



**Village of Milan
Council Work Session Meeting
July 14, 2022**

A work session for the Village of Milan Council was called to order by Mayor Pam Crosby on Thursday July 14, 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 – yes, McManus – yes.

New Business

Water Rates – Administrator Rospert began speaking and was asked to do an analysis over the past years on water, sewer and electric rates in which he did, noting that he wanted to make some clearance on an article the Sandusky Register reported, that mentioned in her article, that the Village did not have any public meetings on the water rates. The reporter was told that there were public meetings but she reported in the article that there were none. Administrator Rospert read his report and showed that there were eight (8) meetings outside of Council meetings beginning in 2019 July and September, in 2020 February and September, in 2021 July, twice in August and December. In Council meetings where water rates were discussed he noted that some of these may have been where the Ordinance was read, where Council President Rospert would have read her report from the Finance meetings that began July of 2018, February and September 2019, February, March, July, August, September, October, November and December 2020. January, February, August, at a special Council meeting in December 2021. At the April 2022 Work Session with John Courtney reviewing his findings and April, May, and June 2022 Council meetings. Administrator Rospert went on to read the following regarding the electric rates; In November of 2011 Council passed an Ordinance to remove the 10% surcharge to outside Village limits residents. This went into effect on January 1, 2012. The old language read as follow: In addition to the rates specified in Sections 1 through 7 above, all customers served outside the Village corporate Limits shall pay a surcharge. This surcharge shall be computed by multiplying the net amount of the bill by 0.10. This charge shall also apply to the gross amount. Regarding outside sewer; In January of 2004 Village Council passed an Ordinance to remove the surcharge to outside Village limits residents. This went into effect on January 23, 2004. Prior to the passage of this Ordinance inside limits rates were \$28.60 and outside limits were \$42.90 for the first 10,000 gallons per quarter.

Administrator Rospert said he had found the agreement with the Village of Milan and Coyote Lake Woodlands, LTD, AKA Riley Road Lots on April 1, 1998 where in the fourth section of this Agreement it states “Whereas, upon approval of the construction by Richland Engineering

Limited and receipt of a permit to operate from the Ohio Environmental Protection Agency, the Village is willing to accept said Coyote Sewer and Water Line upon completion, maintain said lines in the future and accept effluent from and provide water to the Developer's property upon the same terms and conditions as provided to other customers of the Village's water and sewer service residing outside the Village." He continued to read, water rates over the years were Ordinance No. 772-11-87 Water Rates were based off each quarter for metered services inside corporation limits was \$1.20 per 1,000 gallons and the outside corporation limit rate was \$1.80 per 1,000 gallons. Minimum quarterly charge was 10,000 gallons at \$12.00 inside corporation limits and \$18.00 outside the corporation limits. Ordinance No. 826-11-89 Water Rates were changed to a minimum monthly charge for 3,000 gallons cost was \$6.30 for inside corporation limits and \$12.60 outside corporation limits (double the inside rate). For gallons in excess of the minimum the rates were doubled as well. The rates have remained doubled since the 1989 Ordinance was passed.

Administrator Rospert said it is his responsibility as the Village Administrator, that he shall be and hereby authorized and directed to maintain such rates and charges for the products and services of the waterworks system as shall be necessary to pay all costs associated therewith, including debt service and other payments related to bonds and notes issued to extend or improve the waterworks system and make any and all adjustments in such rates and charges, at any time, in order to pay all such costs and comply with rate and any other covenants of any and all ordinances of indentures of mortgage authorizing the issuance of or securing debt to finance extensions and improvements to said waterworks system. In addition, as Village Administrator he shall be and hereby authorized and directed to review annually the operation and maintenance expenses, debt service requirements and other requirements of said waterworks system for the succeeding year, including necessary and reasonably foreseeable costs for capital improvements and based on such review, make a recommendation to Village Council to adjust the rates and charges of said waterworks system to provide for such requirements in accordance with rate and other covenants of any and all ordinances or indentures of mortgage authorizing the issuance of or securing debt issued to finance extensions or improvements to said waterworks system. The rates for service and charges for municipally owned utilities shall be determined by the legislative authority of the Village.

He continued, in 2017 the Village began working with Ohio RCAP on the Asset Management Plan that include a water rate review of our current Ordinance. It was during this Plan review that it was deemed necessary to increase the rates. This was presented to Council at the February 2020 Village Council Meeting and the first reading was read. In March of 2020, the Covid Pandemic surfaced, and the water rate increase was tabled. The water rate increase was back for discussion at the December 2020 Regular Council Meeting and read the first reading of the Ordinance. The third reading was in February of 2021, with the rates to take effect on June 1, 2021. On August 12, 2021, during a Special Council Meeting, Village Council voted on and passed a new Ordinance, as an Emergency, to increase the minimum water usage from 2,000 gallons back to 3,000 gallons effective with the September 1, 2021, invoice. This was done after discussion with a Village resident, who presented her research.

