

Service Committee Minutes

Honorable Council
City of Newark, Ohio
May 8, 2018

The Service Committee met in Council Chambers on Monday May 7, 2018 following the Finance Committee with these members in attendance:

Jeff Rath, Chair
Bill Cost Jr
Jonathan Lang
Jeremy Blake
Ryan Bubb

We wish to report:

1. **Ordinance No. 18-12** enacting amendments to Newark's sewer use and sewer charges ordinance (91-59); directing limited publication of the sewer use and sewer charges ordinance was considered.

Roger Loomis- as you know we have a long term control plan to eliminate combined sewer overflows, CSO. Currently within our NPDS permit which is our discharge permit a requirement to get all this work done by January 2025. That's not going to happen so we produced another long term control plan and submitted to the Ohio EPA and we are proposing to have all of this work done in the next 25 years. There is a map in your packet that shows where the work is going to be done within the city. It is mostly in the core of the city, near downtown, that is where all of the combined sewers are at. We have proposed a 5 year increment plan. I have color coded each five years where our work is going to be. The next page has the cost of each project and a short title of each project and the proposed year that we have to do that plan and a total of between 65-70 million dollars to get us to meet the Ohio EPA mandate. This plan hasn't been approved yet we are trying to get them to put it into our new NPDS permit which is renewed every 5 years which is the reason for the every five years. Our current permit was up in July of last year a new permit has not been issued, they are pushing us towards a 20 year plan. We feel that is too much of a hardship on us, 25 years would help tremendously so we are in negotiations for how years this project will get done affordable for everybody. I won't go into a lot of detail but all of that is basically reworking some pipes in sewer system to get more flow into the wastewater treatment plant and less overflow. This is the plan that we came up with I don't think that we want to go into a lot of detail here tonight if you want to talk more about the plan you can give me a call. Part of this plan is to replace a lot of our aging infrastructure especially in the downtown area. We recently had a sewer collapse in front of the Catholic Church.

That sewer line is in bad shape and it is part of this project. There is some urgency to get some of these done which went into the timing of getting them done. The worst infrastructure will get done first.

The next information is regarding rates because this is obviously going to cost money. I provided you a document from the Ohio EPA's rate study. Our goal is to stay within the 25th percent tile of sewer rates. The 2016 rates study is the latest one. The 25th percent tile is anything \$465.00 per year or less, Newark is at \$417.00. We are under the 25th percent tile and we will stay under that even with the project rate increase. We have hired a consulting firm to come in and look at our rate structure, future rate and a rate study. We put all of our future rate costs into this study to see where we are going to end up at the end of this project. What came out of this rate study were several choices to get all of these projects paid for in the future. We could wait until year 2025 and have a 5% rate increase on top of a 2.3% rate increase until 2030 which is in the ordinance today. With all of the projects we have going on we have the choice of saying wait until 2025 raise our rate an additional 5% which makes it a 7.3 % increase that year. The approach that we and the administration feels is the best approach is to pass this ordinance now that would increase sewer rate in 2020 by 1%, 2021 1% additional and 2022 .7% additional, so basically a smaller increase over a little bit more time which would have less impact on people overall. What does that 1% mean to the people? If you are a minimum user would mean an extra .13 cents the first year, .13 cents the next year and .08 cents the next year so if you add that up its \$1.26 per minimum user in the year 2023. For a typical household usage is going to see a total of \$2.90 with the rates already in place and that only adds an additional .89 cents to the overall bill per month.

Mr. Blake- why hasn't the commercial or industrial been recommended to be changed?

Roger Loomis- they will change also.

Mr. Blake- when will they change?

Roger Loomis- same time as everybody else, their rates change by the same amount

Mr. Blake- on the second page of the ordinance the commercial class stays the same; the industrial class stays the same.

Roger Loomis- that is the new rate from what it was. Industrial pays less because they pay surcharges.

Mr. Rath- generally speaking how does this affect the industrial users?

Roger Loomis- they will see the 3% increase. We are still lower than most people in the area.

Mr. Lang- just curious about the decision to start in 2020 is it too late to implement in 2019 to spread this out over more years.

