

**NORTH RIDGEVILLE MUNICIPAL COUNCIL  
MINUTES OF  
SPECIAL MEETING      JANUARY 29, 2009**

**CALL TO ORDER:** 7:00 P.M.

President Bernadine Butkowski: I call to order the North Ridgeville City Council Special Meeting of Thursday, January 29, 2009. Clerk, please call the roll.

**ROLL CALL:**

Present were Council Members Nancy Buescher, Dennis Boose, Richard Jaenke, Bob Olesen, Kevin Corcoran, Ray McLaughlin and President Bernadine Butkowski.

Also, present were Mayor David Gillock, Safety-Service Director Denny Johnson, Assistant Law Director Toni Morgan, Auditor Chris Costin and Clerk of Council Warren Blakely.

Absent was Engineer Larry Griffith.

President Butkowski: Clerk, please read the notice.

**READING OF NOTICE:**

Clerk of Council Blakely:

Notice is hereby given, in accordance with Section 3.9(c) of the Charter of the City of North Ridgeville, that a Special Council meeting will be held on Thursday, January 29, 2009 at 7:00 P.M. This meeting will be held in Council Chambers, North Ridgeville City Hall, 7307 Avon Belden Road, North Ridgeville, Ohio 44039

The purpose of this meeting is to hold a Council Committee of the Whole to discuss the rate increases of water and retail sanitary sewer fees. This meeting is scheduled by order of the North Ridgeville Municipal Council. Warren W. Blakely, Clerk of Council.

**COMMITTEE OF THE WHOLE:**                      7:04 P.M.

                    moved by Butkowski, seconded by Corcoran to move into a Committee of the Whole to consider the rate increases of water and retail sanitary sewer fees

President Butkowski: Is there any discussion? Clerk, please call the roll.

                    Yes, 7                      No, 0

Clerk of Council Blakely: Motion passes by a vote of seven to zero.

President Butkowski: Okay, we will start with the discussion. Mr. Gillock?

Mayor Gillock: Thank you, Madam President. First, I would like to introduce two gentlemen from CH2M Hill, our consultant on this study, who will basically explain the rationale behind the need for the increases. With us in the audience is Tom Likavec and is sitting right here at the press table and on the phone is Keith Bishton. Where is Keith at Tom?

Tom Likavec: Washington, D.C.

Mayor Gillock: Keith has done most of the leg work and will be using the live meeting format and will be able to, on the smart board, guide us through this process. With your permission, I will turn it over to CH2M Hill to explain the rationale.

President Butkowski: Thank you.

Keith Bishton: This presentation, we'll start off with the review of the rate study results and key results of the study. First off, we'll talk about the city share of the French Creek Waste Water Treatment Services. The costs for those services are increasing. The City's share net of the I and I (inflow and infiltration) adjustment is about 2.3 million for 2009 and that has been incorporated into a rate model along with other items, including the new bond issue for series 2008, which added approximately 270,000 dollars in annual debt service. So, over the next five years, the annual debt service is estimated to be approximately 1.2 million. Next, the sewer system facility acquisition bonds were fully retired in 2008 and what this means is that the debt service credit (inaudible) applied against the French Creek charges of approximately 300,000, goes away. In summary, the rate increases over the next couple of years are needed in order to maintain (inaudible) the balances for the sewer fund, as well as the prudent fund, which are further discussed next. So, for now, we have evaluated 2009 budget numbers and then at the end of 2009, we'll have to evaluate the actual numbers for fiscal year 2009 and also the budget numbers for 2010 to look forward into the next couple of years. Just a little brief background, the City maintains separate funds for the City's sanitary sewer, as well as, a separate fund for the French Creek system. So, the revenues the City receives are not co-mingled with the revenue associated with the French Creek System and so, there are separate expense accounts that are also maintained. We used the financial data from these funds to evaluate the revenues and expenses and fed that into a rate model. First off, the improvement fund revenues, in summary, attract revenues from the sewer taps. We looked at the history of the revenues coming in over the past couple of years. We have seen a decrease in the sewer tap revenues and this is associated with the housing market decline. Second, the sewer improvement fund also, pays for the capital outlay, the debt service payments and then, if needed, it helps pay for the French Creek Waste Water Treatment services. Now, the sewer fund attracts the revenues from user fees that are paid by North Ridgeville customers. It pays for the sewer operation, sewer collection, French Creek Waste Water Treatment services and then debt service payments, if needed. Next, I'm going to look at the fiscal year 2009 budget amounts; looking at current rates versus the recommended rates. This will help illustrate the need for the rate increases. First off, looking at the beginning balance and revenues on the second column, you see the preliminary 2008 numbers and those numbers are preliminary as of December 31, 2008. The third column over shows the revenues at current rates and then the last column shows the revenues at recommended rates. The second set

of rows here looks at the operating expenses. So, for 2009, the estimated total expense is about 3,041,000 dollars and that is net of an I and I adjustment of 450,000 and assumes that improvement fund is using 200,000 dollars to help pay for the French Creek Services. Lastly, the rate models for 2009 also assumes that the debt service is funded by the improvement fund and a little bit of the series 2006 westerly bond issue is funded by the construction fund. So, under the current rates, the model is showing a negative ending balance for 2009. So, the model determines what the rates will need to be in order to have a positive balance for 2009. The next slide shows the improvement fund results. On the sewer taps you see, we're assuming about 700,000 dollars in sewer tap revenues. The bond payment relates to payment for debt service and here is the 200,000 shown to help pay for the French Creek services. So, the recommended rate adjustments for 2009 shows an increase in the monthly base charge of a dollar seventy and the residential volume charge shows an increase from two fifty to two ninety five and then for commercial, it shows an increase from two sixty to three dollars and ten cents. Looking at a typical residential bill, assuming 600 cubic feet per month, the 2008 monthly bill was sixteen, fifty-four and at 2009 recommended rates, it would increase approximately two dollars and sixty three cents to nineteen dollars and forty cents. Very quickly, I want to summarize the sources and use of funds based on the recommended rates for fiscal year 2009. The sources of funding include the sewer fund, construction fund and improvement fund. Here, you see most of the source of funds coming from the sewer fund and much of the amount here, in the improvement fund, is funding the French Creek Services, but also the debt service. The next pie chart shows the use of funds. You see it broken out by French Creek Services operations less the French Creek Services sewer collection and the total debt service for fiscal year 2009, less the I and I adjustment. This bar chart here, quickly, summarizes the historical trend and the costs for French Creek Services net the I and I adjustment and the debt services credit that was applied prior to 2009. The increase, here, is related to several conditions on the French Creek side and in particular, an increase in sludge hauling costs and necessary capital improvement cost. The increase, here, in 2009 includes North Ridgeville's portions of the plant rate increase. The last slide here, I just summarized the debt service. There are currently four bond issues outstanding and I mentioned earlier, that the series 2008 added approximately 270,000 to the annual debt service and over the next five years, as shown in these five rows here, the annual debt service over the next five years is going to be about 1.2 million. That raps up the overview and summary of the results of the rate study and I'll turn it over for questions.