At the beginning of 2022, the Village hired John Courtney and Associates to review the rates. In April of 2022 John Courtney presented his findings of his review as follows: 1) Revenues at Current Rates are Sufficient to Meet the Projected 2026 Revenue Requirements. 2) Revenues at Current Rates Do Not Need to be Increased in Order to Meet the Projected 2026 Revenue Requirements. 3) 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.

Administrator Rospert spoke with many Village residents over the last several months and each Village resident he spoke with did not support lowering the township rate and increase their rate by 10%.

Also, he made mention that on Saturday July 2, 2022, there was a water leak to a service line at 15324 S. Main Street in Milan Township. Four employees worked on the leak for 6.5 hours, at overtime rate, an Officer with the Milan Police Department assisted in traffic control and a contractor was called to repair the asphalt in the pavement. Materials, labor, and the repairs totaled close to \$6,500.00. An estimate to install a new water line to this resident was received and is just under \$2,000.00.

Administrator Rospert then read his recommendation; "Over the years, Village Council reduced the outside the corporate limits in surcharges in the Electric and Wastewater, this in turn increased the rates that were charged to the Village residents for these utilities. We supply all our utility customers with the highest quality of services, that they expect. It is our responsibility to provide a reasonable rate for water, and I believe we do this with our inside and outside users. As a cost comparison between the Village of Milan's current water rates, for outside users, versus other municipals, Rural Water and Erie County, they would be paying more than they are paying for the Village of Milan's water. In the study that I performed in August of 2021, using per 1,000 gallons outside users on the Village's water are paying \$14.88 per 1,000 gallons. In the comparison with Norther Ohio Rural Water outside users would be paying \$16.33 per 1,000 gallons, with Erie County Water District B (rural areas) they would be paying \$19.24 per 748.052 gallons, with Monroeville Water outside users would be paying \$29.74 per 1,000 gallons of water. As you can see, we offer our outside residents a reasonable cost for water. It would be my recommendation to Village Council that we do not change the current water rate structure. We have reviewed this rate increase for over four years and went through the necessary reviews to come to this determination."

Council President Rospert thanked Administrator Rospert for his time in gathering this information they requested to find the history on how this all started and also agrees that his recommendations should stand. Councilpersons McManus, Bickley, Shafer, Taylor and McIlrath agreed.

Personnel Policy

Section 5.2 VACATION – take out the language in section B and C and add a chart. Add the following language to section I. does not apply to work related injuries. Section J. eliminate flex time.

Other Discussions

Discussion on Utility Office business hours of operation were discussed to change the office hours from 8:00 a.m. - 4:30 p.m. closed for lunch 1:00 p.m. – 1:30 p.m. to 8:00 a.m. to 4:00 p.m. and remain open during lunch. These changes will take place starting Monday July 18th.

Administrator Rospert discussed phase II of upcoming street projects and the quotes he received for each. Erie Blacktop came in lowest for all four (4) projects. Total amount of projects if Erie Blacktop were to do them, \$63,914.80. Remaining 2022 Street Levy Budget \$71,613.50.

Administrator Rospert presented proposed projects last month to Council and today went over the American Rescue Plan Act proposed projects for 2022 with estimated costs. The following is the proposed projects with estimates and recommendations.

Village of Milan Water/Wastewater Department

American Rescue Plan Act

Proposed Projects for 2022

1) Influent Project at the Wastewater Treatment Plant – This project entails removing old equipment from the inside of the structure and replacing it. The scope of the project will be to remove existing base elbows, guide rails, piping, and pumps. Install new base elbow, 6” PVC piping and fittings to connect to existing pipe from wall. Install new guide rails, Duplex Control Panel in a stainless-steel enclosure with standard alarm lights for over temperature and high water. Reinstall pumps wiring into the new panel.

Estimated cost for this project \$40,000.00

Recommendation to hire Buckeye Pumps out of Galion Ohio to perform this work. Their estimate is \$37,094.00. Crane rental estimated at \$1,000.00 and vac truck rental estimated at \$2,000.00 for a total project cost of \$40,094.00.

2) Emergency Back-up Generator Project – The Indian Acres Lift Station is our primary wastewater station and when power goes out, we have to setup our 3” pump and pump the wastewater to a nearby sanitary line. We would like to install a 20 KW 120/208v three phase generator at this location. Estimated competition date in 2022.

Estimated cost for this project \$11,500.00

Recommendation to hire Great Lakes Electric out of Milan Ohio to perform this work. Their estimate is \$11,334.00. We are required to get natural gas to this location. We have met with Columbia Gas, and they will install the new gas line for free.

Unfinished Business – None

Questions for Next Meeting – None

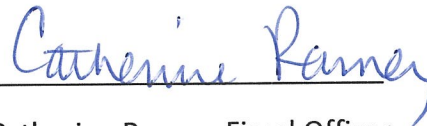
Adjournment

Motion by Rospert, seconded by McManus, to adjourn tonight's meeting.

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



Carla Rospert, Council President



Catherine Ramey, Fiscal Officer