

FINANCE COMMITTEE MEETING

March 15TH, 2017

6:00pm

Members present: Kimberley Kaan, Chair; Joette Dedden; Richard Elliott

Staff Present: Kitty Crockett, Finance Director; Jamie Morley, Clerk to Council

Guests in attendance: Chris Brausch, Warren County Water and Sewer, Jacque Brody, Warren County Water and Sewer, Brian Blankenship, Dale Kaan, Dave Stubbs, Dick Philpott

- Ms. Dedden made a motion to approve the minutes as amended for the February 15, 2017 meeting, seconded by Mr. Elliott.
3 Yeas
- At this time, the Committee and Warren County Water and Sewer representatives, Mr. Brausch and Ms. Brody, discussed an email that requested Warren County's payment for invoicing errors and also informing them that their water rate changed from \$2.32 per 1,000 gallons to \$3.39 when the Village rates were increased in April of 2015.
 1. Mr. Brausch and Ms. Kaan outlined the process that Council went through to determine the rate change for water customers. It was stated that the changes were to remove the flat rate of \$5.75 and the capital rate went from \$5.00 to \$10.00 and \$1.88 loan repayment fee was added. The non-consumption rate changed from \$10.75 to \$11.88. The biggest change was that the water rates went from \$1.52 to \$3.30 a 1,000 gallons for Village residents. This way it was believed that the smaller customers would stay relatively the same and no longer subsidize the larger users. Mr. Brausch pointed out that at the time of considering water rate changes within the Village, there was a stipulation in the water rate contract with Warren County that the Township water customer rates could not be increased by more than 3% a year. Therefore, the Village had to get the County's permission to increase the rates. The whole purpose to meet with Warren County Commissioners was to get permission from the Board to increase water rates to the township from \$1.82 to \$4.02. Mr.

Brausch worked with the Village and created a presentation for the Mayor to give to the Board and at that time the Mayor did say as he read the presentation aloud that this would not increase Warren County's water rates.

2. About a month prior to meeting with the Committee, an email was received from the Village to County asking for payment for invoicing errors. Mr. Brausch felt, that according to what the Mayor said and what he felt was agreed upon, Warren County was exempt from the rate increase. He then agreed that the contract does say the County rates could be changed when Village rates were increased, but he felt in the spirit of the agreement the County rate should not be increased. Ms. Kaan pointed out that in the Commissioner's Resolution, it does not address the County rate at all. It only addresses the rates for the Township customers. Furthermore, Ms. Kaan wanted to state that even if the Mayor promised, it takes the majority of Council and an Ordinance to make it so.
3. Mr. Brausch stated he had received a call from Warren County Prosecutor because the Village's solicitor had contacted him about the contract. He wanted to see if this disagreement could be worked out administratively if not he would have to bring this in front of the Commissioners if the Village wanted to execute the contract as it is and not amend it. Mr. Brausch asked what the intention of the Village is and if it is their intent to pursue back billing. Either way at this point he needs to talk with the Commissioners.
4. Ms. Kaan stated that Council must go by the agreement and proceed with back billing and the new rate. At this time, Mr. Stubbs wanted to clarify exactly what was said at the presentation to the Commissioners' meeting. He stated that the main purpose of the meeting was for the Village to be allowed to increase water rates in the Township. Mr. Stubbs said he did read the bullet on the slide at the presentation saying there would be no increase to Warren County water rates but there was no discussion during the meeting on this topic. There was no information from the audio or minutes besides the bullet point read. Furthermore, at the end of the presentation one of the Commissioners stated that they wanted their attorney to make one more review of the Resolution to make a onetime amendment to the agreement. His opinion is