Council Member Olesen: Madam President.

President Butkowski: Yes, Mr. Olesen?

Council Member Olesen: I do have a question. I don't know whether you can calculate this on the spot or not. I'm not sure. As I listen to this, there are two items in here that were totally unexpected that have to be put into this new budget. One was the decrease in sewer tap revenue. Nobody could predict what happened in October and what is continuing to happen in the home building industry. Two was the sludge hauling. We never dreamed that we would have to do that because we were making the biorich product and now, we have to pay for tipping fees and

haul the sludge ourselves by truck and there is a million dollars that is involved in that. If those two items were not in there, could you project what our cost or increase would be? Take out the unexpected, the sewer tap revenue decrease and also, the cost in the sludge hauling.

Keith Bishton: You are asking if the sewer taps did not decrease and if they stayed at the historical levels?

Council Member Olesen: Yes, if the tap in fees stayed at the historical levels, as we thought they certainly would and if we didn't have to go into the sludge hauling.

Mayor Gillock: Madam President.

President Butkowski: Yes, Mr. Gillock?

Mayor Gillock: While Keith is looking at that, one of those is directly related to this and the other one is indirectly. The sewer tap revenues have a direct impact on these funds. The sludge hauling has an impact on French Creek, which drives that seven percent increase that we discussed earlier, which then gets charged to the City. We have to pay French Creek, so, indirectly, it will have a reflection on this. When Keith looks at this, he's going to have to look; not only at the sludge hauling, but at that seven percent impact from French Creek and see how that would affect. I don't know if he can do that. He has the chart up there now, so, go ahead Keith.

Keith Bishton: The table I'm showing here shows basically a summary of the revenue associated with the sewer taps on this row eight here. In 2004 through 2006, you can see that the maximum amount that you had occurred in 2005 and it started decreasing in 2006 and then further in 07 and 08. You can see that, if you take an average between 04 and 06, the difference would have been 300,000 dollars. If you didn't experience that decline, you could assume that you would be at a million dollars per year and that would just mean that you would have more money available in the improvement fund to fund the debt service, plus other capital outlets.

Council Member McLaughlin: Madam President.

President Butkowski: Yes, Mr. McLaughlin?

Council Member McLaughlin: Yes, I have one question. The figures that you came up with here, as far as what goes into French Creek and all the numbers that you did, did you already figure in what the other two communities would be paying with their increase or is this strictly from before we increased to seven percent?

Keith Bishton: The amount that I show here in this table, 2,723,000, that is French Creek's share of it. Then that is reduced by an adjustment associated with the in fill and infiltration. The net cost to the City would be about (inaudible)

Auditor Costin: Madam Chairman.

President Butkowski: Yes, Mr. Costin?

Auditor Costin: This question came up previously and I can tell you the answer. He didn't explain that exactly correct. This final presentation is after we incorporate our allocable percent of the cost of French Creek. So, the answer to the question is that this is after. Remember, French Creek has its own collection funds. It collects the money from three communities. One of those communities is us. Our 62 percent or whatever it is, has been increased to reflect this.

So, the French Creek funds, when he did the study and we came up with the wholesale rate that you passed earlier, reflected the French Creek wholesale increase to all three communities. Now, that portion that is passed through to us is going to be reflected in what we charge our residents. Does that answer your question?

Council Member McLaughlin: Yes.

Auditor Costin: Madam Chairman.

President Butkowski: Yes?

Auditor Costin: An interesting highlight. There were a couple of events that we anticipated. We actually started this process, if Council remembers, two years ago. One of them was the payoff of our share of the debt service, which means that we have that direct credit that would be; if you can follow the logic, the reduction of the credit increases the amount that we have to pay from our sewer funds over to French Creek. We knew that was coming and anticipated that. When we did our first sanitary sewer study, which I have in front of me, we determined that we better start making small increases last year, which we did. We had a three percent increase last year to cushion the blow this year. What we didn't anticipate, as Bob mentioned, is the reduction of tap in fees and the large cost incurred, as he also said, by French Creek. Now, this is passed through to us. In fact, a little bit of history, when we had to increase our rates last year, we decided to do a study of French Creek. Initially, it was determined if we could lower rates. We were going in there hoping we could lower the rates, which we would pass the lower rates to all three communities and then cushion part of the blow of our increase. Then we got blind sided by the two events that we just talked about. We had a four percent increase last year because we passed it a bit late. That three percent was in anticipation of what was further coming down the road. Two Thousand Nine is the first year now that we do not have that credit against what we paid French Creek. We're going to have that cost every year from 2009 on and that additional cost would be about 300,000.

President Butkowski: Mr. Costin, you mean the credit is the property tax that we've been paying over the number of years for the French Creek Sewer?

Auditor Costin: Because we were paying property taxes, that is right. We had legislation on the books that said any municipal entity that is paying for the acquisition of the plant, will get a direct reduction against the amount of user fees that they have to pay, or the wholesale charges that we have to pay and that has now expired because that acquisition debt was paid off in November or December of 2008.

President Butkowski: That came off everyone's property tax? It ended our property tax payments for that?

Auditor Costin: It came out of everybody's property tax, correct.

President Butkowski: I just wanted to make that clear if someone didn't understand that. Do we have any other questions?

Council Member Boose: Madam President.

President Butkowski: Yes, Mr. Boose?

Council Member Boose: Just a comment. There's a lot to digest. There are a lot of numbers.

Mayor Gillock: Yes and I would agree with that. This will be presented as a new ordinance under first readings at the next Council meeting. In a way, I apologize for all these meetings tonight, because of the way some of these have popped up. We have done the calculations with the consultant and when we wait a month or two, like we had, we didn't want to do with wholesale rates, which we worked out with Avon and Sheffield Village, to make effective on that February 1. If we wait two months on something like that, it changes all the numbers again. That is why, sometimes, we are under the gun on these. Now, this one coming to Council for its first reading at the next meeting, we'll have some time to digest this and ask further questions. I don't know if it has to go through any more hearings or committee meetings or not, once it gets there, but I do appreciate the fact that you need to take a hard look at these. We really want to look at the dollars on these and we also passed out a disc graph, which Jim Whitlock put together and I do want to point out that, if we adopt both of these changes, our total water and sewer bill will still be the fourth lowest in most of Lorain County. That is what we are trying to show you here, that the two of them together will be 52 dollars. Avon, Avon Lake and Sheffield Lake are lower, but out of sixteen entities, there is eleven more higher than us. So, our numbers are still competitive. Some of the lowest in the County. We need to make these to maintain the solvency of our accounts. So, take a good hard look at it.

