

May 2015							June 2015							July 2015						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6		1	2	3	4		
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31	
31																				

 Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31	1 6:00 PM Personnel Committee Mtg. 6:55 PM 2016 Tax Budget Public Hearing 7:00 PM City COUNCIL Meeting	2	3	4	5 7:00 PM Rally in the Alley	6
7	8	9 4:30 PM Board of Zoning Appeals Meeting 5:00 PM Planning Commission	10	11	12	13
14	15 6:00 PM ELECTRIC Committee Board of Public Affairs (BOPA) Mtg. 7:00 PM CITY COUNCIL Meeting in Joint Session with Water/Sewer Committee	16	17	18	19	20
21	22 6:30 PM FINANCE & BUDGET Committee Meeting 7:30 PM SAFETY & HUMAN RESOURCES Committee Meeting	23	24 6:30 PM Parks & Rec Board Meeting	25	26 6:00 PM Henry County RIBFEST	27
28	29 5th Monday/No Scheduled Mee	30	1	2	3 HOLIDAY - Closed - July 4th H	4

City of Napoleon, Ohio
Personnel Committee

LOCATION: City Hall Offices, 255 West Riverview Avenue, Napoleon, Ohio

Meeting Agenda
Monday, June 1, 2015 at 6:00pm

- I. Approval of Minutes *(In the Absence of any Objections or Corrections, the Minutes Shall Stand Approved)*
- II. Review of Personnel Matters
- III. Executive Session: Employment of Personnel
- IV. Adjournment

Gregory J. Heath, Finance Director/Clerk of Council

City of Napoleon, Ohio

City Council

LOCATION: City Hall Offices, 255 West Riverview Avenue, Napoleon, Ohio

Public Hearing Agenda

Monday, June 1, 2015 at 6:55pm

- I. Public Hearing:
To review the proposed 2016 Tax Budget and Inside Ten (10) Mill Levy Rates allocated to the City
- II. Any other items that may properly come before Council
- III. Adjournment

Gregory J. Heath, Finance Director/Clerk of Council

City of Napoleon, Ohio

City Council

LOCATION: City Hall Offices, 255 West Riverview Avenue, Napoleon, Ohio

Meeting Agenda

Monday, June 1, 2015 at 7:00pm

- A. **Attendance** *(Noted by the Clerk)*
- B. **Prayer & Pledge of Allegiance**
- C. **Approval of Minutes:** *(In the absence of any objections or corrections, the minutes shall stand approved.)*
 - 1. May 11 Special Meeting
 - 2. May 18 Regular Meeting
- D. **Citizen Communication**
- E. **Reports from Council Committees**
 - 1. **Technology & Communication Committee** did not meet tonight due to lack of agenda items.
 - 2. **Personnel Committee** met on Thursday, May 28, Friday, May 29, and tonight with the following agenda items:
 - a. Review of Personnel Matters
 - 3. **Finance & Budget Committee** did not meet on Tuesday, May 26 due to lack of agenda items.
 - 4. **Safety & Human Resources Committee** did not meet on Tuesday, May 26 due to lack of agenda items.
- F. **Reports from Other Committees, Commissions and Boards** *(Informational Only-Not Read)*
 - 1. **Civil Service Commission** met on Tuesday, May 27 with the following agenda items:
 - a. Approval of Eligible Applicant Lists for Firefighter/Paramedic and Police Officer
 - b. Approval of Eligible Credits
 - 2. **Parks & Recreation Board** met on Wednesday, May 28 with the following agenda items:
 - a. Fourth of July Celebration Activities
- G. **Introduction of New Ordinances and Resolutions**
 - 1. **Resolution No. 031-15**, a Resolution of Necessity regarding Roundhouse Road
- H. **Second Readings of Ordinances and Resolutions**
 - 1. **Ordinance No. 029-15**, an Ordinance amending various sections of the Rules and Regulations of City Council for the City of Napoleon
 - 2. **Ordinance No. 030-15**, an Ordinance amending Section 12.3 of the Employment Policy Manual of the City of Napoleon to specify the calculated mileage reimbursement and to amend how meals are reimbursed
- I. **Third Readings of Ordinances and Resolutions**
 - 1. **Resolution No. 026-15**, a Resolution adopting the 2016 Tax Budget for the City of Napoleon, Ohio, as required in Section 5705.28 of the ORC and directing the Finance Director to file the same with the County Auditor
- J. **Good of the City** *Any other business as may properly come before Council, including but not limited to:*
 - 1. **Discussion/Action:** Award of 2015 Miscellaneous Street Improvements Project
 - 2. **Discussion/Action:** Award of 2015 Street Striping Project
 - 3. **Discussion/Action:** Approval of Plans, Specifications, Documentation and Contracts for new truck for the Operations Department
- K. **Executive Session:** *(As needed)*
- L. **Approve Payment of Bills and Approve Financial Reports** *(In the absence of any objections or corrections, the payment of bills and financial reports shall stand approved.)*
- M. **Adjournment**

