

KIRTLAND CITY COUNCIL MINUTES

November 21, 2011

The meeting of Kirtland City Council was called to order at 7:05 p.m. by Council President R. Robert Umholtz. Mr. Webbe led the prayer which followed the Pledge of Allegiance. The members of Council present were: Douglas Davidson, David Kirek, Matthew Schulz, Robert Skrbis, R. Robert Umholtz and Donald Webbe. Absent: Timothy Powell.

Administrative personnel present were: Mayor Mark A. Tyler, Law Director Daniel Richards, Finance Director Keith Martinet, City Engineer Philip Kiefer and Service Administrator Carm Catania. Sergeant Ronald Andolsek was present in the absence of Police Chief Wayne Baumgart, and Captain Frank Ponzani was present in the absence of Fire Chief Anthony Hutton.

PUBLIC HEARING – ORDINANCE NO. 11-O-58 **Revised Rates for Sanitary Sewer System Charges** **Hickory Hill, Rockwood Ledges and Shenandoah Subdivisions**

Council President Umholtz opened the public hearing in this regard. Mayor Tyler thanked the residents for attending the meeting, noting that each of the package plants will be addressed separately once the City's presentation is complete.

City Engineer Kiefer stated that the last public hearing was held in 1988, noting that at that time, the City took out a loan to pay for EPA mandated improvements to the package plants. Mr. Kiefer noted that in 1988, in addition to raising the rates to repay the loan, the rates were also raised to cover increased costs in operation of the plants. Mr. Kiefer noted that since that time, the loan has been repaid and the rates were lowered; however, operating costs have continued to increase and the plants have been operating at a deficit for the past few years. He advised that the rates need to be increased in order for the plants to operate with a positive cash flow and rebuild the capital improvement fund and be prepared to replace equipment as needed and to make future improvements.

Finance Director Martinet noted that the City stopped collecting the capital improvement portion of the quarterly rates in 2008, at the time that the economy went downhill. Noting that there was some capital left in these funds at that time, Mr. Martinet stated that the City decided to delay increasing the rates due to the state of the economy.

Hickory Hill Treatment Plant (57 units)

Mr. Martinet advised that the rate was \$122 per quarter, comprised of \$63 maintenance and \$59 capital improvement; in 2008 the capital improvement portion ceased and the quarterly rate was reduced to \$63. It is projected that there will be \$1,677.70 in the Hickory Hill fund at the end of this year, which is not sufficient. Noting that the maintenance fees were originally set in 1988, Mr. Martinet stated that the fund balance has been affected by inflation from 1988 to 2012. Mr. Martinet stated that the recommendation is that the quarterly rate be increased to \$125. He noted that the projected revenue would be \$28,500 per year, with projected expenses of approximately \$21,000 per year, resulting in a positive cash flow to help build up reserves for equipment replacement. Mr. Martinet stated that it is the recommendation of the City Engineer and the Service Administrator that approximately \$20,000 to \$30,000 should be available for future repairs.

PUBLIC HEARING – ORDINANCE NO. 11-O-58 (continued)**Rockwood Ledges Treatment Plant (68 units)**

Mr. Martinet advised that the rate was \$119 per quarter, comprised of \$70 maintenance and \$49 capital improvement; in 2008 the capital improvement portion ceased and the quarterly rate was reduced to \$70. Mr. Martinet stated that the Rockwood Plant had more costs than revenues and will have a negative balance of \$16,000 at the end of this year. He noted that the recommendation is to increase the quarterly rate to \$125. Mr. Martinet stated that projected revenue would be \$34,000 per year, with projected expenses of \$25,000. He noted that \$30,000 should be available for future repairs.

Shenandoah Treatment Plant (33 units)

Mr. Martinet noted that the rate was \$163 per quarter, comprised of \$90 maintenance and \$73 capital improvement; in 2008 the capital improvement portion ceased and the quarterly rate was reduced to \$90. He noted that currently, the Shenandoah Plant has a balance of \$19,000. Mr. Martinet stated that the recommended quarterly rate is \$125, which would be a decrease from the \$163 quarterly maintenance and capital improvement cost. He stated that projected revenue would be \$16,500 per year, with projected expenses of \$15,779.

Mr. Martinet stated that a meeting of the Public Utilities Commission was held, and it was agreed that the rate of \$125 per quarter for each package plant should be recommended. Mayor Tyler noted that the recommended rate is based on past capital costs, current operating costs and expected future capital costs.

Mr. Kiefer advised that a comparison of rates in other communities is available on the website for Ohio EPA water and sewer rates. He noted that the proposed rates fall within the middle of the rates on the website.