Council Member Jaenke: Madam President.

President Butkowski: Yes, Mr. Jaenke.

Council Member Jaenke: I have a question for the Mayor. Looking at the chart, I see that Avon and Avon Lake have quarterly billing. So, they are paying thirty three, fifty three total for Avon Lake and forty nine, twenty one quarterly for Avon.

Mayor Gillock: No.

Council Member Jaenke: In the next column over, it says the frequency.

Mayor Gillock: Correct. That's the way they pay. Jim is here. Go ahead Jim.

Utilities Department Supervisor Jim Whitlock: The billing frequency is quarterly, but those numbers reflect the same usage that all those other communities are. So, it is still 1,000 and that is what they pay for 1,000 cubic feet. It was showing that they bill quarterly, so basically they have a quarterly bill using a 1,000 cubic feet a month, you're basically going to pay for 3,000 cubic feet worth of usage quarterly.

Council Member Jaenke: Okay. I was confused in terms of ours being billed monthly at 52 and the others being quarterly at 33 and 49, which when I looked at this chart, I thought, theirs' was much lower for the quarter.

Utilities Department Supervisor Jim Whitlock: They are the only two communities around us that do bill quarterly. I just wanted to make sure that you realize, in case you talked to somebody else there that says, hey, we only get a bill once every three months. They do bill quarterly, but they are obviously going to pay three times that amount.

Council Member Jaenke: Jim, one other question. What the difference in terms of the measured units between gallons and cubic feet?

Utilities Department Supervisor Jim Whitlock: The gallons is roughly 750 gallons per 100 cubic

feet. Some of the community's bill by 100 cubic feet and some bill in gallons. It is all comparative. So, 100 cubic feet is 750 gallons.

Council Member Jaenke: So, they are both very close then? Okay. That is all I have.

President Butkowski: Are there any other questions?

Council Member Boose: Madam President.

President Butkowski: Yes, Mr. Boose?

Council Member Boose: Just to clarify what Mr. Whitlock just said, you've already changed the calculations here to accommodate for the difference between cubic feet and gallons?

Utilities Department Supervisor Jim Whitlock: Correct. It is all like numbers.

Council Member McLaughlin: Madam President.

President Butkowski: Yes, Mr. McLaughlin?

Council Member McLaughlin: A couple of questions. Nobody has said the magic number yet, but we're looking at 18 percent here?

Mayor Gillock: We look at it in dollars and cents. Obviously, the smaller numbers you are talking about are going to be the larger percentage. I don't have the ordinance with me. I don't know if it refers to the percentages or not.

President Butkowski: Yes, they do refer to the percentages in the ordinance. I have it here.

Mayor Gillock: I think one of them is 17 percent and the other one is 18 percent.

President Butkowski: Wastewater is 18 percent and water is 17 percent.

Council Member McLaughlin: Now, we're talking about 18 percent or however many dollars.

My next question is, is from the things that I have been reading, we haven't raised anything in eight years. Is that correct, other than what we did last year?

Auditor Costin: I don't think that is totally true. We actually have an ordinance, whereby our water rates to our customers, citizens, users increase by the increase that we pay for the purchase cost. That goes into effect each year. Our retail rate was raised last year, as we discussed, because we knew this year was coming and we wanted to work it into smaller numbers. The French Creek rate, I don't recall, that wholesale rate goes back a while; several years.

Council Member McLaughlin: Speaking sewer wise, if we raise the wholesale rate seven percent and we raised rates last year retail wise, how are we at an 18 percent number?

Auditor Costin: Well, because what we did was, we had them come in and do a study for us last year and the study dictated that we needed to do something and what we did was we went with three percent, which wound up being four percent, because, I think, we passed it a month or two late. When we came back and they did the updated study this year, there were certain matters that surfaced. The biggest of which included French Creek. We didn't anticipate an increase in French Creek sewer rates last year at all, because of the two events we talked about. Based on the study by this firm, they determined that it was necessary to increase those rates. Now, what hasn't been said is that is part of the package only. Not only are we increasing the French Creek sewer rates, we're deferring some of the capital improvements that are generally scheduled to be done. We're pushing those back a couple of years in the anticipation that when the economy does indeed pick up again, then we'll have an increase in our sanitary sewer tap in fees, both to

French Creek and to our community. Those were the two bigger elements that were unanticipated. The sewer tap in fees affects both of us. They affect French Creek for the portion we all pay in their tap ins and they affect us for those tap ins that we would normally have in North Ridgeville. It's evident by the decrease in housing. We went from 500 homes to 250 last year. You may or may not remember, but I discussed this during various appropriation meetings over the last several years. We've been very fortunate. We've been living off of our tap in fees. Our tap in fees has paid for a significant part of our capital improvements and historically, they have paid for our debt service over the years. It was anticipated that would be continuing. Unfortunately, it hasn't, but fortunately, we've had a head start in looking at these rates. Because we have the carry over balances that we do, and I'll address that when we get to the water as well, we were fortunate to have set aside some monies in our good years. These rate increases could have been a heck of a lot worse than what we are facing now because of that. That was the major increase and we were just as shocked. When they came to us and put on a first presentation, I think we were talking about something like a 22 percent increase, until we started shuffling some things around. When I mean shuffling things around, I mean postponing capital improvements that would have been paid out of the improvement fund and saving that money for debt service. When he did his study, we actually were looking at moving this from the operating fund. Now, I'll talk about the operating fund and the improvement fund. The source of revenues for the improvement fund are tap in fees. The source of revenues of everything else funds the operating fund; predominantly, our user fees, inspection fees and whatever else we have going into there. We actually did a little creative planning to try to postpone some of these expenditures. We know it is going to be a little bit more of a struggle when we go through appropriations this year. But, we did what we could to reduce the rate from what was anticipated to be actually higher than what we have now.

Council Member McLaughlin: Okay, I will try to make things as simple, in my mind, as I possibly can here. Let's say, for instance, that there was a 99 dollar debt for French Creek. So, we raised the rates to us and the other two communities that are involved to equally pay in to make that whole.

Auditor Costin: It won't be equal. It will be on a portion of their usage of the plant. We are the largest user.