Gregory J. Heath, Finance Director/Clerk of Council

A. Items Referred or Pending in Committees of Council

1. Technology & Communication Committee (1st Monday)

(Next Regular Meeting: Monday, July 6 @ 6:15 pm)

2. Electric Committee (2nd Monday)

(Next Regular Meeting: Monday, June 8 @ 6:30 pm)

- a. Review of Power Supply Cost Adjustment Factor
- b. Electric Department Report

3. Water, Sewer, Refuse, Recycling & Litter Committee (2nd Monday)

(Next Regular Meeting: Monday, June 8 @ 7:00 pm)

- a. Review of City Water and Sewer Rules (Tabled)

4. Municipal Properties, Buildings, Land Use & Economic Development Committee (2nd Monday)

(Next Regular Meeting: Monday, June 8 @ 7:30 pm)

- a. Assessment Review (Tabled)
- b. Updated Info from Staff on Economic Development (as needed)

5. Parks & Recreation Committee (3rd Monday)

(Next Regular Meeting: Monday, June 15 @ 6:15 pm)

6. Finance & Budget Committee (4th Monday)

(Next Regular Meeting: Monday, June 22 @ 6:30 pm)

- a. Second Quarter Budget Adjustments

7. Safety & Human Resources Committee (4th Monday)

(Next Meeting: Monday, June 22 @ 7:30 pm)

2015 Regular Meetings with Townships scheduled for February and November

8. Personnel Committee (As needed)

B. Items Referred or Pending In Other City Committees, Commissions & Boards

1. Board of Public Affairs (2nd Monday)

(Next Regular Meeting: Monday, June 8 @ 6:30 pm)

- a. Review of Power Supply Cost Adjustment Factor
- b. Electric Department Report

2. Board of Zoning Appeals (2nd Tuesday)

(Next Regular Meeting: Tuesday, June 9 @ 4:30 pm)

3. Planning Commission (2nd Tuesday)

(Next Regular Meeting: Tuesday, June 9 @ 5:00 pm)

4. Tree Commission (3rd Monday)

(Next Regular Meeting: Monday, June 15 @ 6:00 pm)

5. Civil Service Commission (4th Tuesday)

(Next Regular Meeting: Tuesday, June 23 @ 4:30 pm)

6. Parks & Recreation Board (Last Wednesday)

(Next Regular Meeting: Wednesday, June 24 @ 6:30 pm)

7. Privacy Committee (2nd Tuesday in May & November)

(Next Regular Meeting: Tuesday, November 10 @ 10:30 am)

8. Records Commission (2nd Tuesday in June & December)

(Next Regular Meeting: Tuesday, June 9 @ 4:00 pm)

9. Housing Council (1st Monday of the month after the TIRC meeting)

10. Health Care Cost Committee (As needed)

11. Preservation Commission (As needed)

12. Infrastructure/Economic Development Fund Review Committee (As needed)

13. Tax Incentive Review Council (As needed)

14. Volunteer Firefighters' Dependents Fund Board (As needed)

15. Lodge Tax Advisory & Control Board (As needed)

16. Board of Building Appeals (As needed)

17. ADA Compliance Board (As needed)

18. NCTV Advisory Board (As needed)

City of Napoleon, Ohio
City Council
in Joint Session with
Water, Sewer, Refuse, Recycling & Litter Committee

Meeting Minutes

Monday, May 11, 2015 at 7:00pm

PRESENT

**Water & Sewer Committee
Council**

City Staff

Recorder

Others

Absent

Call To Order

Approval Of Minutes

**Review Of City Water Rate
Structure And Allocations**

Chris Ridley – Chair, John Helberg, Jeff Comadoll
Travis Sheaffer – President, Jason Maassel – President Pro Tem, Jeff Comadoll, John Helberg, Jeffrey Marihugh, Chris Ridley, Heather Wilson
Monica S. Irelan, City Manager
Gregory J. Heath, Finance Director/Clerk of Council
Trevor M. Hayberger, Law Director
Dennis Clapp, Electric Superintendent
Chad Lulfs, Director of Public Works
Scott Hoover, Water Treatment Plant Superintendent
Tammy Fein
News Media; John Courtney and John Wiesing, Courtney & Associates;
Frank Godwin, Village of Liberty Center; Nick Rettig, Henry County
Water/Sewer
Jeffrey Marihugh

Chairman Ridley called the meeting to order at 7:00pm.
Council President Sheaffer called the meeting to order at 7:00pm.

The March 9 WSRRL meeting minutes stand approved as presented with no objections or corrections.

Irelan stated that the purpose of this meeting is to define the process of obtaining the water rate structure, including inside rates, outside rates and contractual rates for the satellite customers.

