1,995. Tonight’s discussion is to establish a surcharge that is earmarked for only the capital improvement funds. Mayor Clark said the surcharge would stay indefinitely. If we had gone with the county, the surcharge would have been reduced by \$7 for every million dollars of needs removed from the list. The county was going to aggressively get all grants in place within the first 5 years, and complete the projects within ten years.

Citizens:

John Heintl asked what is the Skada. Mayor Clark said it is the alarm system at the plants, but it also allows operation of the pumps independently. Paula added that our Skada is running off an old RCA computer.

Karen Schultz asked how commercial fee’s will be affected. Mayor Clark said the surcharge would be the same per meter.

Rod Summerlin asked why we are in this position. The plants were over built with the intent to expand lines outside of the village. We never did anything with it. C.T. Consultants has been recommending rate increases that were ignored. Scott Weaver said Shalersville was the grand plan. We expected growth out by the turnpike so we coordinated a meeting with Shalersville regarding a Joint Economic Development District (JEDD). They practically ran us out. Rod said we are not selling the plants; we are giving them away. He asked why we would pay the surcharge. Mayor Clark said C.T. Consultants gave us two scenarios; build the plants for us, or build the plants for growth. The village chose to build for growth and it has not happened.

James Sherbaugh asked why the commercial accounts are paying the same as the residential accounts. He asked if anyone has looked into replacing things to normal size instead of a

capacity we won't use. Can we replace with smaller? Mayor Clark said the commercial accounts have a higher base rate, but the same surcharge. Rich Iafelice said the county's proposal was a surcharge per customer. The village still needs to evaluate. Most of the cost is in the system. The waterlines are undersized 4 inch lines, and need to be 8" lines regardless of volume. The village opted for growth. He recommended incremental increases and Council never wanted to do it. The county at one time wanted to purchase raw water and additional sewer at the turnpike but nothing came to fruition.

Eric Hummel said he hopes we can prioritize and do this incrementally with lower surcharges, keep our structures, hire people, and move forward.

Anna Lee Heintz said Mantua has the best water. If the county takes over, we could be drinking from Lake Hodgson. We won't be able to sell our homes. If we turn it over, we are stuck. She recommends paying the surcharge to ourselves.

Giles Seith said we have the most valuable national resource in the world. We have paid for our water plant. How do you eat an elephant? You can eat an elephant one bite at a time, we can do this one bite at a time. The surcharge will go to capital projects. Giles said if there was a major break, would we get a larger surcharge? Mayor Clark said no. John Trew said if the break is 200 feet, the property owners could be assessed.

Mike Zamecnik asked if they have considered the surcharge for water customers outside of the village. Mayor Clark said they are proposing \$50.19 for a surcharge.

Greg Benner thinks it would be best to consider how the plan is structured. Nobody knows what the rates will be, as there is no set limit. Use the next 11 months to restructure for residents, not the county. Limp through for 11 more months. Dave Sluka said there is no guarantee that in 11 months that the county will still be interested in our plants.

Roger Hawkins thanked Council for using the "one call" to notify residents of this meeting. He wishes it would have been used sooner. On some of the things mentioned, we had them! It wasn't much different, but we have had bad planning for the past eight years. Before that we had outside processing. Roger asked the Clerk-Treasurer how much money was made processing septage. Jenny said in one year we made about \$43,000 and about \$15,000 in the year after. Roger said you don't paint a bright picture with "what ifs". That means you want to keep your head in the sand. Roger questioned the figures in the presentation regarding transfers and advances. The General fund has not been touched for two years. At the last meeting, it was said that the water & sewer funds are dependent on the General Fund and we aren't. We are progressing. In 2009, things were different, and we have emerged. We need to iron out these figures. We need to sell bulk water. There is a way to do business. Mayor Clark said Council did approve an advance from General Fund of \$50,000 for sewer this year if it is needed, and it wasn't. John Clark said the EPA won't allow us to process septage, and there are a lot of other things out of compliance.