Council Member McLaughlin: Okay. Let's assume that out of the 18 percent, seven percent is going to go and take care of French Creek. The rest is all in house for what North Ridgeville has to do sewer wise?

Auditor Costin: Okay, let's start over. I'm not quite understanding your question, so let me try to simplify it like this. First, we look at French Creek this year. They looked at French Creek and they concluded and we concluded with them that we need to increase the wholesale rate by seven percent. That affects the three communities. Now, since we are about 60 percent of the user, then 60 percent of the seven is going to come through to us. So, about four percent increase is what I think it came out to be. That four percent comes to us. That was unexpected.

Council Member McLaughlin: Now that we are not selling houses, everything we built to the

west we have to pay for?

Auditor Costin: Since we're not building houses? I don't know what you are asking.

Council Member McLaughlin: We are not selling the tap in fees. Is this part of what we have to pay back due to the sewers that we ran out to the west side of town? I guess that is what I'm asking. Is that part of?

Auditor Costin: All of our debt service is included in these calculations. So, yes, we are also paying that debt service, but that typically comes out of our improvement fund from tap in fees.

Council Member McLaughlin: I guess the part that I'm having a hard time understanding is, is I understand that the housing market is the way that it is, but just because someone is not selling houses, doesn't mean that should affect us.

Auditor Costin: Absolutely. When the economy picks up and they start building those houses again, then we are going to get a significant amount of tap in fees. That is absolutely correct.

When we get those tap in fees, that relieves our necessity to raise rates further in the future.

Mayor Gillock: If I might add to that Madam President?

President Butkowski: Yes, Mr. Gillock?

Mayor Gillock: Part of what we lost here, if you want to word it that way, a part of our debt is the seven percent increase to French Creek. That is one item that we additionally have to pay for.

We've lost about 300,000 a year in tap in fees that we were getting that we no longer have to use so, we have to replace that. We've also lost a 450,000 credit that we were getting. There's 750,000, plus the seven percent that is new debt that we have to pay to French Creek.

Council Member McLaughlin: Mayor, I understand the seven percent. I understand that portion of it. I guess, the way that I'm sitting here thinking about it, is that we ran the sewers out and that is part of our debt that we have to the west side of town and because someone is not selling houses, everybody that lives in the City, now has to pay for it.

Mayor Gillock: You can always argue that. You could also say that for the last five years that all these new homes that are being built, their sanitary taps have been subsidizing those that are already here. That is 300,000 dollars that the rest of us didn't have to pay.

Council Member McLaughlin: We didn't have our rates lowered then?

Mayor Gillock: We didn't raise the rates, because this new construction was paying for it.

Council Member McLaughlin: But, it didn't service everybody in the City. That's just the way I look at it personally. I understand what you are saying. How come, as we were living the high hog and selling all the things, did we not have a rate decrease? Or we did not sit there and forecast and say that in four or five years, we're going to be running out of this credit, we should have a two percent, three percent; and I know we did it last year. Eighteen percent is an awful lot.

Safety-Service Director Johnson: Madam Chairman.

President Butkowski: Yes, Mr. Johnson?

Safety-Service Director Johnson: A lot of tap in fees we collected from these new homes weren't going to maintain the sewers in the new homes. They are pretty sound and will be for quite some time. It is going in the older neighborhoods and fixing the older sewers, tightening up all the I

and I in those older sewers. Take away those tap in fees, we still have to do that work. It is coming out of the funds that are left to do that work. The tap in fees, while we depend on them coming to the new homes, the money is going to fix an established sewer that has been here for a long time that needs the work.

Council Member Corcoran: Madam President.

President Butkowski: Yes, Mr. Corcoran?

Council Member Corcoran: A couple of questions. We are increasing the rates to pay off the debt and then when the houses sell, we should have a surplus, because we have already paid the debt. Is that right?

Auditor Costin: Madam Chairman, the debts are 20 to 25 year bonds, so we'll be paying that for the next 20 to 25 years and that is, historically, how you finance any City infrastructure. Just like when you buy your house. Very few people could pay cash for a house when they move into it. So, infrastructure is typically financed by those tap in fees.

Council Member Corcoran: At some point that debt stops and the income continues to come in. So, you will have a surplus at some point in time; well into the future.

Mayor Gillock: Don't forget, the westerlies were an assessment. So, there are assessments for that bond debt.

Auditor Costin: For their portion. We are not paying their portion of the assessment. That is still coming through assessments.

Council Member McLaughlin: We have to pay our part of it.

Auditor Costin: We pay our part of it. I lost my train of thought in order to answer that question.

Mayor Gillock: He was talking about the debt service that, if we are paying it now, we should get a surplus in the future. We will because there are still houses there that are left to be built.

Auditor Costin: Typically, what happens when we have a project, there will be an engineering study and the Engineers will calculate the amount of taps or adjustments to the fees or whatever. Historically, because our tap ins have been so good and because we are a young growing community and we have a healthy tap in fee right now, we have been able to live off those tap in fees. Now, that they are starting to dry up, I think what is actually happening is, if you look at the study, it is time for us to start catching up. That really is what we are facing here. We have been very blessed as a growing community to be in a position that we were in and I would project that three, four, five years down the road, we are probably going to return to that. I would say to you, as a result of being able to fund debt service, capital improvements and various expenditures from those tap in fees, we have not had to raise our sewer rates for quite some time. That is why. So, the answer to your question is yes, when that debt goes away, we will have money accumulated. But, as you also know, in a vibrant city, you have other expenditures that surface and we've been very conservative in trying to minimize in going to debt where we could pay the improvements internally and, as Moody's would tell you, our debt per capita ratio for this City is very low and that is why, because we have been fortunate to be able to have those tap in revenues and the fees that go with it. The inspection fees and all the new fees that go with new housing in a growing community has benefitted us. That is where we are at right now. We are in a time

when those tap in fees are no longer going to subsidize us, but again, fortunately, we still have carry over balances or it could be worse, because we have a long way to go before we catch up to the averages; not only these averages, but the national averages. I think we are way low in terms of utility rates. Trust me. I live in this community too. I badgered the heck out of these guys when I saw those rate increases. I have to pay those rates too, but I will tell you this, unfortunately, when it comes to something like this, it is the same thing I talk about when discussing income taxes. When you look at the amount of income taxes you pay to the federal government and to the state government and then you take the one percent you pay to Ridgeville, that is minuscule in comparison. You compare what we are paying for water and sewer to what we are paying for gas and electric. It's minuscule to have that glass of clean water on your kitchen table. It's unfortunate that we have to raise the rates, but we are here to deliver the message.

