

**MINUTES OF CITY COUNCIL WORKSESSION
SHEFFIELD LAKE, OHIO
January 17, 2012**

The regular meeting of the City Council Worksession was held Tuesday, January 17, 2012. Council Pro Tem Rick Rosso called the meeting to order at 7:22 PM.

ROLL CALL OF MEMBERS:

Present: Rosso, Belaska, Stark, McCullough, Kovach, Elliott, Smith, Mayor Bring, Finance Director Smith, Service Director Smith, Law Director Graves

Absent: President Podmanik, Treasurer Woods (excused)

Attending: Planning Commission Erdei, Members of the Media

PRESENTATIONS: None.

*******COMMITTEES*******

ROADS & DRAINS: Pro Tem Rosso advised water and sewer base rate increases; has provided us with some historical costs for the last 5 years for review. So what we are saying is the water fund was \$95,000.00 short this year or 2011? Finance Director Smith advised I did this so you could get a real good idea, to see how we have done things in the past. We had a carry-over that absorbed that \$94,427.95 however we can't keep going in that direction. Red is not a happy color. That \$94,000.00 in water and if you go down to sewer because of our costs for the year – we are up \$256,000.00. In the blocked area down below that is our historical on what we have spent on sewer costs since 2007 and each year it actually went down until 2011 where it went up \$256,000.00 over the prior year. But even that it was still up almost \$200,000.00 from 2009 or 2008. We hope that we won't have a year like that again this year. We have got a lot of infiltration and Len will explain some more on that I am sure. Fortunately we had some carry-over that absorbed a lot of these negatives as far as revenue versus expense. I just wanted to put it in black and white and red so that you could understand a little better on what direction we are going which is down. We started last year with \$200,000.00 in water and \$226,000.00 in sewer so as you can see we ate through that very, very quickly and we can't have another year in sewer like we have. Even if we have a dry year, anything we do accumulate that gets carried over is going to pay for us curing some of the infiltration problems in the sewer and then in the water, remember we have an aging system here – the longer it goes the more breaks we will have. Having a carry-over is what keeps those departments functional and allows them to plan for some repairs and things like that. When you don't have a carry-over you can't plan for any emergencies at all. Councilman McCullough stated could it be that we made mistake and we didn't overcharge the residents \$2.00 a month for X number of months? When you are looking at all these

numbers, could it be that we had a mistake somewhere that we really didn't charge those residents \$2.00 a month too much? What I am getting at is while we are talking about this, we had talked about raising it \$3.00 to create a dollar or raising it to \$5.00 to create \$3.00 or whatever we were talking about – the main thing is making sure that we have enough tools to do the job and our tool this time is going to be cash. I guess what I am saying is I have asked a few people and I have asked them if they have seen their water bill recently and out of the 10 people I ask 9 of them say they have never seen the \$2.00 credit they just pay it and the one that saw the \$2.00 credit didn't know what it was for. I guess what I am getting back to is when we pass this the wording of it, just can we suspend that \$2.00 credit for now and just add the dollar? Finance Director Smith advised Kerry that was a good faith thing that we did, we had basically had an error in the legislation and it was a good faith to give it back. Councilman McCullough stated I mean I am looking at these numbers Tammy, how many water bills do we have a month? Finance Director Smith answered about 3300. Councilman McCullough continued so that is \$72,000.00 a year and I don't see anywhere in the water that we were over \$72,000.00 in any one year. It is actually more than that, it is \$79,000.00. We weren't \$79,000.00 over too much in any one year. I understand that you are saying it is good faith but looking right at your numbers p take out 2011 because you haven't the money around. But we have never been over that amount of that money. Finance Director Smith answered I agree and what you are saying is we have needed every dime. Councilman McCullough stated well it probably really wasn't an error, correct? Pro Tem Rosso disagreed no it was an error. Councilman McCullough stated then it was a legislative error. Pro Tem Rosso stated absolutely was an error – they were collecting it and they shouldn't have. Councilman Smith stated they shouldn't have been collecting it. Councilman McCullough stated because it was legislation, is that correct? What made it illegal – the overcharge? Pro Tem Rosso answered the former Service Director added it twice. Councilman McCullough stated I can remember that a long time ago but I thought they took if they took the 1 out you were square. Pro Tem Rosso answered we just took it out last year and credited it back. They overcharged it for 18 months. Councilman McCullough stated I guess what I am saying Rick is if we overcharged for 18 months, these numbers would all be red across here. Pro Tem Rosso stated I am not saying that we wouldn't have addressed this 2 years ago maybe, it might have just hidden the problem until now. We probably would have addressed this 2 years ago. Councilman Smith stated there is a lot of factors, you are not just going to see \$76,000.00 there, I mean you got revenue – you might have a loss in revenue; it depends on how it all comes in. You are not going to see an actual \$76,000.00 because that \$76,000.00 might have eaten up \$50,000.00 of lost revenue that we never collected and it makes it look like it stays the same. So there is not going to be \$76,000.00 up and above because revenue changes depending on when you collect it. Law Director Graves recalled in I believe in 2005 or 2006, the former Service Director at the time – we were collecting \$3.00 on the water base rate and the water base rate covers the first unit of