John Courtney and Scott Wiesing from Courtney & Associates explained a presentation regarding the Water Cost of Service Study and developing the model for the rates.

Courtney reported that there are revenue requirements, which are a projection of the required cost to operate and maintain the City water system built upon historical data, anticipated future changes, inflation factors, allowances for capital improvements, and a new water treatment plant in the future. Courtney reported that 2016 was used as the test year for the Cost of Service model, which is before the water treatment plant will be online, leading to the approximately three percent (3%) increases for the years 2014 through 2016 and Courtney recommends using the same model beyond those years.

Courtney reported that the Revenue Requirements are functionalized into ten (10) different functions including:

Supply – the costs associated with the process of taking the water from the river to the treatment plant, including pretreatment;

Utilities – the costs associated with operating the water system;

Chemicals – the costs associated with treating the water;

Review Of City Water Rate Structure And Allocations (Continued)

Treatment – the costs including labor and materials associated with operating and maintaining the treatment plant;

Distribution Mains – the cost of maintaining the water distribution system;

Distribution Storage – the costs of the elevated towers;

Meters – the costs of installing, operating, and maintaining the meters throughout the system;

Services – service line related costs for the lines that run from the mains to the individual customers;

Meter Reading – these costs are covered in electric rates and no meter reading costs are allocated to Water or Waste Water; and

Billing Collection – the costs associated with sending out the bills and collecting the payments.

Courtney reported that the costs are figured from information provided by the City as well as annual labor information.

Courtney reported that the next step in the process is to allocate the Revenue Requirements as determined by the Base Extra Capacity Method, which is one of the methods recommended by the American Water Works Association (AWWA) in the M1 Water Rate Manual which is a standard approach to establishing water rates, to different Cost Categories including:

Base – the costs associated with providing service to a customer using water on a constant basis throughout the year to meet continuous usage on the system;

Max Day – the costs associated with treating and supplying water for the maximum daily requirement of the system; this cost is several times that of the Average Day and is different for each rate class;

Max Hour – the costs associated with maintaining capacity at certain portions of the system to meet the Average Day and the Max Day with a maximum hour demand on such factors as pumping requirements and storage devices;

Meters and Services – the costs associated with meters and services combined into one (1) cost to be allocated based on customer meter size; and

Meter Reading and Billing Collection – the costs assigned to customers based on number of customers.

Courtney reported that the Cost by Category gives a relative magnitude of figures based on 2016 as the test year; the Base category, supplying water on a round the clock basis, represents approximately sixty percent (60%) of the overall Cost of Service, the Max Day category represents approximately twelve percent (12%) of the overall Cost of Service, the Max Hour category represents approximately sixteen percent (16%) of the overall Cost of Service, the Meters and Services category represents approximately twelve percent (12%) of the overall Cost of Service, and the Billing and Collection category represents approximately one percent (1%) of the overall Cost of Service. Courtney reported that the Base cost is allocated to customer classes based on usage, established by the meter based on a one hundred cubic foot basis (CCF); the class usage is divided by the total usage to figure the percentage of cost for that class, taking into account that the different classes contribute differently to the peaks; these

**Review Of City Water Rate
Structure And Allocations
(Continued)**

figures are used by Design Engineers when designing new treatment plants as well, adding that the AWWA M1 Rate Manual states that the Residential Class Capacity Factor for the Max Hour demand is approximately four (4) times the Average Demand, and the Residential Class has a much higher contribution to the Max Day than the Commercial Class, while the M1 Manual suggests that the Wholesale Class customers should have a 3.75 Max Hour demand, however the City Cost of Study Model used a lower percentage for the Wholesale Customer Class than the recommendation, using 3.25, which is the same capacity factor as the Commercial Class. Courtney stated that the Weighted Capacity Factor excluding the Wholesale Class average totals for the system were researched and the Max Hour Capacity Factor totaled approximately 3.4 which is higher than the figure that was used in the Cost of Service analysis. Courtney stated that the Residential Class are the customers that contribute most to the peak demand on the system, while the Industrial Class and the Commercial Class usages are more spread out throughout the day causing lower Capacity Factors; Courtney added that another reason the Residential Class has a bigger contribution to the Max Hour and Max Day Capacity Factors is due to seasonal usage; more water will be used in the summer and less water will be used in the nonsummer months. Courtney reported that these factors are what is used to determine the allocation of Max Day and Max Hour; adding that only the extra capacity is used for these allocations.

Courtney reported that the Meters and Services costs are allocated to each Class based on a weighted meter size, adding that weighting adjustment figures are used to allocate the cost and this is reflected in rates by higher capacity charges for bigger meters.