Council Member Corcoran: Speaking of water, we have talked so much about sewer, we haven't gotten to the water at all. That is a huge increase.

Auditor Costin: We will get to the water when we finish with these gentlemen on the sewers. We wanted to put them on the stage first, as he is out of town and he agreed to work with us.

President Butkowski: I want to tell you right now, that we are going to have to do a committee report at the end of this meeting, because this has been put into the Committee of the Whole. It is just like putting it in any other committee. We have to come out with a report at the end of this meeting. I just want you all to be aware of that. We will have to make a decision here on the sewer and the water on what we are going to recommend, because this is a Committee of the Whole, just like we have a Utilities Committee.

Council Member McLaughlin: How is it that we have to take any type of action from the Committee? Why isn't it possible just to state that the material was read or whatever happened during the Committee meeting? I don't understand why we have to make any type of recommendation now.

President Butkowski: We have to put out some kind of report of what we came up with here.

Council Member Boose: I'll make a motion, then, that our action of this Committee of the Whole is to consider the matter further and make a decision at the next regular Council meeting

President Butkowski: We are just talking about the sewers right now. You could make it on the sewers now or wait until we talk about the water and make an overall report. I just want you to be aware that, as we are going along here, we have to come up with some kind of report and whatever you want to put in that report.

Council Member Boose: I'll withdraw my motion, Madam President, but the comment I would echo with what Mr. McLaughlin said is, I think the action can be, that we can consider the matter. The action does not have to be whether we approve or deny the rates talked about here. Again, there is a lot of information here to digest and to expect Council or anyone else to make a decision based on a presentation; even though it was so well presented, I don't think is fair.

President Butkowski: That's right. Whatever you want to do, just remember we have to make a committee report, because this has been put in this committee. We have to have a report that

comes out of this committee, just like you do in all the rest of them to continue on with these matters.

Auditor Costin: Are we still on discussion, also, Madam Chairman?

President Butkowski: Yes we are.

Auditor Costin: What the gentleman failed to show us, up there, is that they projected out several years. What we fail to see is what happens if Council does nothing. That gets to rates that are exorbitant when we get to two to three years down the road. There comes a time, when we are going to have to adjust the rates, because you know that statutory law says that, we cannot operate a fund in a deficit position. The question then becomes, is 18 percent a lot and it is unfortunate right now, but it is going to be a lot worse if we hesitate any longer. That was our starting point when we were working and I don't know, Tom, if you have those graphs that showed three, four, five years down the road or not. I can tell you that, the ones that we saw; as you know, are impacted if we don't start doing some increases now, which is why we started with a three percent last year in the sewers.

Council Member McLaughlin: Madam President, may I ask one quick question?

President Butkowski: Yes, Mr. McLaughlin.

Council Member McLaughlin: What happens if we do nothing? Where is the money going to come to fund the (tape one, side A ends).

Tom Likavec: Keith, do you have that chart that shows what the projected rates would go to?

Mayor Gillock: If we did nothing?

Auditor Costin: It was the spreadsheet that showed the various subsequent years. Do you have that available, Keith?

Keith Bishton: Yes. It's in table format and not in a graph. Looking out beyond 2009 and then looking out several years, we do show sort of what the rate impact would be based on certain financial assumptions. So, that is why, earlier in the presentation, I was indicating that at the end of fiscal year 2009, we will have to evaluate the financial position and then look at the fiscal year 2010 budget, because that is what is basically going to drive the next year's rate increases and so on and so forth. Looking at the estimates based on what we know about French Creek's financial position over the next couple of years and then given what we know about North Ridgeville's debt service and the sewer tap revenue, we take that all into consideration here.

Auditor Costin: Keith, correct me if I'm wrong, but I believe the future years assume 2008 numbers. That was our starting point. In other words, we are assuming however many houses it was, 250 or whatever we used, we're going to have that same number each year, which was Keith's reason for having to come back annually now, because that number could very well change. We are assuming we had the same housing starts as we did last year. That could improve or that could get worse. If it gets worse, we have a bigger problem moving forward. We took a conservative approach and just used status quo. If it improves and more housing comes, then we have relief moving forward. So, the potential rate increases that you see, wouldn't have to be there. That is what we are hoping to happen two or three years down the road. Did I state that correct Keith?

Keith Bishton: That's right. The table I'm showing here, it shows the historical level of new residential homes plus the commercial establishments and you see it reached a peak in 2006 and then the assumptions that we were making for 2007, 08 and beyond, initially, was 300, but then we tailed that back to 250. We did that to be more conservative and not overestimate the sewer tap revenue.

Mayor Gillock: Keith, could you show us what happens if, for example, we decide not to have a rate increase this year and what happens to our balance?

Keith Bishton: What do you want to assume for 2009?

Auditor Costin: Assume zero percent for 2009.

Keith Bishton: If you assume zero percent for both the base monthly charge and the residential/commercial, that gets back to the initial charge showing where you would go negative. On this slide here, I was showing current rates for 2009. You would actually experience a negative balance. That assumes the debt service is fully funded by the improvement fund or the construction fund. You would actually have to; to avoid this negative balance, increase the amount that the improvement fund is funding for the wastewater treatment services.

Mayor Gillock: That is a negative balance of 237,000? That was a question.

Keith Bishton: Was that a question directed to me?

Mayor Gillock: Yes.

Keith Bishton: The phone went faint for a moment there, so, I didn't hear the full question.

Mayor Gillock: The negative ending balance would be 237,000?

Keith Bishton: Yes, for 2009. Yes, if you assume zero percent rate increase.

Auditor Costin: Now, move along down the road five years. Let's go a few years in the future. What you would have to do then is back in by adjusting the percentages to get us back to level, correct?

Keith Bishton: Yes.

Council Member Jaenke: Madam President, I think we know that we would be negative by 237 and it would get worse as the years would proceed. So, it is obvious that we have to do something. We just can't do nothing in my mind.

President Butkowski: Do we have any other discussion on the sewers? Any other questions? Do you want to wait for your committee report until we finish with the water and then come up with one committee report that includes your opinion or whatever we want to do for sewer and water together? Do you want to wait? Seems like the consensus is that we will wait. Are there anymore questions while we have him on the line for the sewers? Once he leaves, you're on your own and we've lost our expert. Anymore questions? All right, we'll conclude our discussion with the sewers and move on with our discussion with the water. Thank you, very much for your help.

Keith Bishton: Thank you very much.

President Butkowski: Have a good evening in D.C.

Keith Bishton: Okay, thank you. Bye.

President Butkowski: We'll move on with the water and who would like to be our expert tonight

for our water? Mr. Costin?

