

MINUTES OF THE WORKSHOP MEETING OF CITY COUNCIL

Held on Monday, May 4, 2009

6:30 P.M.

CALL TO ORDER

The workshop meeting of Sidney City Council was called to order at 6:30 P.M. Monday, May 4, 2009, with Mayor Mike Barhorst presiding. Mayor Barhorst welcomed those in attendance and explained a workshop meeting is simply a working meeting for Council.

ROLL CALL

The following Council members were present and answered roll call: Mike Barhorst, Steve Hamby, Frank Mariano, Katie McMillan, Tom Miller, Mardie Milligan, and Terry Pellman.

Also attending were: City Manager Steve Stilwell, Law Director Mike Smith, Acting Police Chief Mike Lundy, Public Works Director Bill Gosciewski, Finance Officer Ginger Adams, Utilities Director Chris Clark, Street Superintendent Marty Keifer, IT Manager Ken VanHook, and Water Plant Superintendent Larry Broughton, Sr.

Discussion – Urban Forestry Update

Street Superintendent Keifer led Council through the annual Urban Forestry Update. He pointed out that the emerald ash borer is still an issue in Ohio and the United States, however the status in Shelby County has not changed since 2008. Shelby County is quarantined but is not infested at this time. Keifer noted that 381 ash trees have been inventoried within the City that are either on City property or within the city right-of-way. Less than 10% of the City's total tree inventory are ash trees.

Keifer noted that this is the 20th consecutive year the City has received the Tree City USA award and the 7th year for the Tree City Growth award. The City prunes approximately 300 trees each year and just recently updated their Urban Forestry Master Plan. Keifer also reviewed Sidney's pruning standards which are based on objectives and standards published by the American National Standards Institute.

Keifer then reviewed proposed amendments to the City's ordinances regarding trees that have been recently recommended by the City's Tree Board. Some of those amendments included requiring a permit to plant, prune, or cut any tree within the City right-of-way or in a public place, and an amendment to prohibit soil grade changes adjacent to tree trunks which can damage the tree. The third amendment would be to increase the penalty for these violations from \$100 to \$250 which is the cost for the City to remove and plant a new tree.

Keifer also reviewed the 2009 goals which include updating the tree inventory and seeking another Tree City USA award.

Councilman Mariano questioned if a citizen has the responsibility for maintaining a tree in the right-of-way? Keifer responded that a tree is like the sidewalk or lawn, even though it is in the right-of-way, the property owner still had maintenance responsibilities. Mariano stated he had trouble putting a fine on someone who was trying to maintain a tree when they are also trying to

maintain their yard and property. Councilman Hamby agreed stating he was against any fine for people working on their tree if it is in their own yard. Councilman Mariano asked if a tree would fall on someone who was walking along the sidewalk, who would be liable. Law Director Smith responded that if the City knew or should have known that the tree was in a dangerous condition, the City is liable and the City has insurance to cover those types of incidents. He went on to say that the concept of whether the City should have known is more difficult to define which is why the City has an arborist who tries to identify diseased trees for removal.

Councilman Miller stressed that education is important and he would like citizens to really learn how to properly care for trees. Councilman Miller congratulated Keifer and his staff on the job they have done noting that Council is very proud of the tree award and the City's tree program.

Councilman Hamby stated he would like to see the misdemeanor provision listed in the penalty phase of the tree ordinance deleted. City Manager Stilwell noted Council's comments and concerns and indicated staff would review and further study the proposed amendments to the ordinances.

Discussion – Ohio EPA Grants/Loans (ARRA Funds)

City Manager Stilwell opened a discussion regarding the American Recovery and Reinvestment Act projects. He noted that City staff worked on submitting applications on various water and sewer projects and were notified in late April by the Ohio EPA that Sidney was one of 52 communities to receive funding. Utilities Director Clark then led Council through each of the three projects in which the City was awarded funding.

The first project was the water meter auto read system which, when completed, would give the City the ability to read water meters electronically and have that information sent to the city via radio signals from the home. The estimated cost is \$1.8 million, with Clark noting that it would pay for itself in six years because it would remove the need for three positions which would be reduced through attrition.

The second project is the lime sludge lagoon improvement. This project has a total cost of \$2.4 million and would allow the City to use one-half of the sludge lagoon while dewatering and cleaning the other half. This would be a major improvement in how the city handles the waste.

