

Service Committee Minutes

Honorable Council
City of Newark, Ohio
November 24, 2015

There was a meeting of the Service Committee in Council Chambers on Monday November 23, 2015 after the Finance Committee with these members present:

Bill Cost Jr., Chair
Jeff Rath
Jeremy Blake

Ryan Bubb
Alex Rolletta

We wish to Report:

1. **Resolution No. 15-103** authorizing the Director of Public Service to execute a contract for reimbursement of legal representation of indigent persons for calendar year 2016 with the Licking County Board of Commissioners for the City of Newark, Licking County, Ohio was considered.

Director Rhodes- it is a simple contract for 2016 for reimbursement of legal representation for indigent persons.

**Motion by Mr. Bubb to send Resolution No. 15-103 to full Council, second by Mr. Rath
Motion passed by a vote of 5-0.**

2. **Resolution No 15-104** establishing the base rate for the Storm water Utility Service Charge as authorized by Codified Ordinance of the City of Newark, Ohio was considered.

Roger Loomis- we met several months ago regarding several issues around the City and projects that were pending for storm water utility and the question came what is the cost to do those projects and what is it going to take to get them done? What I have before you is a business plan of what it would cost us to do these projects in the Cherry Valley Rd and Buckeye Avenue area. As a disclaimer I want to mention some of those numbers are from 2014, some are projected numbers for 2015, some it is budgeted numbers for 2016 and some of it is looking ahead to numbers in 2017, 2018. We run the Storm Water Utility by a committee and we have monthly meetings to discuss these projects. We decide how much of the Storm Water Utility budget will be devoted to debt and how much is for operation and maintenance. We think at this point and time looking into 2017 we are really at our max where we want to be as a utility concerning

our debt ratio. We have done a lot of great projects around this city with this money and our last rate increase was in 2012. We spend about \$400,000.00 a year and is budgeted every year for small projects around the city we want to get done and will hire a contractor to do. We as a group have decided we don't want to touch that money. We have a good ratio right now and that is where we want to be. We don't at least in my opinion down the road want to have huge increases. I think the number that I have in here is a 2% increase over the next 10 years which I think is doable for a lot of people.

Mr. Rath- what is the difference from a priority 1 Buckeye Ave, priority 7 Buckeye Ave and Cherry Valley Road not having a priority?

Roger Loomis- that came from a report that ADR did for us in the Buckeye Avenue area and they prioritized work that was being done within that area. They had about 40 priorities and we looked at those and decided that these two are the ones that really need to get done. Buckeye Avenue is divided up into a couple of projects. The 5 million dollar project is really Weiant, Idlewilde and Harris Avenue area. Those areas have been a problem for a lot of years. The Buckeye Avenue from 21st to 27th Street, there is a real drainage problem and there are a few homes in that area that is almost to the point of being inhabitable because of the water problems. Cherry Valley Road area is around the Market Basket.

Mr. Rath- you say that the Cherry Valley Road area is from West Main to the State Route 16 intersection. I don't want to stifle that in any way shape or form but I wonder how much money is being spent north of Reddington that might just be for a short period of time, like 2 or 3 years when the Thornwood Drive Intersection comes through?

Roger Loomis- certainly that is a point of discussion that needs to be talked about but I put that in there as a generalized area because we have to take care of that area to run pipes over to that area. Reddington Road is over where Raccoon Creek is and that is where the water is going to be discharged.

Mr. Cost- what kind of general time frame are we looking at?

Roger Loomis- this is a 10 year proposal so probably between the next 6-8 years these things are going to have to start happening and this is a way to get money in place. We collect a little bit and pay for the engineering then that way we don't have to borrow as much.

Mr. Blake- I know that I have been concerned about the amount of debt that we have been accumulating can you go over the last page for us talking about the debt schedule and as debt falls off how this would impact future debt?

Roger Loomis- 1.24 million is what we can afford in debt and we are about at that point now and until that other debt starts falling off we can start these projects so in general that is how we can see that happening. This is a list of our current debt and we are at just under 12 million. I call it debt commitment because that's not completely done yet.

Some of these aren't going to happen until 2016 and 2017. That is how we run the debt and the debt structure in the Water and Waste Water department. We try to avoid large increases so that you budget enough in debt every 20 years. When things start falling off you have money coming back in to do those next projects. Unfortunately with water and storm water utilities we are a continuous construction project.

**Motion by Mr. Bubb to send Resolution No. 15-104 to full Council, second by Mr. Rath
Motion passed by a 5-0 vote.**

Bill Cost Jr, Chair