Auditor Costin: I don't care to be your expert, but I can communicate what we have in front of us here. I won't pretend to be an expert on establishing rates. Under the water, I approached this a couple of different ways. If you will just follow along, I've summarized here, what we are potentially looking at. Do you all have the white sheet in front of you? Warren, I may not have had an extra one for you up there, so maybe you could share with Bernadine. The first numerical column under the year 2008; do you see that there? I have recapped, very simply for you, our revenue receipts and our expenditures for 2008 and what an expected change would be for 2009. Now, what I'm really going to do is go backward and show you the results of what I've come up with. If you start and go down the first column, those are our actual user fees; rounded that we collected. All the other revenues we collected in the water fund totaled 200,000 dollars. Those are inspection fees, sale of water meters and so forth. Under the expenditures in 2008, we have what we pay for water, our wages and benefits that are summarized together and everything else. So, you will see that. By the way, we also have some debt service for the eastern transmission line, number one, but that is being paid out of another fund that we are collecting tap in fees for. So, this is simply the water fund right here. If we work with the bottom expenditures first, we know that based on the calculation that the Engineer does annually, that we are going to expect a 7.33 percent increase in our purchased water rate this year. Our wages and benefits by contract are going to be increasing three percent and it was simply assumed that our other expenditures to be controlled to be three percent. When you take those regular expenditures, we have an increase of 183,000 dollars over to 2009, which is 3,165,000. Now, I added a small contingency because we actually had a reduction in expenditures this year. It was due to the water meters. What Jim, our Utility Department Head, indicated is that he typically purchases about 150 to 200,000 dollars of water meter replacements. However, since we are replacing water meters with our water meter project, the amounts expended in this past year were significantly less. What he has done is had an inventory of water meters that he has run down. Even though we have a water meter project, we know that we are going to have to start replacing water meters again and I think he estimated about 125 to 150,000 dollars related to the new homes. So, what we will have there is a contingency for that and anything else that might surface. The reason, I have that, is you'll understand in a minute; because I'm shaving these numbers awful close. The new items that occurred this year were the debt service meter project itself. When we originally looked at the project, we thought we would be able to fund it under House Bill 300 and we calculated the debt service to be over 25 to 30 years. This year, we found out we didn't qualify; this project didn't qualify for House Bill 300, so we went to bonds. Unfortunately, under statutes, the length that we could issue the water bonds for is 10 years. So now, we have to pay the debt service down three times faster than we thought we would when we originally passed the legislation a while back. We, also, had gone to bonds for some other various water projects and again, historically, we would be able to pay those bond payments out of our water improvement funds. When we tally up all of our new costs, you'll see the asterisks there, the 823,900 dollars. Do you see that everybody? Well, if you simply take that number and divide it by our user fees we collected last

year, that actually calculates to a 29 percent water rate increase. That is the first comment that I make on the bottom. However, because we are fortunate, we have a nice carry over balance in the water fund. When we have our good years, we are still frugal with our expenditures and we have a build up of water monies available to us to use in lean years. Historically, we have tried to maintain a base value of a million dollars. So, if you look at the second line on the bottom there, where it says year 2008 carry over balance 2,040,000; minus the base, means we really have monies available for us of 1,040,800 to be absorbed. As a result, if we take this year's loss, 338,000, that is right above it in the middle column. That is the difference between a 17 percent increase, which would generate 485,000 and the 823,000 dollars of expenditures, we will expect with a 17 percent increase, that our funding for this upward deficit of 338,000 dollars this year. If we divide that into 1,040,000; if nothing else occurs in the next three years, we have three years for this economy to turn around for us. What I did was and here is how we came up with the 17 percent. Do you see the last note on the bottom? Note, with expected annual purchased water cost increases of seven percent; we've been notified and we are anticipating a seven percent increase in cost for the next few years from our suppliers, that we are going to pass through to our residents. With that assumption, the 2009 percentage increase needed for the water fund to break even in five years; I just picked five years to give us enough time for this economy to turn and I can't predict the future. It is just a hopeful guess. What we did was we decided that if we can turn this thing around in five years without dipping below our million dollar safety reserve, the increase this year for us to do that would be 17 percent. Scientifically, that was how we came up with the 17 percent. If it weren't for the carry over balance that we've been able to maintain, we would be looking at a 29 percent increase. That is how we came up with this increase. It actually includes the 7.33 percent that was coming through, the statutory increases in wages and benefits, and the other inflationary increases that we incur, pretty much, makes up the 13 or 14 percent of the 17 percent right there. That is how we came up with it. I have to apologize, as I don't have the sophisticated software that these engineers do. I did have to spend several hours trying a lot of different calculations. I do have some substantiation, if you need to be confused further. If you don't, it's basically the calculations that back up how I came up with these numbers. You may or may not want them. Quite frankly, they will probably be overwhelming, but they are the numbers that support how I got to the five years.

President Butkowski: Do we have any questions?

Council Member Jaenke: Madam President.

President Butkowski: Yes, Mr. Jaenke?

Council Member Jaenke: Yes, I have a question. I guess what we are saying is, if we plug in 17 percent now and if we're lucky over the next five years, we would not have an increase in the water?

Auditor Costin: The only increase we would have from that point would be the water costs that are passed to us. Otherwise, I am hopeful that we would not need another increase like this.

Council Member Jaenke: Over the next five years, if we're lucky?

Auditor Costin: If we are fortunate, the economy is going to turn. Everything is cyclical. It is

just a matter of when. I will tell you that this does not reflect new capital expenditures so, as always, whenever we have had capital expenditures, I have always tried to come up with a source of payment. Historically, they have been the improvement funds. In the future, if there are any major water projects that we are going to look at, we need to figure out how to fund that project. We are not going to be able to rely on past history as we have in the past.

Council Member Jaenke: In other words, we won't have that flexibility that we've had in the past.

Auditor Costin: Correct.

Council Member Boose: Madam President.

President Butkowski: Yes, Mr. Boose?

Council Member Boose: First off, great presentation Chris. At least for myself, you have made it fairly easy to understand. I appreciate you thinking of me when you were doing that. Just some clarifying things. We have this ordinance now, so, when the cost of our water goes up, that automatically goes to an increase to the residents. Correct? That is automatic? Not this, but every year, they . . .

Auditor Costin: Yes, this is our retail charges to our residents.

Council Member Boose: Our retail increase is automatically done, so that is in addition to the 17 percent?

Auditor Costin: No, no. That is incorporated into the 17 percent this time.

Council Member Boose: This time. Is there a reason why we need to do it this way versus; since you already have the ordinance that is already doing the 7.3?