Noting that questions have arisen with regard to the package plants and the sewer project, Mayor Tyler stated that these are two separate issues. He noted that the State Route 306 sewer project is a county project; the Temple View sewer project is for the Temple View area only.

Mayor Tyler opened the meeting for questions from the public regarding the Hickory Hill Treatment Plant.

Harry Keagler, 8890 Fox Hill Drive, inquired whether the Hickory Hill Plant is under the jurisdiction of the Ohio EPA or the City of Kirtland. Mr. Kiefer advised that the plant is operated by the City, under a permit from Ohio EPA. Mr. Keagler inquired about the duration of the agreement with the Ohio EPA; Mr. Kiefer advised that the plant will operate until such time as public sewers are available.

Mr. Keagler inquired if there are any planned expansions to the plant, noting that there is a proposed school across the street. Mr. Kiefer advised that there are no planned expansions to the plant for future development. Council President Umholtz inquired about the anticipated handling of wastewater if the proposed school comes to fruition. Mr. Kiefer advised that the school would have to apply for an individual plant that discharges or design an on-site system. Mr. Kiefer stated that there is no capacity available at the Hickory Hill plant for a school. Councilman Skrbis noted that the matter before Council is not related to the proposed school.

Joe Coleman, 8830 Eagle Road, inquired about the breakdown of costs. Mr. Martinet advised that governmental accounting requires that each plant is segregated. He advised that there are three major expenses for each plant – personal services, utilities, and repairs and maintenance. For personal services, Mr. Martinet advised that the City has a part-time employee who visits each of the plants every day; he noted that this cost is divided equally between the three plants. Mr. Martinet stated that the utilities are separately metered, and they are paid separately for each plant. Mr. Martinet stated that repairs and maintenance are tracked by plant and paid separately for each plant.

PUBLIC HEARING – ORDINANCE NO. 11-O-58 (continued)

Kathy Somes, 8840 Eagle Road, inquired about the Cole Septic truck that she has seen at the plant. Mr. Kiefer advised that the sludge (accumulated solids) needs to be removed about once each month and taken to the wastewater treatment plant in Cuyahoga Heights for disposal; he noted that this service is performed by Cole Septic. He noted that the sludge disposal is an operating cost.

Jerry Roy, 8925 Eagle Road, noted that the County rates for water are based on usage, not a general fee regardless of how many people live in the house. He inquired whether there has been any consideration of basing the fee on the amount of water consumption. Mr. Kiefer advised that when the package plants were originally set up by the developers, it was agreed that there would be a fee for each house, not based on water consumption. He stated that at that time most, if not all, of the lots were served by wells, so there was no means of metering the water consumption. Noting that water is now supplied by Aqua Ohio, Mr. Kiefer stated that obtaining the water consumption information would be an additional cost that would raise the cost to the property owners.

Mr. Roy stated that the package plants were built at different times, and the EPA regulations have changed over the years. He inquired whether any of the package plants are in violation, and he inquired whether it is fair to charge everyone the same amount when one package plant may be in a greater need of repair than another. Mr. Kiefer advised that none of the plants are in violation. Mr. Kiefer advised that although everyone would be charged the same amount, the funds are kept separately for each plant; he noted that at some point, the rates for a particular plant may need to be changed. Responding to Mr. Roy's inquiry concerning infiltration, Mr. Kiefer stated that there has not been any smoke testing done. He advised that televising was done approximately 15 years ago.

Mr. Martinet advised that if the reserve funds goal is reached, the rates would be adjusted.

Claudio Gattozzi, 8880 Fox Hill Drive, stated that with 57 households, there will be an increase in revenue of \$15,000. He inquired whether there is a benchmark that must be reached before the rates could be lowered. Mr. Martinet advised that funds in the amount of \$30,000 would be needed for the two larger plants.

Sandy Roy, 8925 Eagle Road, inquired if the \$20,000 to \$30,000 of funds is needed for each plant, or for all the plants combined. Mayor Tyler advised that the funds are needed for each plant.

Mrs. Roy inquired whether it would be more advantageous to have a lower rate, rather than a higher rate that would be reduced at a later date, as was done in the past. Mr. Martinet advised that the reason the quarterly payments were not raised when the capital improvement portion ceased was due to the state of the economy at that time. Mr. Martinet stated that once the reserve goal is met, the balance should remain at that figure. Mayor Tyler stated that once the plant reaches that fund amount, it will be re-evaluated at that time.