water. There was no water capital improvement and at that time the former Service Director came and said I need another \$2.00 for water capital improvement and Council passed it. What Council passed raised the water base rate from \$3.00 to \$5.00. When the former Service Director went over to the Water Department and implemented this, rather than increase the base rate from \$3.00 to \$5.00 – he kept the base rate at \$3.00 and added the \$2.00 on E&C and that was the Environmental and Capital Improvement. So at that time we were charging the \$5.00, it wasn't quite what the legislation said which was there was a \$5.00 base rate; he kept it at \$3.00 and put the \$2.00 on E&C. At some point I believe it was in 2007 or 2008, again I don't have all the years solid in my mind right now. The next Service Director – the one who preceded Mr. Smith noticed that hey; the ordinance says we are supposed to charge \$5.00 in the base rate and we are only charging \$3.00 and I want to charge \$5.00 on the base rate which is what the ordinance says – we are supposed to charge the \$5.00. He didn't realize we already were charging the \$5.00 because it was the \$3.00 plus the \$2.00 on E&C. He came to Council and Council said no, we are going to knock that base rate back down to \$3.00 – what he should have done is gone back there and knocked out the \$2.00 on the E&C but instead he went back and kept charging everything and started charging \$5.00 on the base rate. So rather than take the \$2.00 off the E&C – he kept charging that and took the base rate from \$3.00 to \$5.00 which was in direct conflict with what the ordinance said. So from that point on; from 2008 or 2009, from that point forward 18 months we charged everyone an extra \$2.00. When that was discovered by this Service Director we went back and put all this together and tried to determine what had happened and came to the conclusion that the residents had been overcharged \$2.00 a month for that 18 months so they were owed a credit. Councilman McCullough stated s it is a legislative thing? Pro Tem Rosso debated no, the legislation was fine. Councilman McCullough stated that is what I am saying the legislation said this and somebody overstepped the legislation – so we have to keep the \$2.00 credit on there. Pro Tem Rosso answered yes. Councilman McCullough stated that was my question. We at a Council meeting – the Council passed that. Pro Tem Rosso asked Administration – has anything changed since Roads & Drains as at Roads & Drains you talked about wanting a \$3.00 increase in the base rate of sewer and a \$2.00 increase in the base rate of water. Service Director Smith advised right after that meeting, I wrote a synopsis of everything that was discussed and I don't believe that any determination of what water base rate would be. Although Rick you had mentioned \$2.00 – Council was real quiet and it wasn't discussed really much on what they thought and it was forwarded to the next meeting. Pro Tem Rosso advised I am going off of your recommendation of \$2.00. Service Director Smith advised that was to spur discussion because is actually a legislative choice, that is not my choice to up a base rate. That is something you guys hold in your powers to do – I can't do that. Pro Tem Rosso asked did your numbers change from \$3.00 and \$2.00? Service Director Smith answered no numbers didn't change but my recommendation would to \$3.00 in the water base rate but that is why I put

