

**Village of Mantua
Finance Committee Meeting
December 13, 2008**

Call to Order- 8:00 A.M.

Roll Call: Ben Prescott, Roger Hawkins, Jim Rogers was absent

Others: Jenny August, Clerk-Treasurer, Donna Hawkins, Mayor, and Ed Trego, Village Administrator.

Motion to approve Minutes from Nov. 15th Finance meeting by Jim Rogers, Seconded by Ben Prescott.

Jenny's reports:

1. Review of the Finance reports for Council. Jenny said funds are still all in the black. Checking balance is \$481,720.63. Total receipts were \$108,113.43, and expenses were \$79,954.69, so we did real well.
2. Ben asked Donna to issue orders in the future years for all P.O.'s to be in by Dec. 1st

Legislation:

Ben said we will need to raise sewer rates about 16%. Ben reviewed a statement Jenny prepared specifically for water & sewer expenses and revenues. Water will be alright for next year. Sewer will be short at least \$88,000. There are a few things we can move around to save some money in the Sewer fund, but we will need to cut as well. Jim said General Fund used to help support water & sewer. Ben said there will not be money available in General Fund. Jim wondered if a multiplier would be a better way to do it instead of a \$20.00 charge per quarter. Ben thought we would lose Mantaline if we used a multiplier. Jim wondered if we should charge the fee permanently or for just one year. Jenny said in a year our situation could change by possibly a tenant moving into the Eaton building. Ed said that wouldn't help us because we still need money for maintenance. Jim said if we just raised the rates, would we give Mantaline a break? Jenny said if we put a time limit on it, people may not be so upset. Donna said why trick our constituents. Ben said we could lower the rates if something changed. Ed recommended to apply the charge specifically to sewer debt. Roger said we should say it will be temporary. Donna recommended that we do not make it temporary. Jenny asked how it should be worded. Ben and Jim said to word it as an additional quarterly charge of \$21.15 for debt service.

Ben asked Ed how we will cut the other \$44,000 that needs cut. Ben said we can move wages into other areas instead of charging sewer. Jim thought it would make other areas short. Jenny explained that the payroll system only allows certain benefits charged in one area. Ed said the distribution is incorrect and he has brought it to Jenny's attention. Ed said there were differences of \$25,000 in his records and the Clerk's office. Roger asked if there is \$25,000 missing and said he can't vote for this if we can't manage numbers. Ed recommended that the Clerk, Assistant Clerk, himself and Donna should get together and compare notes.

Ben explained the other ordinances. For 2008-49, to establish a fund for the Northeast Quadrant project, Finance recommended taking that off the agenda since we aren't sure if we will do the project. For the 2008-51, Jenny explained the reason for the advance is to

pay three CT bills for work on projects that have empty funds. Donna said she got a call from Brian stating that there would be \$500 extra and wanted that money to go to them since they did an additional \$2500 worth of work on the trail project. Donna told them she didn't think it would be a problem.

Bills of Resolution:

1. Ben brought up Tom's bill. He stated that we have spent nearly \$20,000 over what was appropriated. Roger said he noticed that Linda Schilling called Tom and thought it was agreed Council members would not be contacting the Solicitor, other than the Council President, and that we were trying to limit certain people from calling. Ben said you can't tell someone not to call, but we should try not to call. Jenny said Linda may not have been serious, but she mentioned that she would pay for it. Roger wants it looked into. Roger felt it was ironic that someone who says it is calling.
2. Discussion about travel reimbursement to Clerk-Treasurer Jenny August. Roger questioned what it was for. Jenny explained that it was for training in Columbus last week. Ed felt that Jenny should not ask for reimbursement at the state mileage since there is no policy in place saying the Village has to pay mileage. Ed said he always tells the Mayor "I am entitled to this, but please only give this". Donna said no-one reimbursed her when she went. Ed said he is going to only ask for \$50.00 for his trip to Columbus and he asks that I do the same. He thinks Council should put a cap on per diem on mileage, hotel, etc. Ben said we need to really get into the Personnel manual.
3. Ben asked Ed if we have to pay for all of that extra salt. Ed said "What extra salt". Jenny asked if we are buying it. Ed said it remains to be seen. Jenny asked if we would get the low rate that he has been getting. Ed said he is negotiating an even better price. The township took one load but he hasn't checked up on it. Ed doesn't want it to look like the Village is trying to stranglehold on their mistake.
4. Donna said she agrees with Ed regarding Jenny's reimbursement. Roger said receipts should be available for all expenses. Ed said there is a form to fill out. Donna asked Jenny if she was planning to go for the full reimbursement. Jenny said she was, just as Donna did in March when she went to Columbus. Donna said she paid for the Mayors Conference herself 100 percent.

Motion to approve bills of Resolution by Jim, seconded by Ben. All ayes.

Professional Services:

Ben said we need to put out an RFP for a new Solicitor. He recommends a one year contract. Roger said you need to keep someone who has tenure with the Village and knows what is going on. Jim said we can't afford to pay \$40-\$50,000 for a new Solicitor. Jim said as the Finance Committee, we need to sit down and establish how much we want to pay and set the ground rules for a solicitor, and maybe even a Village Engineer. We are just paying too much money. Ed said we are required by law to request that they submit proposals for their services. Roger asked if we would have a committee. Ben said the entire Council did it last time. Roger said if you get the lowest bid, you get what you paid for. Ben said we took the highest bid last time.