Courtney reported that the Billing Collection cost is assigned to each class based on the actual number of customers per class with no weighted factor involved. Courtney reported that more cost will be allocated to the Residential Class due to the higher Capacity Factors; the Commercial Class will have a lower allocation of cost and the Wholesale Class will have an even lower allocation.

Courtney reported that the projected average revenue in the year 2016 has been compared to the Cost of Service results for 2016 based on a dollars per one hundred cubic foot basis (CCF); based on the Cost of Service Study results the City is overrecovering cost from the Residential Class, the Commercial Class, and the Industrial Class, while the City is underrecovering costs from the Wholesale Class. Courtney stated that the Cost of Study is an indication of the goal when adjusting rates, and this should be taken into account when the rates are adjusted to roll in the debt service for the water plant project.

Courtney explained the Summary Page from the Cost of Service Model that demonstrates that the revenue adjustment for the Wholesale Class should be an increase of approximately 4.9% based on the fully allocated Cost of Service. Courtney stated that Irelan requested a separate model with a modified Cost of Service to reflect only the cost associated with those water mains that are necessary to provide service to the Wholesale

**Review Of City Water Rate
Structure And Allocations
(Continued)**

Class customers; Jones & Henry pulled the necessary lines from a computer model of the entire system, and reduced the distribution system cost to reflect the elimination of those lines; this shifted the result from underrecovering by approximately 4.9% to overrecovering by approximately 4.3%; Courtney added the figures of Cost of Service for the other classes are not correct since the smaller water lines have been deleted from the model; Courtney also added that the Treatment and Supply Costs and a portion of the Distribution Mains and Storage Costs are included in this model.

Irelan stated that a Cost of Service model is an attempt to put a cost to the actual impact per class to the system; the final rate is an inside rate and an outside rate; the final rate is not split out by class. Irelan reported that the outside rate is the inside rate times fifty percent (50%), adding that the contractual rate for the satellite customers is the inside rate times twenty five percent (25%); both having the declining block rate included, stating that this rate structure is defined by Ordinance. Irelan stated that the AWWA best practice M1 rate manual is used to configure the rates to ensure that the City can legally stand by the Cost of Service rates.

Irelan listed what she believes to be the requirements of the satellite customers to commit to the water plant, including the best quality water at the cheapest price, to meet and exceed all EPA regulations, to have some input regarding the cost of the water, as well as paying transmission costs instead of distribution costs. Irelan stated that she has discussed rewriting the contracts with the satellite customers to meet the listed goals; Irelan brought a proposal in September 2014 to the satellite customers to either decrease or eliminate the capacity charge, to decrease the commodity charge, to allow a line for a midterm adjustment of the contract allowing discussions with the satellite customers if they could prove that they could get less expensive water from a comparable water system with equivalent water facilities, as well as offered an Advisory Board with a member of each satellite customer to propose rates to the Water, Sewer, Refuse, Recycling & Litter Committee and the Board of Public Affairs with final approval of the proposed rates by Council, however this proposal was not negotiated by any of the satellite customers by the deadline of April 2015. Irelan added that the only options not offered in the proposal were a flat wholesale rate and the Transmission Cost change. Irelan stated that in October she requested that Courtney figure a levelized wholesale rate using 2013 as the base year, using the actual water usage of the satellite customers and the actual payments to figure a basis for the extra capacity model, adding that the rate would only increase by the percentage set by Council. Irelan stated that she would prefer the rates be based on a model that is based on best practices, however she still presented this analysis to the satellite customers; in April 2015 Irelan requested that Courtney create the model that demonstrated the cost of the transmission versus the cost of the distribution system which showed a 4.9% savings to the satellite customers. Irelan reported that the satellite customers have decided to research other options; however Irelan wanted the options that were given to the satellite customers to be brought before Council in an open meeting to allow for negotiations later.

Maassel asked why the satellite customers did not approve the proposals

**Review Of City Water Rate
Structure And Allocations
(Continued)**

when they were presented last Fall, Irelan believes this to be due to the offer of a decrease in the capacity charge and the commodity charge; the satellite customers wanted these charges eliminated as well as requiring a flat rate instead of a capacity model with a declining block rate; however Irelan explained that if the satellite customers increase their customers with this case, they will end up paying more. Irelan stated that there may not have been approval due to cost over all, adding that Irelan will never offer a cost less than what an inside customer would pay, adding that she cannot legally justify allowing a satellite customer to pay less than what an inside customer is required to pay.

Sheaffer believes that a line must be drawn in this process, suggesting that the satellite customers must either commit to being a part of the City water distribution system, or when the satellite customer contracts are done then they are done; adding that the satellite customers have continually ignored the timeframe given, and there seems to be no willingness to negotiate on their part. Maassel suggested asking the satellite customer representatives in attendance.