the other additional – I put what \$3.00 would equal, I put what \$4.00, etc. I also put what our short-comings were for the course over last year. Pro Tem Rosso clarified so now you are saying that \$3.00 for the water base rate and \$3.00 for the sewer base rate – increases. Also the redirection of money from the sewer base rate of \$2.00 into sewer capital improvement and the rest into the sewer fund. Councilwoman Belaska stated you did say we would to increase it by \$6.00, so \$6.00 is going to basically take care of this situation? Service Director Smith answered \$6.00 won't take care of it if we have another year like we had in 2011. The figures are up to as to how much you want to generate in revenue for that fund. I can look and tell you that a normal month is maybe \$30,000.00 in sewage. We have had months of \$86,000.00 in 2011 in sewage. Finance Director Smith advised normal was right around \$50,000 to \$60,000.00 – so it was up \$20,000.00 a month minimum. Service Director Smith advised all I can do is give you the numbers, tell you where we were; in 2010, in 2011 and how much this stuff would generate. I mean I can make all the recommendations in the world and I would love to have a saturated fund where I could start replacing water lines and sewer lines but those revenues are determined by Council. Law Director Graves advised it is important to understand that with sewer – that the current sewer base rate; this \$3.00 all goes to capital improvement. So the additional billing for sewer is based on water consumption, we don't charge any extra money for all the rain water that is going into the sanitary sewer due to infiltration and inflow. So it would seem prudent that the base rate be raised and some of that be designated for the sewer fund to help relieve this bill to the city. Pro Tem Rosso stated so based on what you said you want \$6.00 but you want \$2.00 to go to capital improvement and \$4.00 to the sewer fund or do you want it \$3.00 and \$3.00? Service Director Smith answered when I said \$3.00 and \$3.00 I was referring to water base rate and sewer base rate. Pro Tem Rosso advised let's stick with sewer. Service Director Smith advised \$3.00 increase plus current \$3.00 is a total of \$6.00 and of the \$6.00 - \$2.00 would go into sewer capital improvement and \$4.00 would be distributed into the sewer fund which could be used to pay for sewage and that is just in the base rate. Councilman Smith advised so that is total \$3.00 increase in sewer base rate going to the resident. Councilwoman Belaska advised in reading through the minutes of 2011 and we purchased a new van and a new or semi-used truck and they are wonderful as I saw them – where does that money come out of? Service Director Smith answered out of water fund. Finance Director Smith advised it was blended as the vehicles are used for both departments so it was purchased out of both. Service Director Smith advised both vehicles were needed. Please keep in mind that we were unaware that there was this issue because we didn't figure that out until after the purchases. Councilman McCullough stated when we asked and you and the Mayor sat there a week or so ago at Roads & Drains, the Mayor was the one that brought up we would really like to have another \$1.00 and that is when I said I wouldn't support anything unless we had some kind of action plan or whatever I am going to support it is going to have to be something that is going to fix the problem. We can't throw a band aid on a broken

arm. We took your recommendation of \$2.00 and like Rick said we asked for your recommendation, Len what you are probably going to have to do in the future so that if something like this comes up again as I am hoping we won't have to deal with something like this again at least in this level – tell us what you need, what we are going to get, what we can tell the citizens – listen for your \$3.00 this is what you are going to get, for your \$2.00 this is what you are going to get, etc. This is why we want \$3.00 and they wanted \$4.00, we agreed to \$3.00. Service Director Smith advised he has got the minutes from September 11th which I did \$235,000.00 worth of generated revenue that is not going to be there that was spent in 2011 over 2010. Councilman McCullough stated but 9 nine days ago Len we asked you and that is why you said kind of glossed over it, the thing was you said \$2.00 and \$2.00 and I said is that going to be enough and the Mayor right away said we need another \$1.00. Service Director Smith answered right. Councilman McCullough continued well we need another dollar, I thought he was talking about sewer fund we didn't know you were talking \$3.00 and \$3.00, we thought you wanted \$2.00 and \$2.00 and that is when we talked about the \$2.00 and \$3.00 was it not? When we were trying to figure out where this credit was flowing. Now with the \$3.00 that you are going to get for water, is that over and above the \$2.00 credit or is that so it is basically going to raise a buck? Pro Tem Rosso are we all satisfied or have any concerns about a \$3.00 sewer base rate? Councilman McCullough asked does that cover it, that is the only question I have – is that going to help fix problems? Service Director Smith answered it will help fix if we have a normal year Kerry, I am not a weather predictor. Pro Tem Rosso advised well quite honestly and this is how I think you have to base your decision – this is to cover the current expenses and it is really not out there to fix the problem. It is just that we don't have enough money to pay the sewer bill and that is all it is going to cover. Councilman McCullough stated but if we have another year like this year this is going to be enough to cover it? Service Director Smith answered we can do some things if I am not mistaken and I think that question was asked to the Finance Director, if we got ourselves into a situation with a generate revenue – the situation we have now we have no extra revenue. Councilman McCullough stated but the \$3.00 if we have another year like this year, we will at least start a little carry-over again? Service Director Smith advised Kerry I don't want to mislead you either. Pro Tem Rosso stated I want to be perfectly clear so that once this goes through 2 months from now, none of us sit back and say hey that \$3.00 was going to start fixing sewer problems – it is just to pay the bills and keep us current, we haven't even addressed how to fund fixing anything. Mayor Bring advised that is why I told you that we need the extra dollar because we were so short. Mr. Erdei asked so Len have you figured out, is this going to be like a 5-year deal? Pro Tem Rosso answered no this is forever. Finance Director Smith advised that is the kind of situation that we had before and we don't want to do that again. Now moving onto water – we want to go to \$6.00 right and it is currently \$3.00? Service Director Smith answered yes. Pro Tem Rosso stated when the credit is done, we would be netting the whole \$3.00 and then we can address it again. Service