Auditor Costin: The ordinance is based on, if you look under expenditures purchased water, that is the 7.33 percent. What I have tried to demonstrate to you here is that is insufficient.

Council Member Boose: I understand that, but again, just for my own mind; in reality, it really is only ten percent in addition to the seven percent they were going to get anyway. I think that is important to understand. Even without this, your rate would be going up 7.33 percent because that is what the water is costing us. I just think that needed to be clarified. Thank you.

Mayor Gillock: Madam President.

President Butkowski: Yes, Mr. Gillock?

Mayor Gillock: Just to add to what Dennis is talking about, there a little bit, we have an ordinance that when our water suppliers, we calculate at the end of the year and whatever our increases are, they automatically pass through. For several years, the increases were very small. Council took action not to increase those water rates. However, about a year ago, we received communication from all our suppliers, that they are going through the same thing that we are talking about now. For the next several years, they are planning seven to eight percent increases per year to get where they need to be. This is the first year that we got hit with the 7.33. We know that something like that is coming over the next few years. It is just an automatic that is going to be passed through.

Auditor Costin: Madam Chairman, if I might?

President Butkowski: Yes, Mr. Costin?

Auditor Costin: In the calculations that I have going out to 2014, I've incorporated those increases that we are expecting and the same increase in our rates as a result. In fact, I didn't use 7.33. I used seven percent all the way out. The reason for that is that we had an exceptionally large use of water from one of our highest suppliers and we now have access to another line, that ETF2, which is going to bring our average rate down. So, I actually reduced it to something more realistic and that would be 7 percent.

President Butkowski: That line is supplied by Rural Water?

Auditor Costin: Rural water from Avon Lake.

President Butkowski: We get very little water from the city of Elyria, correct?

Mayor Gillock: We get water from three sources. Avon Lake is our primary source. Our backup is Rural Lorain Water which gets it from Avon Lake and the other one is Elyria. The majority of it comes from Avon Lake.

President Butkowski: I just wanted everybody to know exactly where our water did come from. Where is that new line coming from?

Mayor Gillock: From Avon Lake. We have two lines. Eastern Transmission Line One goes down Lear Nagle. The other one is a new 42 inch line that follows the westerly sewer and goes down Race Road and then all the way down to Medina.

President Butkowski: That's the Rural Water Line?

Mayor Gillock: No, that is Avon Lake. We have three taps off of that. If you recall, we talked about this. We purchased two million dollars of capacity off that line, just last year; while it was still available to make sure that we had adequate supply in the future.

Auditor Costin: One other comment. The cost of that line, again, Council in its wisdom passed an ordinance prolonging that tap in charge so that we could pay it from here. I believe the carry over balance in that particular fund was about 700,000 dollars. So then, we are going to be incurring another 60,000 dollars annually for our privilege of tapping into that line. I am assuming again, that within a few years, the economy recovers, otherwise, those tap in fees, if they dry up, the situation could be even more complicated. We have not worked in that equation for the same reason we have a relatively healthy balance coming forward and as a result, we cannot have to increase the rates even higher.

Council Member Corcoran: Madam President.

President Butkowski: Yes, Mr. Corcoran?

Council Member Corcoran: I have a question for Mr. Costin. You have here the hospitalization insurance increase of 42,000 dollars.

Auditor Costin: Right. What happened this year is, we've had some significant increases in our health insurance costs. We are self funded. Our health insurance fund actually collects monies from our other funds and so, based on our increased rates, I did a calculation based on the information from the Treasurer and this is the additional cost that our water fund employees are going to be incurring that are actually paid into our self insurance fund to keep it afloat.

Council Member Corcoran: Isn't that a benefit though and shouldn't it be included in the wages and benefit's column?

Auditor Costin: I wanted to break it out, so you could see that it is a one time adjustment. Yes, that is exactly what it is. It is a wages and benefit, but it's not covered by the three percent. When the wages go up by three percent, so do their benefits. This is a one time charge. A few years ago, after contract negotiations, our hospitalization actually declined and we were able to reduce the rates that our funds were paying into our self insurance fund. The last two years, we've had some astronomical health insurance cost increases; not just the premiums, but everything.

Council Member McLaughlin: Their health and welfare is per contract.

Auditor Costin: It's per the contract. Yes.

Council Member McLaughlin: Because we do a contract where health and welfare come back every year and say, we need more?

Auditor Costin: I'm not a specialist on our contract, but I think the provision says that we can replace the health benefits only with a policy that is equivalent or better.

Council Member McLaughlin: No, we have to self pay it, is what I'm saying. They can come back. It doesn't work like that with a big city here?

Mayor Gillock: No. We adjust the coverage at contract renewal for things such as co-pays and deductibles, which is what we did six years ago. When we first redid it, we added co-pays, we added deductibles and that brought the cost down. Under the old program, there were no deductions, so if someone had a cold, they could go to the emergency room. That kind of stopped that. Now, in the last couple of years, we've had some real severe things happen and the way we fund our self insurance fund, is we charge it to the Departments. Right now, the employees don't contribute to that. It's charged to the Departments. So, as that fund gets adjusted and we may lower or raise those rates to those Departments. That is why this is a one time charge based on what we need to charge those in the Water Department for their portion of the self insurance trust fund. It is not to the employees, it is to the Department.

Council Member McLaughlin: One thing I wanted to ask. Avon Lake owns the water and ships out the water right?

Mayor Gillock: Yes.

Council Member McLaughlin: They have, on this chart here, the lowest rate of everybody. How come they own the plant, they can have the cheapest water and we can't be afforded the same thing with the sewer?

Safety-Service Director Johnson: Avon Lake gives their residents a ten percent discount on the cost of water. They charge everyone else, like us, ten percent more.

Mayor Gillock: They don't have a contract requiring anything like we do with Sheffield Village and Avon. If we wanted to sell sewer service to somebody else, we can charge them whatever we want. It is just those two cities that were locked in.

Council Member McLaughlin: We're locked in from the very moment we bought it, even though we've already paid our bond off or whatever the bill was for the plant.

Mayor Gillock: I believe that to be the case. I sent you a copy of the contract this week. There is a clause in there that we are going to have the lawyers look at it, but it says that after the

expiration of the lease or buyout, the elements of the contract will continue. I don't think there is anything we can do about it. But still, we can charge anybody else whatever we want. Just like Avon Lake charges whatever they want.

Auditor Costin: Madam Chairman, if I might add to that comment.

President Butkowski: Yes, Mr. Costin?