Frank Godwin, Village of Liberty Center, agreed that Irelan did offer what was stated tonight, however he believes that the levelization would cost Liberty Center more in the first two (2) years. Godwin asked if the number of satellite customers would dictate the size of the water plant; Irelan stated that the City must have a water plant able to accommodate the satellite customers until 2020 when the current contracts expire. Godwin asked for a cost estimate; Irelan replied that estimates that were discussed at the last presentation at the Henry County Water Sewer meeting was a cost of approximately \$14.5 million with two percent (2%) interest over thirty (30) years; the \$14.5 million is broken down into a \$12 million dollar rehab with a \$2.5 million note that the City has been carrying. Irelan added that these figures are a worst case scenario, and the City is trying to do a \$10 million rehab. Godwin stated that Liberty Center would like to know what the rates will be in the future before they are willing to commit, and he is open to any contact to receive information, adding that Liberty Center will not commit until the rates are explained. Wilson asked Godwin to explain himself; she believes that a \$10 million to \$12 million rehab is less expensive than Liberty Center building their own plant; Godwin believes that a \$10 million rehab is not less expensive than Liberty Center building their own plant; Nick Rettig stated that the rates, if Whitehouse were included, would range from \$2.94 to \$5.95. Helberg asked what the rates would figure without Whitehouse; Rettig replied \$6.05 to \$9.58. Irelan clarified that these figures are comparing units of water to thousands of gallons; Irelan stated there are few figures in the City numbers that aren't figured into the satellite customer information including billing and finance and administration costs, since the satellite customers do not have this data.

Ridley asked if the 2017 and 2018 costs could be projected based on estimates; Irelan stated that this could be done based on the wholesale rate and these projections have been provided for the satellite customers based on the larger debt amount of \$16.8 million, but to keep this rate structure the City would be required to pay Courtney to do another Cost of Service

**Review Of City Water Rate
Structure And Allocations
(Continued)**

Study based on these assumptions tied to this amount; Irelan believes that the City has spent approximately \$10,000 on studies for answers for the satellite customers. Maassel asked when there will be a set figure on the rehab; Heath stated that these will only be available once the bids are opened, and the final debt will not be sold until after the construction of the project. Irelan stated that she would like to know that satellite customers are committed to the City before the debt is incurred; the City will have to incur the debt at a higher rate if the satellite customers wait to commit to the project, then Council would need to decide if the City is willing to discount the Capacity Charge and Commodity Charge. Helberg asked how to configure the satellite customer figures to compare with the City figures since it is currently units compared to thousands of gallons; Irelan stated the figure is divided by 748.05. Wilson stated that she would like to see the billing, finance and administrative costs included in the satellite customer figures as well. Irelan stated that she had asked Rettig for these figures, he replied that they “are all in the report”. Irelan asked if the satellites customers were going to have a centralized finance department or if each satellite customer was having their own; Rettig replied that each will have its own. Helberg asked how they could make a true comparison for these figures, adding that the satellite customers have not approached the EPA to request having their own system and no approval has been given. Irelan stated that the satellite customers will figure their rates by dividing the cost of water and by the total number of customers, and there will be no allocations per class.

Helberg believes that the City should move on without the satellite customers; Sheaffer agreed, adding that he has read comments from the satellite customers in the paper in which they state that “the City is treating the satellite customers poorly”; Helberg agreed, adding that the rates to the satellite customers would be increased only to recover costs. Wilson stated that the unwillingness to commit to the project should mean no discounts at a later date, adding that no gratitude should be extended for noncommittal. Ridley believes that a point of contention stems from the way that costs are currently be collected; looking at plant as a whole, not just at the transmission lines; Irelan stated this model was shown to Rettig a few weeks ago; Ridley stated regardless if the satellite customers choose to continue with the City, the City must determine cost and billing from this point forward, and asked the Committee and Council to determine which options stated earlier they would not be willing to consider. Maassel believes it does not matter which options are discussed; he believes time to be on the side of the satellite customers; Helberg replied that time is not on their side; the City has been delaying the project while waiting for them to make a decision, and all customers are at risk including the satellite customers. Maassel believes that the satellite customers can choose to go a different way if they believe the plant cost is too high; Helberg stated that he does not have an issue with only charging the Transmission Cost. Wilson agreed with Irelan, and believes the City residents should also be held in regard when figuring the rates for the satellite customers. Irelan stated that the model shows that charging the Transmission Cost to the satellite customers would save them approximately five percent (5%).