Director Smith stated February 2013 is when the credit would be done. Councilman McCullough stated just a comment Rick, you see the problems they are having in Wellington right now about the gas lines they didn't realize were under the city. Pro Tem Rosso stated so it is currently \$3.00 and it is going to go to \$6.00. Service Director Smith advised if you remember the numbers that I gave everybody - \$3.00, \$4.00 and \$5.00 so that you understood how much basically it generated in revenue. Councilwoman Belaska requested clarification of breakdown on water increase? Service Director Smith explained the direct shortfall is due to \$4.00 less per bill being collected. Pro Tem Rosso advised you don't have to explain that, you now have \$6.00 – tell what you are going to do with that \$6.00. First off, we are going to charge them \$6.00 and give them a \$2.00 credit, so now we have \$4.00 to spend. Councilman Smith explained we are going to take the base rate to \$6.00 of which \$2.00 is being credited back to residents so the \$4.00 is going into the water fund. Councilman McCullough stated if we have another year like this year, this is enough money if we have another year like 2010 than you are going to have some carry-over and then you can start using some capital improvement if we have that in 2013. Service Director Smith answered yes. Pro Tem Rosso asked is everyone tonight comfortable with doing this and want to proceed with legislation for both or do we want more time to think about it and discuss? Do we direct the Law Director to write up legislation that then we will probably add to Tuesdays Council agenda: Yeas to proceed: Stark, Kovach, McCullough (with action plan)/Still evaluating: Smith, Elliott, Belaska. Pro Tem Rosso proceeded sounds about half, here is another question – I am not big on putting this on Tuesdays agenda and passing it as an emergency. So are we comfortable enough to write up legislation and put on agenda to start the first reading, we are not going to vote on it and we can always pull it off before the third reading. Instead of coming to February and then start our first readings and it is all of a sudden April before anything passes. Finance Director Smith added then we are half way through the year and we don't have the funds to get through the year. Pro Tem Rosso asked does anyone have a problem if we ask the Law Director - *Motion by Rosso/Second by Stark to draw up the legislation for the above discussed increase in sewer and water base rates by \$3.00 each with the plan of putting it on Tuesdays Council agenda as a first reading. Yeas All./**SAFETY**: Law Director Graves advised on the Hoarding issue, if the city really wants to address the issue not only with Hoarding but other interior maintenance code issues the city should consider adopting at least portions of the International Property Maintenance Code or our own local housing code. There is additional reasons beyond Hoarding for that, we had a meeting in the fall between the Service Director and myself with Bill Lahetta who is our Chief Building Official and went over a number of things regarding some of the inspections that we currently do and the statutory authority for that and it is really something that the city should consider looking at – either our own local housing code or adopting portions of the International Property Maintenance Code. I know that in the past there has been some reservation because it is rather restrictive and you are always balancing passing ordi-

nances that restrict what people can do in their own homes versus their autonomy. That is something that we should consider in the future. Councilman Smith advised as far as what goes on inside of peoples homes, it is not up to us to legislate what goes on inside their house. If there is an issue on the outside, I totally agree but I think if we start to even entertain to start telling people what they can do in their house I think is wrong – period, end of story. That is the way I feel and that is how I will throughout the whole thing. Councilman McCullough concurred Rick you got 2 no’s already, I am not going to tell somebody how to live. I will tell them if their grass is too high or they might need to paint or fix their shingles but not on the inside, I don’t live there. Pro Tem Rosso advised right but it could be a safety/health issue./**BUILDINGS, LANDS, VEHICLES & EQUIPMENT: None./ORDINANCE:** Chairman Elliott advised Accessory Buildings/Structures – referred to Planning and I believe they have a meeting Thursday. Also we are discussing a possible ban on texting while driving and possibly cell phones while driving./**FINANCE: None./PARK BOARD: None.**