Auditor Costin: We've had outside legal counsel look at that with, pretty much, every administration that comes in. So far, the answers have all been the same. We've inherited that responsibility to charge uniform rates to the three communities that are involved. As the Mayor said, if we were to have the opportunity to sell outside, then we can charge a higher rate to them.

Council Member McLaughlin: The contract will follow the lifetime that, that plant is there? If someone is to buy us out, we're going to have the same rates? They're not afforded the opportunity to . . .

Auditor Costin: I can't answer that.

Council Member McLaughlin: I know it's a hypothetical thing. It is kind of ludicrous as the way I look at it, is that we own it and we've paid for it. It is our business, but we cannot adjust the rates.

Mayor Gillock: That was 28 years ago.

President Butkowski: That discussion has gone on for 28 years and it has not been solved by any lawyer that has come through here.

Council Member McLaughlin: I understand that, but my point is, is that it is finally paid for and it is ours now.

President Butkowski: That has been argued too. If you can find an attorney that will tell us we can do that, please bring them in. We haven't found one yet.

Council Member McLaughlin: Kevin said we can do it.

Council Member Jaenke: Yeah, how about that Kevin?

Council Member Buescher: Thank you, Kevin.

President Butkowski: We will refer that to you. Is there any other discussion about water?

Now, we have to write a report before we adjourn the Committee of the Whole. What do you want to put in the committee report to report back to Council about this? You can recommend these rates. You can say that we'll do further study on this or whatever else you want to do. Any suggestions?

Council Member McLaughlin: My opinion, I understand that this will come out of here and go back to Council but, I would have to assume that there would be further discussion on it at a particular committee meeting, or no, this is it? This is all we're talking about?

President Butkowski: No, you can recommend whatever you want to be done. Just like you would do in a committee. You can recommend that this be turned over to the Utilities Committee for further study. You can recommend that we set the rates tonight or you can recommend we do another Committee meeting of the Whole or whatever else you may want to come up with. We just have to write a report of what this committee decides to do. Just like you do in any other committee.

Council Member Olesen: I think whatever we do, we have to remember that, if we delay this too long and we can't get these increases enacted in February, Jim's got to do this calculation all over again and the rates will be more. We're going to miss a month of the new rates and that multiplies itself.

Council Member Butkowski: It also helps it multiply it down year after year, after year, after year.

Council Member McLaughlin: Absolutely and if it would have been brought to us further and further into the past, we wouldn't have to hurry, hurry, hurry, hurry. I understand what you're saying.

Council Member Butkowski: We have what we have, so, let's go from there. Yes, Mr. Olesen is correct. If we delay it then maybe we'll be paying 18 percent. You have to remember then, that the 18 percent is every year.

Auditor Costin: Madam Chairman, in keeping this in perspective, You should of also got the hand out, where Jim calculated the rate increases and for the average bill, the water and the sewer increase is going to calculate out and I think that's based on his 1,000 cubic feet per month. I have to tell you, I think I'm a bigger contributor than that, unfortunately, but for the average bill, it comes out to nine dollars a month. That's what we're talking about here. So, 17, 18 sounds drastic. It's a lot of people. That's a lot of money, no questions. It's not a good time of the year but, that nine dollars isn't 22 dollars a month. Again, 17 percent is high and 18 percent is high. It averages out somewhere a little over 17 percent, but the actual unit dollar calculation and thanks to Jim for going through all this work, for a 1,000 cubic, and well, there they all are and based on what you use is what your bill is going to go up.

Council Member Boose: Madam President.

President Butkowski: Yes, Mr. Boose?

Council Member Boose: Since we're now back speaking to both sewer and water rates, correct?

President Butkowski: Yes.

Council Member Boose: Since we just got a lot of this information this evening and there's a lot of information to digest; as I've mentioned several times, it would be my recommendation that the Council Committee of the Whole consider a reasonable amount of time, maybe a week, to be able to go over this information and then schedule another meeting, maybe of the Committee of the Whole or the appropriate standard Council Committee to, once again, be brought forward to review any additional questions you might have and perhaps ask for additional information during the time that we're looking at this. We can then make a decision. I don't think a week or two is going to make a major difference in the cost. At the end of the day, whether we say it's 17 percent today or 18 percent next month, at the end of the day; correct me if I'm wrong, the dollar amount is still going to be the same. Residents won't be paying more if we take our time and do this right. Just by a couple of weeks, or a week, or however long Council decides to review this information. Thank you.

Mayor Gillock: Madam President, on this one, I don't think waiting is a critical factor. We're going to look at this again at the end of the year when it comes around and housing starts are up.

It may out weigh any loss or gain because we waited a couple of weeks. I would suggest, perhaps, when these are being introduced to the next Council meeting, why don't you just recommend that it be referred again, to Utilities and that will give you time to take a look at it again. That gives you a place to park it.

Council Member Boose: Madame President, I will make that motion that, for the committee report, that we recommend that when the item comes up for discussion at our next Council meeting that it be referred to Utilities Committee.

Council Member Jaenke: Second

          moved by Boose and seconded by Jaenke to have the Committee Report say that we have considered the matter of sewer and water rates and have it referred to the Utilities Committee for proper study and returned to Council.

President Butkowski: Please take the roll.

          Yes, 7            No, 0

Clerk of Council Blakely: Motion passes by a vote of seven to zero.

President Butkowski: Now, we've had the discussion. We have to adjourn the Committee of the Whole meeting.

          moved by Corcoran and seconded by Olesen to adjourn the Committee Meeting of the Whole

President Butkowski: Discussion? Call the roll of the adjournment of the Committee Meeting of the Whole.

          Yes, 7            No, 0

Clerk of Council Blakely: Motion passes by a vote of seven to zero.

The Committee of the Whole adjourned at 8:25 P.M.

**SPECIAL COUNCIL MEETING:**

President Butkowski: Now we have to again, do this committee report. We can't take action and did that to be sure everybody was satisfied with this committee report. Once again, we have to move to recommend to Council that we have considered the matter of sewer and water rates and recommend that it be referred to Utilities Committee. That is the committee report that you all signed. I need a motion for this committee report, now, under regular Special Council meeting.

          moved by Butkowski and seconded by Olesen to accept

President Butkowski: Do we have any discussion in that matter? Please call the roll on the committee report.

          Yes, 7            No, 0

Clerk of Council Blakely: Motion passes by a vote of seven to zero.

**ADJOURNMENT:**

President Butkowski: I need a motion to adjourn?  
moved by Jaenke to adjourn

Meeting adjourned at 8:26 P.M.

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Approval of Minutes:

MOTION Jaenke 2ND Olesen DATE February 17, 2009

YES 7 NO 0 ABSTAIN 0