- that this was truly missed, therefore we should go back to the wording of the contract better or worse.
5. Ms. Kaan wanted to reiterate that at the time of the rate analysis, the analysis was done for the inside and outside water rates. And according to the contract, Warren County's water rate is directly tied into the inside water rate. At this time, Mr. Brausch questioned the validity of the way the Commissioners allowed the increase to outside water rates because it was done as a Resolution not an amendment. Mr. Stubbs explained that the method was chosen to keep the contract intact and only allow a onetime rate change of more than 3%.
 6. Mr. Brausch felt that at the time of the rate change he feels very strongly of what the intention was and that was not to increase the rate for County. He agrees that this does not translate into the agreement. Furthermore, he believes that the county would not support the rate increase to township residents if it would have meant a rate increase to the County rates.
 7. Mr. Elliott wanted to stress that it had been brought up in the past that the Village needed to increase the County water rates to keep up with the increased cost of water production. The County rate has not been changed since 2009.
 8. Ms. Kaan pointed out that the County is 27% of water usage and only 12.9% of revenue. Mr. Brausch asked that as the biggest water customer, it would be appreciated that County be informed of current and future water improvements.
 9. It was agreed that Mr. Brausch will bring the contractual dispute in front of the Board of Commissioners and get back to the Village. Ms. Kaan pointed out that there was a similar contractual dispute between County and the Village on the Carter-Lytle Extension and the Village paid what was owed. According to the contract the Village should have received an annual bill on tap in fees owed. However, these were not sent, but the Village paid the amount owed.
 10. Ms. Morley said that she understands Warren County is debating the back billing but wanted clarification if the current rate of \$3.39 is under dispute. Mr. Brausch asked if there had been any rate changes besides the 2015 rate change. The answer was no. Mr. Brausch then said yes, Warren County is debating both back billing and current rate.

11. It was left that Mr. Brausch and Ms. Brody will have to discuss and decide the direction Warren County will go.

- Ms. Morley explained that Warren County Auditor, Matt Nolan, wanted Council to redo the language for the Certification of the Street Levy. The wording of only stating replacement needed to say a replacement with an increase (you cannot replace a 1 mil with 6 mil) or a renewal with an increase.
 1. At this time, the Committee discussed what was the best option for the Village for the street levy. Mr. Stubbs wanted to correct a statement he had said in the past that the levies used to be 5 mil police, 5 mil admin, and 5 mil streets. He researched that in the past it was only 2.5 mil but the state would supplement the Village's street fund, so the funds were comparable to a 5 mil levy. Now the state no longer gives the money.
 2. Ms. Kaan stated that there is a PR problem since 2008, only a little part of Chapman has been repaved. Main Street and Miami repaving has been water projects. She believes there has been too little activity for residents to have good faith.
 3. Ms. Morley suggested that Committee postpone putting the street levy on the ballot until the 2018 election and that way it would not go against police or school levy. The current levy collects through to the 2017 property taxes. She believed there would not be a gap in revenue since property taxes are collected in the arrears and in 2018 the Village will still be collecting taxes from 2017 and if the levy passes in 2018, 2018 property taxes will be collected in 2019. The Committee believed that there would be a gap.
 4. Ms. Dedden made a motion to take to Council to have the auditor do a certification for the renewal of a 1-mil levy. There was no second and the motion failed.
 5. Mr. Elliott made a motion to have the Auditor certify for a replacement with an increase for a 6-mil street levy. There was no second and the motion failed.
 6. It was decided to revisit this at the next finance meeting.
- Ms. Crockett informed the Committee that the audit went well. There was one audit adjustment that she had to make. The only real issue was Chief Copeland's checks from 2015 did not add up and came to an over payment of \$300. Ms. Crockett believes the way the pay rates were done explains the overage. A pay date was posted on 12/31/2015

instead of 1/1/2016, an extra pay in 2015 when it should have been made in 2016 could explain the overage. If this does not come under a \$100 then it is a finding on the Chief and he would have to pay it back.

- Ms. Crockett informed the Committee that her and Ms. Morley are working on a records request. She also told them that they both are registered for the LGS conference next month. Also, she received a letter from the Chief Engineers Office that there is a balance of \$111,000. Mr. Elliott said that this is the money they plan to use for Lytle Road resurfacing.
- Ms. Morley asked about food trucks. It was discussed that anytime a food trucks does business in the Village, they would have to be part of an event and listed on a Special Events Permit. There is no separate fee for them.

The Committee decided to adjourn at 7:41 pm.