Roger Loomis- you could do that, we went back and forth, it is a model. What seemed the best scenario we feel was 1, 1 and .7. it gave people a year's notice that it was coming.

Mr. Lang- what goes out to the consumers when we have rate changes?

Roger Loomis- we put an announcement on the bill

Mr. Blake- what is the resident going to experience when you go in to do the upgrades?

Roger Loomis- us and the Engineering department try to work together on these projects so that when we are going in they can do curbs and sidewalks. We have limited

funding so we try to do as much as we can. The gas company is now putting in gas lines down 4th Street that we are going to be going on so they have worked with us. We are going to have all new utilities downtown.

Mr. Blake- can a person expect when you go in and tear up a street that when you put it back it is going to be improved with sidewalks and curbs?

Roger Loomis- there's no guarantee, but it will be repaved when the work is done. We try to put in curbs at least because that is how they are managing storm water.

Mr. Fraizer- what is the value of doing this now versus 2019 because the first rate change goes into effect in 2020. Is there a possibility that our projections of revenue are augmented in a year so maybe the percentage is less? What is the real value of doing it now versus 2019?

Roger Loomis- the value of the rate increase now?

Mr. Fraizer- yes

Roger Loomis- the real value with now is that we know we can move forward with projects. If these rates are in place we know that it is going to happen. We don't want to spend a lot of money on design work and planning if we don't know things are going to happen. I think that this gives us negotiating leverage with the EPA that says Council and the administration is willing to go forward with this at this pace and the money is there. I think that it gives a real good position to argue with the EPA about extending these times out so that it is more affordable for everybody in the long run.

Motion by Mr. Cost to send to full Council, second by Mr. Bubb

Motion passed by a vote of 5-0.

2. **Resolution No. 18-37** authorizing and directing the Director of Public Service of the City of Newark, Ohio to advertise for bids and enter into a contract, subject to the appropriation of funds, for the off-site disposal of lime sludge from Lagoon #3 at Newark's Water Treatment Plant was considered.

Roger Loomis- this is an ongoing project at the Water Treatment Plant, we have a lime treatment process, and we dry the lines in the lagoons and hire a contractor to clean the lime out. The contractor sells the lime to farmers and we basically pay for the hauling cost. We have delayed a couple of years because we had gotten ahead of where we needed to be but we have to move forward this year because the lagoons are starting to fill up again.

Mr. Rath- I know that we have done this legislation in the past is it necessary to do this legislation every time we want someone to haul the lime away?

Roger Loomis- this is a resolution that allows the Service Director to advertise for bids

Motion by Mr. Bubb to send to full Council, second by Mr. Lang

Motion passed by a vote of 5-0.

3. **Resolution No. 18-38** authorizing and directing the Director of Public Service of the City of Newark, Ohio to apply for, accept and enter into a water pollution control loan fund agreement on behalf of the City of Newark for planning, design and/or construction of wastewater facilities

(interceptor optimization project) and designating a dedicated repayment source for the loan was considered.

Roger Loomis- this is one of the project in our long term control plan. We are putting in three siphons throughout the downtown area, we are putting in a small interceptor to put a couple of pipes together and then we are cleaning some lines and a few minor other things with the CSO's to direct more flow to the Water Treatment Plant. This is a small project but the reason that it has surfaced is because we applied for and got a 0% interest loan to do this work through the Ohio Water Development Authority. The cost to do this is just under 2 million so it obviously is a cost savings to us to do it now. The design work for this project is supposed to be done by the end of this year and bid by December or the first quarter of 2019.

Motion by Mr. Bubb to send to full Council, second by Mr. Bubb

Motion passed by a vote of 5-0.

4. **Ordinance No. 18-13** ranking professional design firms and authorizing the Director of Public Service to negotiate an agreement for architectural services for fire station construction projects was considered.

Director Baum- we want to engage an architect to draw up some plans for consideration of a fire station on the site of the old Baker Center at COTC that would service all of the City of Newark but would help us cut down on the excessive runtimes in that area.

Mr. Blake- I think that it was a few months ago that the Fire Chief came and gave us the reasoning's for having a fire station in that neighborhood just because the response times are high and I think many of us have known that for years. I am curious what the process is, you are coming before Committee tonight with this architectural services what will be the further actions?