DeWit believes that the City is negotiating against itself, since the satellite

**Review Of City Water Rate
Structure And Allocations
(Continued)**

customers are not negotiating, adding that he believes that the City should not continue to offer discounts to the satellite customers. DeWit stated that approval has not been given for the satellite customers to pump water from a different county and does not believe that water can be distributed across Henry County at the figures that were quoted earlier by Rettig; DeWit added that he does not believe that Whitehouse will be a customer of their system. DeWit believes that the City has more time to wait than the satellite customers as the City has a good water supply as opposed to wells, and Liberty Center will be assessed to pay for this system even if the system cannot make water, adding that the satellite customers are not assessed when buying water from the City. DeWit asked Rettig how the system will be paid for; Rettig replied that EPA and USDA grants will be applied for. DeWit stated that if the grant applications are written as the report has been up to this point, stating that they are establishing water out of the ground because there is no recourse, the City will raise an objection and the EPA will take this into consideration. DeWit suggested stopping negotiations with the satellite customers and letting them find their water elsewhere; DeWit suggested watching the paperwork and raising objections as necessary, as well as cutting services off with the County and forming a separate district. Helberg believes that the satellite customers are determining the size of the water plant due to their contracts not being up until 2020; DeWit believes the bigger plant will not be an issue in the future, and the satellite customers will not be able to find lower rates due to the size of the pumping systems required.

Sheaffer agreed with DeWit; the rate is the rate, adding that the City would be happy to keep the satellite customers, however, the rates are what they are. DeWit stated that the City has done everything possible to keep the rates low in fairness to the satellite customers. Helberg stated that the City is not asking the satellites to leave, but the project must move forward. Godwin asked if the size of the building would change if the satellite customers left; Ireland stated the building size would be the same, however different skids of membranes could be used depending on if the satellites are included or not. Godwin stated that Liberty Center is just exploring options; Ireland stated that none of the satellite customers have counteroffered on any proposal that has been offered, and the City has paid for approximately \$10,000 worth of studies to answer questions for the satellite customers; Helberg stated the only counteroffer that has been offered is to leave. Rettig asked for the cost of creating water; Ireland stated she presented that entire calculation at a Henry County Water Sewer Consortium meeting and will email this information to Rettig again. Godwin stated that he does not know the specifics since he has not had enough time to research the information even though the study has been completed. Ridley suggested that all parties read the information and discuss the options at the June WSRRL meeting; Ridley added that he would like to collaborate with the satellite customers. Helberg suggested calculating rates based on how it has been done in the past, but to adjust the Distribution Charge to the Transmission Charge. Comadoll asked how changing this charge would affect the City resident customers; Ireland believes it would be an approximate one percent (1%) increase per class; Sheaffer stated that he is not willing to have residents subsidize this charge; Comadoll agreed. Helberg asked why the Commercial Class rate is being

Review Of City Water Rate Structure And Allocations (Continued)

used rather than the recommended Wholesale Class rate; Courtney stated there was no detailed information on sales, but it was assumed to be more like the Commercial Class and represents the average capacity factor of the system. Irelan added that it was more fair to the satellite customers; Courtney stated this is the factor that has been used since the first model was created; Helberg stated that once again the satellite customers are receiving a discount with no required commitment. Irelan stated that this has given her a direction to open discussions back up with the satellite customers, though she believes that there will be no committal until the final design is complete with a final bid on the construction. Heath asked what the delta of the project would be, adding that even if the delta is \$2 million more, would that be the tipping point of the satellite customers; there is no feedback from the satellite customers regarding this. Helberg stated that the contracts must be honored through 2020; Heath added that there will be a financial review by the debt markets and the rates will be reallocated accordingly to cover the debt causing higher capital costs. Helberg stated that the rates will not increase solely based on the lack of contributors to the capital, and operation costs will decrease. Heath stated that the satellite customers represent approximately twenty percent (20%) to twenty five percent (25%) of revenue and losing this will raise the debt interest rate due to being a higher risk. Heath stated this depends on market at the time, and believes the costs that the satellite customers are providing are unrealistic, adding that the City must move forward and the assumption must be made that the satellite customers will not be involved. Helberg believes this increase should be allocated to the outside customers; Rettig stated that the satellite customers represent twenty five percent (25%) of usage and thirty one percent (31%) of revenue; Irelan stated that Rettig has these figures reversed, guaranteeing that the satellite customers are not charged as much as they use; Courtney agreed. Godwin stated that he would like the Engineer's Estimate on the project; Irelan stated that she has given the figures regarding the cost and the annual debt to the satellites customers; however the actual rate figure cannot be determined without paying Courtney to do another Cost of Service model, adding that the numbers given in the past used a levelized figure based on the \$16.8 million option at a wholesale rate. Irelan gave the Engineer's Estimate as \$14.5 million over thirty (30) years at two percent (2%) interest. Helberg stated the plant will be the same size no matter if the satellites are involved or not; Irelan stated that from 2017 through 2020 water must be processed for the satellite customers; and if the satellite customers leave, the plant will use one (1) less skid with loose membranes throughout at a lower cost.

Review Of City Water And Sewer Rules (Tabled)

Chairman Ridley left the Review of City Water and Sewer Rules Tabled.