Jon Harmon said the average use is 250 cubic feet per family. If the county takes over, you will see reduced rates because of lower minimums. The village has kicked this can for 40 years. It is time to use our money for the roads. He thinks fire hydrants are the main priority.

John Krus asked if the county will continue to operate our plants while we get through this. Mayor Clark said we are looking at other companies to run our plants. John asked if we can share operators with other communities. John Trew said no. We are looking at other options. John asked why the county won't stay on. Is it sour grapes? John Trew said they were losing money.

Eddie Benner asked why we are giving them our plants, and then paying the surcharge to fix everything. Mayor Clark said they are absorbing our debt. Solicitor Stuck said this is not a subject for tonight. We should have plenty of time to work on this. For a Special meeting like this, you can only discuss what is on the agenda. Eddie asked if we have searched for operators. John Trew said they are hard to find when you can't guarantee them a job for more than 11 months. John Clark said the state gave the EPA the ability to mandate staff requirements. For our plants we have required hours and can't share. They are probably using minimum staffing. John Krus asked what is required. Mayor Clark said 25 Hours in sewer and 10 hours in water. We are no longer eligible for reduced hours. John Clark said that if every well dried up and everyone wanted to buy our water, can we do it? Rich Iafelice said we are not connected.

Lauren Weaver asked what the petition is for. Mayor Clark said it is to stop the merger.

Ted Bixler said he is the member of the Ad-Hoc committee that wrote the letter to the Editor last Sunday. He wants to clarify that he does agree with Dave that with an equitable agreement it would be best for the county to run the plants. The problem is that this is leaning to the county. The plants were overbuilt. The county wants us to refurbish everything to full capacity on our nickel completely, and then they will use that asset without any compensation. That is just not right. The agreement needs to be amended.

Linda Westenfelder asked if we can have a special election instead of waiting until November. Solicitor Stuck said a referendum can only go on the ballot in a General Election.

Ellie Stamm said we are assuming the referendum will delay this process until it is voted on. If in November it is voted to give to the county, will the agreement revert to the county or is there a chance to renegotiate? Solicitor Stuck said the vote will be to accept the transfer agreement as passed, or rescind the agreement. Also, the County Commissioners have to vote to accept the agreement yet. They can vote yes or no.

John Krus asked if the referendum will stop the negotiations. Solicitor said we can't speculate. John asked if there will be workshops. Paula Tubalkain suggested that he attend Council meetings so we can discuss this more.

Wayne Erickson asked how many operators the village plans to hire. Mayor Clark said we have appropriated for three people at a cost of about \$240,000.

Tod Hilty asked if that is the salary, and why is it so difficult to find people. John Trew said we plan to be competitive.

Roger Hawkins said he appreciates the county helping to run the plants. We are also county residents and the county should help us. He urged everyone to call the county Commissioners and ask them to send help for 11 months.

Rod Summerlin said he would be less offended by the surcharge than having to pay the minimum of 500 cubic feet. They conserve at their house.

Edie Benner asked what happens after Dec. 27th when the current contract is up. Mayor Clark said we are working on this.

Donna Hawkins urged everyone to attend Council and Finance meetings to stay informed. She wishes the village would have used the “one call” earlier. Out of nearly 100 people they spoke with, about 90% were uninformed.

Dave Westenfelder said if the surcharge was \$50 per month, they would raise ½ million in 2 years. Mayor Clark said the surcharge will be recalculated.

Ted Bixler asked if there are contract services available to help us out. Mayor Clark is checking into it. Mayor Clark reminded the residents that we are very limited on our discussion tonight.

Adjournment

- ❖ Motion to adjourn at 7:45 by Scott Weaver, seconded by Paula Tubalkain. -All Ayes on vote.

Mayor Linda Clark

Jenny August, Clerk-Treasurer