Longevity:

Ben said we are raising rates, receiving less money, and laying people off, and still paying longevity. He is just throwing this up for people to think about. It may come to a point where

we have to show people that we are trying to save. Donna asked if he means taking it away. Ben said yes, to stop paying it. Jim said the state is going to have an enormous deficit which means our support will be less. Jim said you can freeze it but not take it away. Jim said it is wrong to take it away. Ben said we should make an ordinance to freeze it next year. Ed said it is not a bonus, it is for recognizing someone who has been here through the good and bad, lack of raises, cut longevity, remove spouses from insurance. Ed said if you are trying to push out the high money earners, just say it. Ben said we are going to have to cut somewhere and it is galling to him that we can raise rates and not cut anything. Ben said we didn't have to lose Paul. Ed could have adjusted his budget and kept him.

Roger asked how much has been collected in delinquent taxes. Jenny said she didn't have an exact number because it is not receipted in on a separate line item as delinquent, just receipted in as Municipal Income Tax. Roger said he had requested this before. Jenny said she would try to get a number for him. Then Roger said we need to generate a plan to generate income instead of cutting, cutting, cutting, and people will quit and what would it take to train a whole new department. Jim said "Roger, to generate income for this entity is to raise water, sewer, income tax". Jim asked Roger how to increase revenues. Roger said we need to collect what is owed, sell bulk water, and brainstorm. Sometimes you have to have ten bad ideas to get two good ideas. Jim said revenue is what we get from other people. The rest of our money comes from the state. Jim said he didn't think the problem of collecting Income Tax is a new problem. There are always those that don't pay. Donna said "Jenny has said numerous times that there are people out there that are not paying taxes. Do you know that for a fact?" Jenny said she is putting together a long list of people that will be getting tax forms mailed to them that are not in the system. Twice it has been put in Mantua Matters reminding people that it is not a household tax, but an Income Tax. Jenny felt that as far as people that don't pay, there is only a handful, most people pay their taxes. It is not going to be that significant. Ed asked what we are doing to collect taxes from contractors that work in the village. Jenny said they are supposed to fill out a form when they do work in the Village. Ed asked how do we know they are making that contact? Jenny said she doesn't have time to drive around the Village looking for contractor's trucks all day. Ed said Eric Hummel did work on the Livery and his company employees did that work, did we collect income tax? That is the Income Tax responsibility. Also, the prevailing wage coordinator should kick that Income up to generate more Income, and Ed feels we are losing a tremendous amount of income from that. Jim said the way to control it is to have our own building department. Long discussion between Ben and Jim about building department rates. Donna is going to ask Bill Zoller to get the County rates for a Building Department. Jim said the point is that this is the type of thing that would keep track of who is building what. Jim said if we had our own building department, the Schultz compound would never have happened. As it is, we have no control. Ben said he has no problem with us having a building department if the rates are fair. Jim said it would generate money for us and we would know who is working in the Village. Schultz would get a Zoning permit, but not a building permit with the County. Ben said to get a building department, you must apply through the state which is very difficult because they want to centralize it through the County

Donna said since there will not be raises this year, then she questions whether Jenny should not get her yearly increment that was in the ordinance. Jim said it is contractual and it was done by ordinance. Ed said the Elected Officials position is a contract. Jenny said she didn't sign anything. She was sworn in by Janet Esposito. Donna thinks Council should consider it because it doesn't seem fair. Donna felt if something was in the form of an ordinance, she has seen ordinances amended to change other ordinances. Jenny said you can change the ordinance but it wouldn't effect her personally because the ordinance was in effect when she was elected. Donna said Jenny would have to willingly say she would not take the pay raise.

Ed said as far as the CT bills, "We must do some thing and do it now in reference to an Engineer. We have a permit to operate our sewer plant that is due to be reissued in four or five months, and we are behind on submitting a draft and there is a lot of work and effort by engineers. CT is not willing to do that as they have demonstrated in their communication in lue of payment or good faith, that permit is a Village Permit of Council, and you just don't submit a couple papers and get a national pollution discharge elimination system permit, it is quite complicated and you have to do that. In continuing, and I hope we are continuing with CT, whatever it takes to get that done, negotiations or separate payments or whatever, we have to do that. Along with that, we are two years behind on submitting a Mercury Variance to the Director of the Ohio EPA. EPA set a ridiculous level in Mercury, and no one can attain that unless you have the budget. In there, you must demonstrate with a whole bunch of documentation and Engineering calculation to the Director of the State of Ohio EPA, requesting a variance. We started down that road and then without payment to CT, they have advised us in their monthly communications that they are not proceeding without financial issues resolved. Then you read in the paper, along comes fines from the EPA for doing things without a permit." Jim asked where are we with their bills. Jenny said she was told not to pay any of the old bills until negotiations are done, so we are just paying current bills. Donna said she is waiting for information to come in.

Ed says he recommends that we go to the Governor of Ohio and explain that we have the highest sewer rate in the state of Ohio by almost double. Our average sewer rate for this village is approximately \$1280 per year. Through various funding agencies, there are some programs that forgive debt. DEFA is one agency. Donna said she has a very good relationship with the Regional Director of the Governor, Steve Meeks.

Jim said it all goes back to why the plant was built the size that it is versus what we needed plus 20%, if it was built double the size we needed. Ed said that is not accurate . He said the plant footprint is double, but what was actually constructed is only a 150,000 gallons a day increase. We had a 350,000 gal a day plant, and we increased 150,000. Now we have a 500,000 gal a day plant, and what has not happened is additional users. Jim said to give Donna some ammuniton, we did not pick up the number of users, and we have lost customers and we are drowning in our own fecal matter.

Motion to Adjourn at 10:00 by Jim, seconded by Ben

Ben Prescott, Chair of Finance

Jenny August, Clerk-Treasurer