Any Other Matters To Come Before The Committee

None

WSRRL Motion To Adjourn

Motion: Comadoll Second: Wilson
To adjourn the meeting at 8:18pm

Passed

Roll call vote on above motion:

Yea-
Nay-

Yea- Wilson, Ridley, Maassel, Sheaffer, Helberg, Comadoll
Nay-

Approved

Travis B. Sheaffer, Council President

Ronald A. Behm, Mayor

Gregory J. Heath, Finance Director/Clerk of Council

DRAFT

City Council

Meeting Minutes

Monday, May 18, 2015 at 7:00pm

PRESENT

Council

Mayor

City Manager

Law Director

**Finance Director/
Clerk Of Council**

Recorder

City Staff

Others

ABSENT

Council

Others

Call To Order

Minutes Approved

Citizen

Communication

Reports From

Committees

Introduction Of

Travis Sheaffer – President, Jason Maassel – President Pro Tem, Jeff Comadoll, John Helberg, Chris Ridley

Ronald A. Behm

Monica S. Irelan

Trevor M. Hayberger

Gregory J. Heath

Tammy Fein

Chad Lulfs, Director of Public Works

Dan Wachtman, MIS Administrator

Robert Weitzel, Police Chief

Tony Druhot, Fire Department

News Media; Mike DeWit

Jeffrey Marihugh, Heather Wilson

President Sheaffer called the meeting to order at 7:00pm with the Lord's Prayer followed by the Pledge of Allegiance.

Minutes of the May 4 Council meeting stand approved with no objections or corrections.

None

The Parks & Recreation Committee did not meet tonight due to lack of agenda items.

Chairman Sheaffer reported that the Personnel Committee met tonight to discuss the Employment of Personnel in Executive Session, and no action was taken.

Chairman Sheaffer reported that the Electric Committee met on Monday, May 11 and recommended:

1. Approval of Power Supply Cost Adjustment Factor

Chairman Ridley reported that the Water, Sewer, Refuse, Recycling and Litter Committee met on Monday, May 11 in joint session with Council and recommended:

1. Review of City Water Rate Structure and Allocations
2. Tabled the review of City Water and Sewer Rules

The Municipal Properties, Buildings, Land Use and Economic Development Committee did not meet on Monday, May 11 at the direction of the Chair.

President Sheaffer read by title Ordinance No. 029-15, an Ordinance amending

Ordinance No. 029-15

various sections of the Rules and Regulations of City Council for the City of Napoleon

**Motion To Approve
First Read**

Motion: Maassel Second: Ridley
To approve First Read of Ordinance No. 029-15

Discussion

Hayberger reported the proposed changes:
Addition to Rule 1.2 – limiting all public comments to five (5) minutes per person, unless an extension is granted;
Addition of Rule 1.8.3 – adding the Pledge of Allegiance to the Council Order of Business;
Addition to Rule 1.8.9 – adding Discussion/Action to the Agenda;
Addition of Rule 1.10 – outlining the Agenda for the Organizational Meeting;
Addition of Rule 2.4 – outlining the protocol for the election of the Council President and President Pro Tem;
Addition of Rule 2.5 – outlining the seating order of Council;
(Current) Rule 2.4 – outlining the procedure for selecting Clerk of Council;
Rule 3.1.8 – adding the heading “The Appointment Of Standing Committees”;
Rule 3.2 – setting the meetings of Standing Committees;
Rule 3.9 – outlining the procedure for the Personnel Committee;
Rule 6.4 – changing a capitalization issue;
Rule 6.5 – changing the procedure for Publishing by Summary from Legislation with over one thousand (1,000) words to one (1) word;
Addition to Rule 8.2.4 (9) and (10) – addition of Economic Development and any other matters allowed by City Charter to the reasons for Executive Session;
Addition of Rule 10.3 – outlining the expectations of City Council; and
Addition of Rule 10.4 – defining protocol of anonymous complaints against City employees and personnel.

Maassel asked if Rule 10.3.2 may discourage conversations between Council members and City employees; Hayberger stated this rule is reinforcement to the employee that the chain of command must be followed for potential issues.

Ridley believes that some residents remain anonymous in their correspondence due to fear of retribution, and asked if there is any protection for residents who are not comfortable signing a complaint letter; Hayberger stated there is not since this would be considered a public record. Comadoll suggested that Union employees who fear retribution when reporting an issue should get the Union Steward involved. Ireland stated that she encourages residents to come in and speak with her to bring an issue to her attention. Helberg asked, if Council came to Ireland on behalf of a resident, would the Council member be associated with the complaint; Ireland replied that anonymity will remain if the resident comes to her themselves, not through Council members, adding that there will be no retribution for bringing an issue to her attention or voicing an opinion. Heath added that bringing an issue before Ireland may depend on the circumstances of the issue; Heath believes that criminal issues must be brought directly before the Police Department. Helberg asked if an issue such as a building inspector issue among neighbors would be associated to the Council member that brought the issue to Ireland on behalf of the resident; Ireland stated that these complaints are researched by Zimmerman and he does not state who the complaint came from. Hayberger added that this rule is meant as a guideline for personal attacks more than minor complaint issues.