Director Baum- should you approve this tonight we will engage with Wachtel McAnally to draw up plans for a fire station. We have preliminary plans for a 5300 foot fire station. Their score sheets are attached to the legislation, we had two submissions. We decided to go with McAnally. Should you approve this tonight as I understand it we will get plans and come to you with a cost and ask you to approve that then I anticipate a bid for a construction company. After that we will clear the land and begin building. We have the site at I would say our disposal; we discussed a long term lease and sale of the land. Where we are on that is the university is going to facilitate whatever we need to do. I understand that the city has to own a piece of property. I believe that they are just going to release the property to us but not until you agree to the funding.

Mr. Rath- is it at all possible that they would give Council a letter of intent stating that if we approve the funding that they will give the city the property?

Director Rhodes- we have a commitment in the form of a lease from them that once we are ready to move forward with Council action they will turn the property over to us for no charge. That commitment is in the lease that we currently have with them.

And the only reason Steve didn't know that was because he wasn't part of that lease.

Mr. Blake- so this tonight is to engage with the architect to get some hard plans and then you will come back and say this is what we want to build and this is the cost of it. How would we pay for this?

Director Baum- on a note. There are PO's that haven't been closed out from the last fire station to the tune of about \$380,000.00 that gives us a head start on the station. One PO for parking lots one for fire stations, I can't buy trucks with this and I can't hire a person with this money.

Mr. Blake- the total estimated cost of something like this is going to be what?

Director Rhodes- I couldn't give you a hard number yet, it will cost more than a million dollars. I hate to give you a number and somebody hold me to it I haven't seen plans. I have a guesstimate of 1 to 1.3 million. There will have to be a revision of plans until the cost is acceptable. It is a how much for how much at this point.

Mr. Rath- if we approve this and we set Wachtel McAnally in motion to come up with a solid design what is the time frame from now to the time we have a relatively firm number of the cost of the building?

Director Rhodes- I can't answer that I would have to ask Wachtel McAnally. I don't know their work load right now, I don't know if they have something in mind and if they are going to work off of the preliminary plans.

Mr. Blake- I think that we all understand the need for that new fire station. We have also heard of staffing needs and equipment needs, what plans are there to staff and equip this new building?

Director Baum- the Chief would be responsible for staffing; I can tell you that part of them would come from station 2 and be moved to station 5 according to what the Chief and I have talked about. The Chief is responsible for staffing so what he decides we will do we will do within reason but he is the Fire Chief for a reason. We put our trust in him, he will decide that plan but what I will say about equipment is we bought 2 squads in 2014, in 2015 we bought 1 squad and in 2017 we took possession of another squad. We bought a pumper truck in 2016; you just authorized the payment for a refurb of another fire truck. We just finished paying for a ladder truck last year. We bought 10 police cars and SUV's, you have authorized us to buy three plain cars and you got an invitation to come to a swearing in on the 21st that brings the fire department back up to 79 people. I think that we are doing pretty good and we will continue to buy equipment as we can and believe me Dave Rhodes will tell you that I am in his ear every other day about buying safety equipment and he is enthusiastically in support of that. As far as a line item I have ideas and I'd like to talk to you about them but we will have to do that at some point, not tonight. I would love to see us dedicate some funding for buying equipment for the Fire Department and the Police Department and I hope that you support me when I do. I also need to buy vehicles for Property Maintenance; they are driving the oldest vehicles. We are hiring and we are buying I don't know what else I can do. I know that it's not enough and it is never fast enough but I think that we are making good progress.

Mr. Fraizer- when it comes to the target for the fire station is it end of 2019?

Director Baum- I am hoping that we are moving people in next year but I have never built a home let alone a building.

Mr. Fraizer- so this year is getting through the funding, the design and the process

Director Baum- I would still hope that they would break ground this year. I don't think 5300 square feet is that big not when the newest one was 20,000.

Motion by Mr. Lang to send to full Council, second by Mr. Bubb

Mr. Blake- with all due respect to Director Baum, it is kind of like what situation do we handle. We know that we have a response time issue in that area of our city and we have this opportunity to build this building, I understand you say that you are hiring people but at the same time I am hearing from the Fire Chief that there is still staffing issues. Taking people from the west end station and put them at this new station is going to stress our staff even further because that 79 number for current stations not adding this additional station. I am not comfortable not having a plan for staffing. I am not comfortable with from what I understand this is going to be a medic unit primarily, is that correct?