The third project is a distribution system improvement. The project has four components:

- 1) looping of water mains to improve fire flows;
- 2) Riverside Drive transmission main;
- 3) new high service pumps and controls at the Water Treatment Plant;
- 4) new screening device at raw water pump station.

Clark went on to review some of the requirements for the projects which include initiating engineering work as soon as possible because the projects must be bid and awarded by September. Clark also reviewed the necessary Council activities for these projects to move forward.

Finance Officer Adams reviewed the projects affordability. She noted when comparing these projects with 0% interest loans, the City will save approximately \$10 million versus if the City would finance the projects with local tax dollars and the issuance of bonds.

Councilman Hamby urged Council to use caution in accepting these Federal funds because they are taxpayer money and must be paid back. Councilman Pellman agreed but noted the projects are worthwhile and need to be completed. Mayor Barhorst noted that Council's obligation is to look out for our citizens' welfare noting that if the City were to refuse acceptance of the funds, they would not be returned to Washington, but would be distributed to some other community. Councilman Miller noted that the risk is in not taking advantage of this opportunity.

Council member McMillan asked if there were any strings attached to the Federal funds. Clark responded that there were none other than the debt service the city would have on the loan. Council member McMillan agreed with the lime sludge lagoon and water distribution project, but questioned the need for the water meter project at this time. Clark stated the advantage of doing the water meter project was reducing personnel costs and emphasized that the program pays for itself in six years.

After further discussion, Council directed staff to proceed with the three projects. Clark reviewed other ARRA projects which included a \$233,000 grant awarded from ODOT to Shelby Public Transit for the purchase of vehicles. He also noted that the owner of Northbrook Trailer Park was going to receive funds for the replacement of the water system within the park; \$250,000 grant and \$250,000 0% loan. He noted the City would still be responsible for the water loop to Addy Avenue which is projected to cost \$40,000. He indicated this will result in a delay in re-writing the agreement between the City and Northbrook for water and sewer service.

Discussion – Water/Sewer Rates

Finance Officer Adams led a discussion on water and sewer rates and financial contingency plans for the water and sewer funds. Typically, utility rates are adjusted at the beginning of the calendar year as part of the annual budget process. However, during the most recent discussions, the decision was made to postpone changing utility rates until the results of the water source testing were known. The rate assumptions in the City's 2009-2013 plan included a 28% increase for water and a 1% increase in sewer rates based on completing the new water source project by the end of 2012. As a result of discussions at the April 13, 2009 Council meeting, the recommendation was to proceed with the purchase of the land or the acquisition of the mineral rights as soon as possible, but to postpone the remainder of the project until the local economy has improved.

As a result, the recommendation is that utility rates be increased by approximately 3% (5% for water and 1% for sewer). Adams noted the 5% water rate adjustment is necessary to continue to accumulate sufficient resources to fund the water source project. This would permit another \$300,000 to be saved for the project via the Water Source Reserve Fund and would provide for the issuance of bonds to pay for the water source property and/or mineral rights. Adams provided Council examples that proposed water and sewer rate increase would cost the low volume user approximately 33¢ per month and the average family of four about \$1.11 per month. She also noted that with the increase in utility rates, Sidney's combined water and sewer rates are fifth lowest of 63 locations and 28% below average according to a 2009 survey conducted by the City of Oakwood.

Council member Milligan asked if Council approves this rate increase, what would happen to the rates in 2010 and 2011 and into the future. Adams responded that the rates would be discussed when the five-year plan would be presented noting that the model shows similar rate increases in

2010 and in the near future to fund the water source project. Councilman Mariano asked if the purchase of the land for the water source was included in this increase and Adams responded that it was. The consensus of Council was to move forward with the rate increase and for staff to prepare appropriate legislation.

May Planning Commission Activity

City Manager Stilwell reviewed the items scheduled for the May 18, 2009 Planning Commission and Zoning Board of Appeals meetings.

Upcoming City Council Agenda Items

City Manager Stilwell next reviewed the prospective Council agenda items for the next 30 days.

Council/City Manager Comments

Councilman Mariano stated he had received a complaint about a temporary sign at Fryer's Pub on State Route 47 West. The City Manager stated that the staff would check into it.

ADJOURNMENT

At 8:10 P.M., with nothing further to come before Council, Councilman Mariano and Councilman Pellman seconded a motion to adjourn. The roll call vote was unanimous and the meeting was adjourned.

The meeting was held pursuant to Sidney City Council Rules.

Respectfully submitted,

R. Stanley Crosley
Deputy Clerk

Mayor