Helberg stated that when Glenn Miller went from Council President to County Commissioner, Helberg believes that the Council President Pro Tem moved into

the ORC and directing the Finance Director to file the same with the County Auditor

**Motion To Approve
Second Read**

Motion: Comadoll Second: Ridley
To approve Second Read of Resolution No. 026-15

Discussion

Heath reported that there were no changes to the Resolution since the First Read.

Passed
Yea- 5
Nay- 0

Roll call vote to approve Second Read of Resolution No. 026-15
Yea- Ridley, Maassel, Sheaffer, Helberg, Comadoll
Nay-

**Third Read Of
Ordinance No. 024-15**

President Sheaffer read by title Ordinance No. 024-15, an Ordinance to approve current March 2015 Replacement Pages to the Napoleon Codified Ordinances

**Motion To Pass
On Third Read**

Motion: Ridley Second: Comadoll
To pass Ordinance No. 024-15 on Third Read

Discussion

Hayberger reported that there were no changes to the Ordinance since the Second Read.

Passed
Yea- 5
Nay- 0

Roll call vote to pass Ordinance No. 024-15 on Third Read
Yea- Ridley, Maassel, Sheaffer, Helberg, Comadoll
Nay-

GOOD OF THE CITY

Discussion/Action

**Motion To Approve
Power Supply Cost
Adjustment Factor**

Motion: Comadoll Second: Maassel
To accept the recommendation for approval of the Power Cost Adjustment Factor for May as follows:
PSCAF three (3) month averaged factor: -\$0.00148
JV2: \$0.053406
JV5: \$0.053406

Passed
Yea- 5
Nay- 0

Roll call vote on above motion:
Yea- Ridley, Maassel, Sheaffer, Helberg, Comadoll
Nay-

**Approval Of Donation
From Rowley To The
Parks Department
For The Purpose Of A
Park Bench: \$648**

Irean stated that the Rowley family would like to donate a bench to be placed by the boat docks.

**Motion To Approve
Donation From
Rowley To The
Parks Dept. For The
Purpose Of A Park
Bench**

Motion: Comadoll Second: Ridley
To approve a donation from Rowley to the Parks Department for the purpose of a park bench in the amount of \$648

Passed
Yea- 5
Nay- 0

Roll call vote on above motion:
Yea- Ridley, Maassel, Sheaffer, Helberg, Comadoll
Nay-

**Good Of The City
(Continued)
Heath**

None

Ridley

None

Maassel

Maassel canceled the May Finance & Budget Committee meeting due to lack of agenda items.

Maassel reminded Council to acknowledge the meaning of Memorial Day.

Maassel reported that the Supreme Court decided against double taxation for employees working in a different state than where they live and asked if this will affect Ohio; Hayberger will research this with the Income Tax department.

Sheaffer

Sheaffer set Personnel Committee meetings for Thursday, May 28, Friday, May 29 and Monday, June 1 all at 6:00pm for the review of personnel matters.

Sheaffer stated that thirteen (13) applications have been received for the Law Director position and the process to fill this position is beginning.

Behm

Behm noted that the City has been a member of Tree City USA for twenty (20) years and received an award for this achievement.

Helberg

None

Comadoll

Comadoll reported that the owner of Big G's is getting calls asking if the restaurant is open, adding that he believes there is not enough signage and this is causing business to be down. Sheaffer stated there is a big sign by Meekison Street stating that the restaurant is open. Helberg stated there must be enough barricades to keep a safe flow of traffic, and the entrance cannot be reached easily by the West; Ireland reported that those barricades have been removed and the intersection is open. Comadoll stated that the owner asked if the City could advertise on the radio that the restaurant is open; Behm stated that he will mention on his radio segment that all businesses on Appian Avenue are open. Ireland stated that press releases were sent to the radio and published in the newspaper.

Hayberger

None

Ireland

Ireland stated that she will be away Thursday, May 21 through Tuesday, May 26; Lulfs will be acting City Manager.

Approval Of Bills

Bills and financial reports stand approved as presented with no objections.

Motion To Adjourn

Motion: Ridley Second: Maassel
To adjourn the meeting.

Passed
Yea- 5
Nay- 0

Roll call vote on above motion:
Yea- Ridley, Maassel, Sheaffer, Helberg, Comadoll
Nay-

Adjournment

Meeting adjourned at 7:45pm.

Approved:

Travis B. Sheaffer, Council President

Ronald A. Behm, Mayor

Gregory J. Heath, Finance Director/Clerk of Council

DRAFT