Mrs. Roy inquired whether the service provided by Cole's Septic goes out to bid to make sure the City is getting the best price. Mr. Kiefer advised that the City obtains quotes for the service from time to time. He noted that Cole's Septic is also utilized at times to clean blockages in the sewers. Mrs. Roy also inquired about getting the best price with regard to dumping the sludge. Mr. Kiefer advised that the City can obtain prices for the dumping.

Steve Somes, 8840 Eagle Road, inquired if there are any anticipated capital improvement expenses in the next few years, and he questioned the need to have the funds sitting in an account earning little interest. Mr. Martinet advised that the cost of a major repair is approximately \$30,000, noting that there needs to be enough money in the account to cover a major repair. Mr. Somes stated that his personal preference would be to "pay as you go", borrowing the money as needed for a major repair.

PUBLIC HEARING – ORDINANCE NO. 11-O-58 (continued)

Mayor Tyler opened the meeting for questions from the public regarding the Rockwood Ledges Treatment Plant.

Gerald Patronite, 7350 Ledgewood Drive, inquired about the location of the Rockwood plant. Mr. Kiefer advised that it is located at the end of Hickory Hill Court, noting that there is a driveway for access. Mr. Kiefer clarified that the name of the plant is “Rockwood Ledges”, but it is located on Hickory Hill Court. Mr. Patronite inquired about the debt service figure noted on the handout. Mr. Martinet advised that this represents the City’s repayment of the loan for funds that were originally borrowed to complete the EPA required improvements in 1988.

Mr. Patronite inquired about the water source for the houses served by the Rockwood Ledges plant. Mr. Kiefer advised that the majority of the houses are on City water, provided by Aqua Ohio; he noted that he is not aware of any houses that are served by wells. Mr. Kiefer stated that the water comes from Lake Erie to a treatment plant in Mentor-on-the-Lake, where it is pumped up Route 306 to Lakeland Community College, and from there the water goes down the hill to another pump station on the hill, which pumps it to Eagle Road, then to Rockwood.

Delores Gercar, 10655 Rockwood Drive, stated that with regard to comparable prices, Mentor and Concord are paying lower prices. Council President Umholtz stated that Kirtland is not basing its rates on any other city’s rates; the rates are based upon the needs for the package plants. Mr. Martinet confirmed that the recommended rate is based on the costs of operation and maintenance of each of the plants in Kirtland.

Mrs. Gercar inquired about the proposed rate being the same for each of the plants although there is separate funding for each of the plants. Mr. Martinet advised that when a plant reaches its needed funding, the rate may be lowered; he noted that the rate may not be lowered for all of the plants at the same time.

Mayor Tyler opened the meeting for questions from the public regarding the Shenandoah Treatment Plant. There were no questions from the public in this regard, and the Mayor opened the meeting to general questions and comments.

Carolyn Keagler, 8890 Fox Hill Drive, inquired if the rates will be the same for each of the plants. Mr. Martinet advised that although the proposed quarterly rates are the same, each plant will be accounted for separately.

Charlotte Mirabile, 8936 Kirtland-Chardon Road, stated that they connected to water in 2005, and she questioned why they have debt service. Mr. Kiefer stated that the water service is independent of the sewage. Mr. Martinet advised that the debt service was to cover the cost of improvements to the plants to meet the EPA requirements; he stated that it did not relate to the water.

Kathy Somes, 8840 Eagle Road, inquired if these rates are “set in stone”. Council President Umholtz advised that they are not “set in stone”, noting that the legislation setting the rates is on Council’s agenda for first reading this evening. Mr. Umholtz stated that the Administration and Council will take into consideration the questions and comments from the property owners. He noted that the legislation will receive two more readings before Council, and it will be determined after further discussion whether the ordinance should be amended or adopted as presented. Mr. Umholtz noted that further consideration may be given to the possibility of basing the rate on water consumption. A brief discussion ensued with regard to determining water consumption for each household.

PUBLIC HEARING – ORDINANCE NO. 11-O-58 (continued)

Responding to an inquiry from Councilman Skrbis, Mr. Martinet advised that if a major repair is needed, and there are not sufficient funds in the account for that particular package plant, the City can advance the funds for a short period of time, but the general fund cannot cover the cost of the repair. Mr. Skrbis stated that he believes it is prudent to have the funds available for the package plants in the event that a major repair is needed.

Christine Vidmar, 10675 Rockwood Drive, stated that looking at the December 2012 projected ending balance for all three plants, Rockwood Ledges will have a negative balance of approximately \$7,000, and Hickory Hill and Shenandoah will have a combined balance of approximately \$28,000. She stated that the economy is not any better than it was a few years ago. She suggested that rather than raising the rates by almost 75 percent now with a projected target date of December 2012, the rates should be increased by approximately 40 percent with a target date of December 2013. Mr. Martinet stated that the rates that were in effect in 2008 were temporarily lowered. He stated that based on the 2008 rates, the quarterly rate is being reduced for one plant, and increased by \$6 and \$3 for the other two plants.

