



**Village of Milan
Council Work Session Meeting
April 21, 2022**

A work session for the Village of Milan Council was called to order by Mayor Pam Crosby on Thursday April 21, 2022 at 6:00 p.m. in the Council room at 11 S. Main Street, Milan, Ohio.

Roll call: McIlrath – yes, Bickley – yes, Rospert – yes, Taylor – yes, Shafer – absent, McManus – yes.

Motion by McIlrath, seconded by McManus, to excuse Nate Shafer from the work session due to his work schedule change. Roll Call: McManus – yes, McIlrath – yes Bickley – yes, Rospert – yes, Taylor – yes.

New Business

John Courtney with Courtney and Associates spoke on the Water Revenue Requirement Model for the Village Water System. Scope of their services included; Data Acquisition/Verification, Projected Revenue Requirements, Rate Review/Design and Present Results.

The Data Acquisition/Verification includes identify availability of information received from submitted data request, following the review of the information and data provided, the billing statistics, operational data, financial statements/reports and then verify the accuracy of the information provided. The first step the Project Water Sales, which separate sales by customer class and looks at the historical sales which have been consistent, then to project sales growth rates if there is a need. Second step, Project Revenues at Current Rates reflects rate increases from September 2021, September 2022 and September 2023 along with project average revenues (\$/Mgal) by customer class and multiply water sales by average rates. Third step Project Revenue Requirements using cash basis, normalize historical data, inflation (3% per year except water supply), capital improvements, debt service, other income credits. Councilperson Bickley asked if the 100% for outside water user changed to 25%, would there be an increase for all users inside the village and outside? John Courtney replied, yes everyone inside and out would go up 10% in rate. The fourth step is to determine the overall Revenue Adjustment, compare Projected Revenue Requirements to Projected Revenues at current rates. The conclusion is revenues at current rates are sufficient to meet the projected 2026 revenue requirements. Revenues at current rates do not need to be increased in order to meet the projected 2026 revenue requirements and if outside surcharge is reduced to 25%, revenues would need to be increased by approximately 10% in order to meet the projected 2026 revenue requirements. Courtney and Associates recommendation is to implement a Water Supply Cost Adjustment to allow rates to automatically adjust for future increases in water supply costs and

review the water rates in 2024 and adjust rates, if needed to meet the Projected Revenue Requirements. Administrator Rospert asked if the 10% would be done in steps and John Courtney said yes it could be done in phases. Councilperson Bickley said he looked at common rate to see if they were competitive and the Village is comparable, looking at information he received from Brian.

Employee Health Insurance Plan - Fiscal Officer Cathy Ramey stated no other provider besides Paramount submitted quotes for the renewal. Paramount, the current providers quote for the same HMO plan current cost \$11,110.00 monthly and the new cost increase \$12,652.00 monthly. Fiscal Ramey noted that with the increase there is no changes to the current budget.

Richland Engineering Proposal for Services N. Edison Drive Water Line – Administrator Rospert presented a proposal for services presented by Richland Engineering for N. Edison Drive Water Main Replacement Project not to exceed \$9,750.00. Since this is a reimbursement grant, Administrator Rospert would like it to initially be paid up front out of the Water Replacement Capital Fund.

2022 Street Projects – Administrator Rospert presented the 2022 Street Projects Program with three estimates per project for council to review. The projects suggested includes Center Street from Broad Street to Church Street and the Water/Wastewater and Electric Department driveway off of Riley Road, to be split equally between each department, using their Replacement Fund line item. Administrator Rospert also discussed several other projects that he would like done this year. Councilperson Bickley suggested using the cash carryover in the Street Levy Fund for other street projects this year. Council would like to encumber an additional \$100,000 out of the carryover balance to be used this year. Administrator Rospert will look at other street projects to complete this year and will present his recommendations to Council.

Fiscal Officer Ramey discussed Parks and Trees Fund and Street Fund. Council requested Administrator Rospert to have the sidewalk Ordinance pulled so that they can review present and past sidewalk Ordinance. Council would like to continue with the Tree Fund and will have further discussions on the sidewalk program.

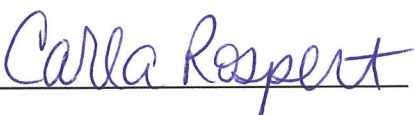
Unfinished Business – Council discussed the water rate study and Councilperson Bickley suggest that the suggested automatic water supply adjustment would be a good addition to the Water Ordinance. Council will discuss this in a future meeting.

Questions for Next Meeting – Completion of the Personnel Policy. Rescheduling of the next Council Work Session in May.

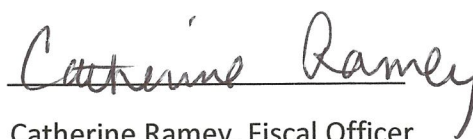
Adjournment

Motion by McManus, seconded by Taylor, to adjourn tonight’s meeting.

Roll call: Bickley – no, McIlrath - yes, Rospert – yes, Taylor – yes, McManus – yes.



Carla Rospert, Council President



Catherine Ramey, Fiscal Officer