

**Village of Mantua  
Finance Committee Meeting  
April 15, 2010**

**Call to Order:** 6:30 P.M.

**Roll Call:** Linda Clark, Roger Hawkins, Ben Prescott was absent

**Others:** Clerk-Treasurer Jenny August, Mayor Donna Hawkins, Chief Harry Buchert, Village Administrator Ed Trego, Council members Linda Schilling and Marty Hura.

Motion to excuse Ben while he attends a funeral by Linda Clark, seconded by Roger. Both ayes on vote.

**Minutes:**

No discussion or issues with the April minutes.

Motion to approve the Minutes from the April meeting by Linda Clark, seconded by Roger. Both ayes on vote.

**Financial Reports:**

Jenny gave the Financial reports. The Fund status at the end of March was \$417723. Revenues were \$192623. Property tax revenues were reduced so we got much less than usual. Expenses including payroll totaled \$100,648. We made the quarterly Sterling and Cruiser payments. There were no fund adjustments in the Cash Summary report. Jenny pointed out in this report that in the Sewer Fund we took in \$14,206 in revenues, however we spent 21,000. If this keeps up spending \$7,000 more than we are taking in, we are really getting in trouble. Something has got to change. Water and Sewer reconciled exactly, as did Income Tax, and the bank reconciliation went through with no adjusting factors. Lastly, Jenny mentioned that she is guestimating that we will be about \$50,000 short in Sewer, and \$14,000 short in Water, and only for a half year. Jenny said it doesn't make sense to defer the payment if we can somehow get the money. Jenny recommends that we save the deferment for a time that we may not have enough in the account to make the payment. This situation is getting worse. Jenny spoke with a source that said the EPA will eventually be phasing out small sewer plants, and our plant will be getting much more of the business. It is important to keep our plant in good working order. Roger said there is someone in Rural Residential that wants to make 6 or 7 three acre lots and they want to put in septic. Roger says he views this negatively because our ordinances say they can't drill wells and it is meant to support our Water & Sewer plant. Jenny asked if the village can afford to run water & sewer to them. Roger said the property owners would be assessed. Linda Clark asked if someone wants to build, isn't it their responsibility to get the Water & Sewer to that area? Ed said the Developer generally does it, and leaves a performance bond, then in a year or two, it becomes the Villages to maintain. Linda said it is up to Planning.

Motion to recommend financial reports to Council by Roger, seconded by Linda. Both ayes on vote.

**Legislation:**

Linda reviewed the legislation that will be presented at the Council meeting Tuesday.

- **2010-14** Linda Clark said she will ask Linda Schilling to specify the percentages. Linda Schilling said for earning \$50,000 it will cost \$10.40 per month. Harry recommended making it 50% Roads & Storm Sewers, then the other half goes to Debt & Capital Improvements, then when debt is paid off, it can go to Capital Improvements. Jenny said she would like more specifics. We don't have a fund called Roads. It should be either Streets Operating or Streets Capital.

Linda Schilling said Harry refigured the amount of additional revenues and he came up with \$128,000. Donna asked who is correct, Jenny's figure was \$67,000. Jenny said she checked with two other people and they felt Harry figured it correctly. Jenny said she is not comfortable with \$128,000, and that the most she would be comfortable with is \$90,000.

Donna recommended that we combine Street and Storm Sewer together. Jenny asked if she meant to create a new fund. Donna said yes. Linda said we need to determine how we want it worded. Ed said he agrees with the debt capital, but feels that Streets and Storm Sewers need to be kept separate. He also thinks we need to put a charge on each home for Storm Water Management. Linda Schilling said we can also use this money for matching grant opportunities. Jenny said we still need to be more specific as far as which Capital Improvements because we have five different Capital Improvements. Same as debt. How do we know which debt we are paying? Harry said General Fund Income Tax would transfer to whatever debt we need to concentrate on. Jenny said she can't calculate each check out to determine the additional revenue portion. She recommended figuring it once per year, and then doing the transfers. Harry felt that the money would be spent if we waited that long. Linda Clark thought we could check into creating a fund that this money is put in so it would not be spent, then divided out once a year. Harry said we could calculate once per month, and let Council decide monthly which debt is being paid on. Harry has percentages figured so the split will be easier to calculate.

Linda reminded the Mayor that we need to open legislation for discussion even though it is not on third reading, so we can make amendments and have it finalized by the third reading. It must be passed by July to be on the ballot. Linda Schilling said she had to leave, and wanted to clarify the percentages in each of the four funds. Ed recommended that out of the 50% for Streets and Storm Sewers, he thinks 25% should go to Storm Sewers and 75% of it to Streets. After discussion, it was agreed that Streets will get 35%, Storm Sewers gets 20%, 20% to Maintenance, 25% to debt and Capital Improvements. Linda Clark said we need to tweak this before Council Tuesday.