Andre Cuturic, 8952 Eagle Road, inquired whether all three plants need to be ready for an emergency at once, or if a package plant emergency fund could be established. Mr. Martinet agreed that would be a good idea; however, governmental accounting requires that the plants have separate accounts.

Harry Keagler, 8890 Fox Hill Drive, inquired about the cost of the Route 306 sewer project and the rates that will be charged for that project. He noted that a Temple View sewer district ordinance was passed in 1996, and he inquired whether the money spent on that project was paid from the general fund or applied to the residents on the Hickory Hill, Rockwood Ledges and Shenandoah package plants. Mr. Martinet advised that Temple View will have a separate account; he noted that the City received loans and grants for the Temple View sewer project. Mr. Martinet stated that the Route 306 sewer project funding is also separate from the package plants.

Council President Umholtz thanked the residents for attending the meeting and expressing their concerns; he noted that this matter will be discussed at the next two Council meetings, and a vote will be taken at the December 19 meeting. He encouraged the residents to attend the upcoming meetings. Mr. Umholtz noted that the residents can bring any additional questions to the next meeting or contact their councilman if they are unable to attend.

Council President Umholtz closed the public hearing at 8:07 p.m.

MINUTES OF THE NOVEMBER 9, 2011 WORK SESSION:

Mr. Kirek moved to waive the reading of the Minutes, with the second by Mr. Webbe. The motion of Council passed by unanimous vote. Mr. Kirek moved to adopt the Minutes, with the second by Mr. Webbe. **ROLL CALL: MOTION CARRIED 6/0 (VOTING YEA: SCHULZ, SKRBIS, UMHOLTZ, WEBBE, DAVIDSON AND KIREK. VOTING NAY: NONE).**

MINUTES OF THE NOVEMBER 9, 2011 COUNCIL MEETING:

Mr. Kirek moved to waive the reading of the Minutes, with the second by Mr. Schulz. The motion of Council passed by unanimous vote. Mr. Kirek moved to adopt the Minutes, with the second by Mr. Schulz. **ROLL CALL: MOTION CARRIED 6/0 (VOTING YEA: SCHULZ, SKRBIS, UMHOLTZ, WEBBE, DAVIDSON AND KIREK. VOTING NAY: NONE).**

DEPARTMENT REPORTS:

Fire Captain Frank Ponzani did not present a formal report and no questions were asked of him.

Police Sergeant Ronald Andolsek gave no formal report and no questions were asked of him.

Service Administrator Carm Catania did not give a formal report. Councilman Davidson noted that four years ago there was an issue on Joseph Street with regard to a resident performing mechanical work and cars parked in the yard. Mr. Davidson stated that he noted in the Planning and Zoning Commission minutes that Mr. Clough attended the meeting and mentioned this issue. Mr. Davidson inquired whether there is any change in the status of this issue. Mr. Catania stated that he spoke to Mr. Clough, and he requested that Mr. Davidson discuss this with him following the meeting. Mayor Tyler noted that he also spoke with Mr. Clough.

Councilman Schulz stated that a luminaire is out at the Route 6 and 306 intersection, toward the northeast corner. Mr. Schulz also noted that the light is out that illuminates the flagpole at the Fire Station. Mr. Catania stated that he will take care of these issues.

City Engineer Philip Kiefer did not present a formal report. Councilman Schulz inquired about the expected useful life of the package plants. Mr. Kiefer advised that generally the tankage has a life of 50 years; the mechanical equipment and pumps have a life of 15 years or less; and the trunk lines have a life of 25 to 50 years. He stated that these are the general figures used for cost analysis. Mr. Catania stated that the plants are constantly being maintained and upgraded, including replacement of pumps and blowers. Mr. Catania stated that there is work that needs to be done at the Rockwood plant, although there are no violations. Mr. Schulz inquired when the plants were put into service. Mr. Kiefer advised that they were put into service in the late 1960's through the early 1970's.

Finance Director Keith Martinet did not present a formal report. He thanked Council for participating in the public hearing.

Law Director Daniel Richards gave no formal report and no questions were asked of him.

MAYOR'S REPORT/ANNOUNCEMENTS:

Mayor Mark Tyler reminded the members of the Public Utilities Commission that a meeting will be held following the Council meeting.

Mayor Tyler requested that Council hold a work session prior to the next regular Council meeting with regard to items on the agenda.