Director Baum- I wouldn't say that, I wouldn't want to limit it in its scope.

Mr. Blake- either way there seems to be needs both capital and human resources and I am not clear where we are going with that so to approve architectural services for a new building is like wait a minute we are going to have to borrow to build a new building, we have been doing a lot of borrowing in this city, how much general obligation debt does the city want to do? Could we do it? Yes but should we do it? That is the question I am hesitant about. Even if we go with the low number 1.1 that is still \$600,000.00-700,000.00 we are going to have to borrow for a new building. I am one of the opinion that this is urgent, it seems to be urgent for whatever reason and I don't understand why so I am not going to be supportive of this ordinance for those particular reasons. I do respect everything that is being done but I don't feel comfortable with having the proper staffing and equipment needs to fill the building.

Director Baum- trust me there were long conversations about it long before this was put into place but I am glad the Mayor hired me and trusted me to make these decisions. As far as hiring more people I would love to hire more people but at a rate of \$22,000.00 just for their health care the idea of going above 79 which we will be at on May 21st gives me pause because there is salary on top of that. There are lots of staffing conversations that I am enthusiastically ready to discuss. I think that we are at a point of hiring more full time people is tough I would rather use our people more efficiently and talk about ways to do that before I start talking about throwing more people at it.

Mr. Blake- even retaining these people is what I am concerned about. Where is the Fire Chief at tonight I think this is a topic that he should have been here to either endorse or explain. I understand that you are his supervisor but still his employees are the ones that are going to be directly affected. Where are we retaining our employees within that division because we heard reports a couple of weeks ago about people leaving to go to neighboring communities so are we providing proper wages and benefits to keep people. I'm not going to dispute the numbers that you are throwing out but it is the fact of are we able to keep people and not have the continuous of hiring and firing?

Director Baum- without going through their collective bargaining agreement point by point what I will say is a couple of quick things. You brought up people leaving to go to West Licking and that is the division that is the hot topic right now. City of Newark employee with a married spouse \$62.53 per pay period for health insurance at West Licking it is \$180 a pay. Our guys get about 300 hours of vacation time a year not including Kelly days, West Licking doesn't get Kelly days. Our guys have more time off, the guys at West Licking work a 56 hour week and they get paid for it. If we want to talk about buying those Kelly days and paying our people to work those 56 hours a week and having more people here and in my opinion more effectively using the 79 people on the books I am happy to talk about it. I think that is a fabulous idea but it is just one idea. I get this is just committee and we are getting way out in left field but there are a lot of conversations that I am perfectly happy to have.

Mr. Rath- I appreciate your candidness and your willingness to delve in other areas but we are starting to get out in the weeds. All of those topics are discussion worthy without a doubt I'm not sure that is an applicable topic in this committee.

Mr. Lang- as the representative of the 5th Ward where I think we've got some of the longest response times as demonstrated by the Chief I respectfully disagree that there is absolutely urgency to this matter of getting a fire station closer to the 5th Ward to improve the response times over in the 5th Ward with that I would like to move to question to a vote.

Motion passed by a vote of 4-1 (Blake)

5. **Ordinance No. 18-14** changing the zoning classification of certain real property generally described as 2250 Horns Hill Road, City of Newark, Licking County, Ohio from that of Single Family Residence zoning district to Planned Unit Development zoning district was considered.

Mr. Bubb- regarding Ordinance 18-14 the property owner who is petitioning this even though I have zero interest in this real estate the property owner and I own another business and real estate together therefore I will be abstaining from any conversations and votes on this specific ordinance.

Brian Morehead- the request is for a zoning change to a PUD district from the current single family district. They have submitted a PUD plan for our Planning Commission to review, if you are interested in seeing that it can be provided to you but basically the first step is the ordinance here be read at Council then sent to the Planning Commission just as any other zoning change.

Motion by Mr. Lang to send to full Council, second by Mr. Cost

Motion passed by a vote of 4-0-1 abstention

Jeff Rath, Chair