- **2010-15** Trash pick-up- This needs to be tabled and do more work on it in Service Committee meetings.
- **2010-16** American Legion contract for Park Lodge- this also needs to be tabled and reviewed by the Parks Committee.
- **2010-17** \$15,000 transfer to Sewer for pump repair/replacement and sludge hauling. Council only passed to amend this, so it is on second reading and needs passed as an emergency.
- **2010-19** Resolution for Ed to cash out vacation leave to repay audit finding.
- **2010-20** Roger and Donna both felt that they have not reviewed the final copy because there are too many draft copies out. None were marked "Final" and the copies are not dated and therefore they are not ready to recommend it to Council.

Jenny agreed to get them copies of the newest version and mark it "Final". Linda Schilling said she remarked at a Council meeting that everyone was given the FINAL draft, so Roger was aware it was Final. Linda Clark said we will get Roger a Final draft and discuss it at the next Finance meeting. Ed wants an Electronic copy.

- **2010-21** Adopting the Electric Aggregate- 1st Reading.
- **2010-22** 2011 Budget- 1st reading.

### **Bills of Resolution:**

- Linda Clark said she spoke with the Department Heads about being more specific on their Purchase Orders.
- Linda agrees with the payment to Falkenburg for \$3,316.30 and the other \$763.78. She is questioning the one operator and 6 hours of digging. Roger said we agreed to do this without estimates. Donna asked we couldn't have used our own laborers, or our own barrels. Couldn't we have provided those? Ed says in the beginning we had no indication that it would be ours, and we have to be careful about helping out private areas.
- Roger asked if it would have cost the same if the Village had done it ourselves. Ed said all costs are justified. Roger asked why we didn't just pay for it. Linda Clark said that Barky hired the Contractor, and so Barky had to pay him. Ed agreed. Ed asked if we have ever received a written request from Barky. Jenny said she received it via e-mail this afternoon. Ed wants the e-mail forwarded to him.
- Linda asked Jenny to add in the concrete cost, do a resolution for the total amount and include the two bills that the Village paid in the resolution just to keep the project costs all together for tracking, and put all costs on the addendum list.

Motion to recommend the Bills of Resolution to Council by Roger, seconded by Linda Clark. Both ayes on vote.

### **Other Discussion:**

#### **\$50,000 Grant Money**

- Linda Clark read Ben's recommendation of adding \$4,000 as an advance towards the new Vulkan Chopper Pump, and \$20-\$30 for OWDA debt. That was as of Tuesday. He also wanted Ed to look for ways to repair the other pumps. Ed said he does not plan to repair the other pumps unless they break.
- Roger said he didn't have any thoughts on this right now.
- Linda Clark said we should advance \$4000 for the Vulkan pump and use some of it towards the OWDA payment. She would like Ed to think of ways to cut in order to repay the advance.
- Donna Hawkins said we should defer the OWDA loan. We would extend the loan out one year to be paid off on 2024. The interest would remain the same. This would cost us \$25,000 to \$28,000. This would allow us to gain in our Sewer Fund by \$287,000. Use of the Grant money could be utilized for the \$28,000. It would be repaid back by placing the money, \$250,000 in an interest earning business account which would earn 2%, or \$4-6,000 per year. This would allow us \$37,000 for repairs and maintenance to the plant and rainy day funds for sewer line breaks. This would keep

the General Fund safer by not pulling our \$30-50,000 yearly, which is not \$100,000. Leaving the General Fund alone would give the citizens more security by restoring 24/7 Police protection, and keep us away from Fiscal Emergency. This would subsidize our sewer debt. It has been mentioned many times that we need to raise our sewer rates, in the Finance meeting it was mentioned that we would raise rates by 16%.

- Donna wanted to comment on the Eaton situation. She said all this time Eaton was not actually on the market, not until 45 days ago. Now it is actively on the market for 1.2 million and has since had two interested parties. There is some hope.
- Jenny asked if we are not changing our spending, what happens when we are short \$50,000 again in December, and \$100,000 per year for the next three years and can't defer the payment if we need to. The \$250,000 is locked away and earning interest, and we are using the other \$37,000 for sewer needs. Jenny said she is against this. Donna said she will discuss it further at Council when all Council people are there.

### **Park Lodge Cleaning**

- Two estimates have been provided, one from Lisa who cleans the Administration Building, and Sue from the Clerk's office. Jenny said there have been complaints about the windows being dirty and some other things that are not done by those that rent the lodge. We should consider having a deep cleaning done twice a year. Jenny said both people want the supplies provided by the Village. Marty disagreed. Harry said they are both employees. Jenny said one could do it in the Fall and the other could do it in the Spring. Donna suggested that we get Community Service workers to do it. Ed suggested that we hire it out and get it done real good the first time, and then turn it over to Community Service. Roger said to try the free ones first.

### **Personnel Handbook Changes**

- Amendments to the final copy will be made at Council in June. Roger asked that the final copy be placed in his mailbox.

Jenny reminded everyone that she will not be attending the Council meeting Tuesday. She will be attending her son's wedding in Punta Cana.

Motion to adjourn at 8:43 P.M. by Linda, seconded by Roger. Both ayes on vote.

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Linda Clark, Chairing in Ben's absence

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Jenny August, Clerk-Treasurer