The Mayor offered accolades to the Police and Fire Departments with regard to an incident over the weekend, noting that a tree fell on a resident while he was cutting it down and the resident was trapped for two hours. He commended the Police and Fire Departments for saving the resident's life.

Mayor Tyler stated that he and Mr. Catania met with the baseball league representatives a few weeks ago with regard to use of the Recreation Park.

The Mayor noted that he met with Planning Consultant Ken Crandall last Monday to discuss the comprehensive plan.

Mayor Tyler noted that he attended the ministerial luncheon last Wednesday. He noted that an ecumenical church service will be held tomorrow evening at 7:30 p.m. at the Kirtland Temple.

MAYOR’S REPORT/ANNOUNCEMENTS (continued):

Mayor Tyler advised that he, Phil Kiefer, Carm Catania and Keith Martinet met with representatives of Lake County last Thursday with regard to the Route 306 sewer project; he noted that the Temple View project connections were also discussed. The Mayor advised that on Friday, letters were sent to Temple View property owners with regard to a public informational meeting to be held in Council Chambers next Monday, November 28.

The Mayor wished all of Council a happy Thanksgiving. He thanked Council for all of the accomplishments over the last four years, and he thanked the Council President for his leadership. He stated that he is looking forward to working with Council over the next four years.

Referring to the incident that occurred over the weekend, Councilman Skrbis inquired if there was another incident at the same residence yesterday. Captain Ponzani advised that the Fire Department has been to the residence a few times since the incident, noting that practice drills have been held recreating the rescue. Mayor Tyler noted that there were a few Fire Departments in attendance at the practice drills, including other area Fire Chiefs.

STANDING COMMITTEE REPORTS:

None.

CORRESPONDENCE:

None.

PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA:

None.

OLD BUSINESS:

RESOLUTION NO. 11-R-53
(Mayor Tyler)

- (Third Reading) - **A RESOLUTION TO AUTHORIZE AND APPROVE TRANSFER OF FUNDS FROM THE GENERAL FUND #100; SAID FUNDS TO BE TRANSFERRED BY OR BEFORE DECEMBER 31, 2011 TO GENERAL OBLIGATION BOND FUND #600; IN THE AMOUNTS AND FOR THE PURPOSES SPECIFIED.**

Read by title only. Mr. Webbe moved to adopt, with the second by Mr. Kirek. **ROLL CALL: ADOPTED 6/0 (VOTING YEA: SCHULZ, SKRBIS, UMHOLTZ, WEBBE, DAVIDSON AND KIREK. VOTING NAY: NONE).**

NEW BUSINESS:

ORDINANCE NO. 11-O-58
(Mayor Tyler)

- AN ORDINANCE APPROVING THE REVISED RATES FOR SANITARY SEWER SYSTEM CHARGES FOR HICKORY HILL, ROCKWOOD LEDGES AND SHENANDOAH SUBDIVISIONS AS DETERMINED BY THE PUBLIC UTILITIES COMMISSION OF THE CITY OF KIRTLAND, AND DECLARING AN EMERGENCY.

Read by title only and placed on First Reading. Council President Umholtz noted that Council can discuss this further during the work session to be held prior to the next Council meeting.

RESOLUTION NO. 11-R-59
(Mayor Tyler)

- A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH HUMANICS, LLC.

Read by title only and placed on First Reading. Councilman Schulz inquired whether there has been consideration of a "not to exceed" clause for the dollar amount in the agreement. Mr. Martinet stated that the cost will be \$1,000 per quarter, for 16 hours.

RESOLUTION NO. 11-R-60
(Mayor Tyler)

- A RESOLUTION DESIGNATING FINANCIAL INSTITUTIONS AS PUBLIC DEPOSITORIES.

Read by title only and placed on First Reading.

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CONTINUING CONCERNS:

None.

COUNCIL COMMENTS:

Councilman Davidson stated his thanks and appreciation to the constituents of Ward 1 for giving him the opportunity and privilege to serve as their Councilman.

Council President Umholtz thanked Mr. Davidson for his thoughts and ideas over the past four years, noting that he will be missed. Mr. Umholtz wished him the best in his future endeavors.

Councilman Skrbis also expressed his appreciation to Mr. Davidson for all of the insight he has provided to Council.

Councilman Skrbis thanked Mr. Martinet, Mr. Kiefer and Mayor Tyler for their preparation for tonight's public hearing.

PUBLIC COMMENTS:

None.

ADJOURNMENT:

Mr. Davidson moved to adjourn, with the second by Mr. Webbe. The motion of Council passed by unanimous vote and the meeting adjourned at 8:26 p.m.

President of Council

Clerk of Council