*****ADMINISTRATIVE*****

MAYOR: Mayor Bring advised I do have a meeting with all of the Lorain County Mayors tomorrow morning which will be at Lorain County Community College. I am going to try to bring up the situation that we just discussed with the infrastructure You can make the city look pretty and you can do a lot of things but if we don’t address this some time, I guess it doesn’t have to be immediate but we do need some type of a plan. We are going to have to have some help on our infrastructure with our sewers and our water. So that is something I will try to talk to whoever to see if we can’t get anything going on that. With the engineering firm that we met the other day with the grants that they write, that is things that I will be approaching and I will be going after that as much as I possibly can. We had a water break on Roberts about a month ago which they dug up a 20-foot section and we had 5 different breaks in that 1 line alone. This is not going to go away, you saw what happened with the gas line out there in Wellington. A lot of our pipes underground are cast iron/clay that were never built to last as long as it has. Somewhere down the line we are going to have to find how to fix that./**FINANCE DIRECTOR: None./SAFETY DIRECTOR:** Mayor Bring advised I would like to Thank Len and our Road Department for our streets, we have had very, very good comments on them. As everyone knows our Police Chief, Mr. Shepherd is going to retire here shortly, so I am trying to address that. I had a meeting with Police union today, I met with them about scheduling and some other things. I have had some on-going conversations and I don’t know exactly how I am going to address this yet as I still have a meeting or two. Just so you understand in case you hear any grumblings that I am still working on all that./**SERVICE DIRECTOR:** Service Director Smith reported due to the snow, I did not have my meeting with the salt guys on the dome yet. We should have the 2002 back this week. We ran into an issue at Allied Waste yesterday. The Chronicle Telegram decided on Saturday that they were going to print that 4 city’s which we were included would

have a delayed pick-up week by Allied Waste so that it would 1-day late on pick-up. No one ever told Allied Waste that because Allied Waste has always had pick-ups on Martin Luther King Day because their union doesn't recognize that as one of the holidays. They have always had a regular pick-up on it, so Allied Waste showed up on Monday for regular pick-up plus the bulk route and there was probably 1/3 participation in Monday's route pick-up. After notification and discussion, Allied Waste really isn't going to do anything or at least that is what they said. However they did say that they would take bags that were out with full containers next pick-up./**LAW DIRECTOR:** Law Director Graves reported I do have a signed copy of the NSP3 agreement with the county and we will be proceeding with targeting at least 3 homes, nuisance properties in the city for demolition./**COMMUNICATIONS:** **None.**/**OLD BUSINESS:** Councilwoman Belaska asked I was trying to follow up on the old meters that you put on a website? Service Director Smith answered I was going to but I haven't done that yet./**NEW BUSINESS:** **None.**

ORDINANCES AND RESOLUTIONS: **Councils Agenda –**

- 1) Council#002 – EMERGENCY – an ordinance providing for the establishment and increase and decrease of certain funds within the annual appropriations ordinance of the City of Sheffield Lake, Ohio and the declaring of an emergency.
- 2) Council#003 – FIRST READING – an ordinances amending Chapter 931.03 of the codified ordinances of Sheffield Lake establishing the monthly sewer rental rate for the Municipality and the declaring of an emergency.
- 3) Council#004 – FIRST READING – an ordinance amending section 935.15(a)(1) of the codified ordinances of the City of Sheffield Lake establishing the monthly water consumption base rate for the Municipality and the declaring of an emergency.

MEETING ADJOURNED: With no further business before this council, Motion by Kovach/Second by Belaska to adjourn at 8:15 PM. Yeas All.

CLERK OF COUNCIL AFFIRMATION: This Meeting Of The City Council Of The City Of Sheffield Lake, Ohio Was Held And Conducted Under All Rules And Regulations Governing The Sunshine Laws Of The State Of Ohio As They May Apply. All meetings are recorded and available in council offices.

CLERK OF COUNCIL/COMMITTEES
Kay Fantauzzi

COUNCILPRESIDENT
Edward R Podmanik

and/or

COUNCIL PRO TEM
Richard Rosso

I, Kay Fantauzzi, duly appointed Clerk of Council of Sheffield Lake DO HEREBY CERTIFY that this is a true and exact copy of the Minutes of WORKSESSION of January 17, 2012.

MAYOR
Dennis Bring