

Town of Roann

Meeting Minutes

19 June 2013

Call to order

James Francis called to order the special meeting of the **Town of Roann** at **7:00 p.m.** on the **19th day of June** in **Roann Town Hall**.

Roll call

The following persons were present: James Francis, Susan Floor, James Pell, Robert "M" Ferguson Jr., Bruce Shaw, Eric Walsh (Umbaugh) and 2 citizens.

Approval of minutes from last meeting

There were no minutes presented to the Council for approval.

Open issues

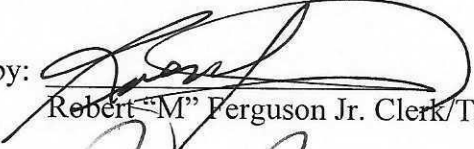
- a) Eric Walsh from Umbaugh was at the meeting to present the finding of Umbaugh to the Town Council. Eric gave each one of the members an outline to show where the town stood in both the water and sewage rate in which the Town of Roann currently charged. It was noted that the Town of Roann had not had an increase in its water since 2002 nor had it had an increase in sewage since 2005. Mr. Walsh started with referring to the comparative schedule of selected financial information from cash transactions in water. Although the numbers over the last 3 years showed our cash was relatively level it was noted that we had not had any significant capital improvements. This was pointed out that for a system our size and 3 years of not needing to do any capital improvement even on a new system would be extraordinary. A recommendation was made that we have at least one year of operating cost in the depreciation fund. Some recommendations in adjustments of the annual cash operating disbursements were not only splitting the utilities for town hall/utility office 3 ways but to also adjust insurance to reflect the areas that were being insured by the town and the utilities. The biggest part of the adjustment came in salaries and wages. This amount would reflect an additional employee to learn and work alongside Bruce Shaw and an additional amount that would bring the pay of the Clerk-Treasurer into a full time position and be comparable to other towns in the state. Eric then went on to talk about the Pro forma Capital Improvement Budget which was projected over the next 5 years. This will be an area that the Council can look at and adjust which will make the rate increase move up and down. The projected amount of operation costs were higher than the annual receipts by about \$28,000.00. The two big decision in moving forward were going to be do we want to do all of the things in the Capital Improvement area which could be discussed with Bruce Shaw on things that could be delayed and did we want to delay hiring a second employee for a couple of years which would change the rate increase for water. One thing that was noted was that our rates have to be set at a Fair, Just and Equitable Rate, this means we have to try to be at a zero cash flow at the end of the year. This would be balanced at the end of a 5 year period. When looking at the comparison of monthly water bills for local and similarly sized communities the Town of Roann was low even when looking at the state as a whole. We were below LaGro,

Andrews, Akron, Van Buren and Etna Green. If we were to implement the rates mentioned in the report we would still come in between Andrews and Akron. Mr. Walsh moved to the Sewer Rate Study. The study showed that we are currently losing money every year. The sewer utility also has a Bond that it must pay every year. The finding shows currently we need \$71,665 a year to operate and with the adjustments we would need \$81,666 a year. Much of the Capital Improvement Budget was split between the water and sewer utilities. In the sewer utility it came to a \$45,700. short fall. When we looked at the Comparison of Monthly Sewer Bills for Local and Similarly Sized communities currently we were between LaGro and Akron on the low side. If we were to implement the rate increase as shown we would then be between Amboy and Etna Green, coming in above Fulton, Macy and Van Buren, but still below Leesburg and Clear Lake. Eric recommended that we put in effect a 5 year program to make it much more manageable for the customers. Susan Floor wanted to know if we could cut the first year increase and put that in the subsequent years. Eric said that would be a feasible solution to a 53% increase in the first year. James Francis thought it was a good idea to make the position of Clerk-Treasurer full time and to do the increase. In the case of an additional employee to make that closer to a \$25,000 a year job. This may limit the candidate pool but we could probably find an apprentice at that price. Bruce Shaw's pay was also visited and we found out the town was on the low side. This would give us a chance to bring Bruce Shaw up to the norm for his position. James Francis also wanted to look at the possibly of getting grants for some of the capital improvements in the study. Eric Walsh will give some names of some grant writers to Robert "M" Ferguson Jr. Eric Walsh also worked on the percent of increase in the first year and spread it over the 5 years. We would still see negative cash flow the first couple of years but we would balance by the end of 2017. This would make it easier on the Town of Roann utility customers. James Francis asked about the possibility of seeking consortium opportunities so that we may purchase things like a truck at a discount. Bruce Shaw told the group the Indiana Alliance was one of those groups and we would be able to partner with them on some items. James Francis liked the idea of moving the percentages around, so not to impact the customers the first year. Because the town has cash on hand, it will make it easier to smooth out the rates and make it easier on the customers. Eric Walsh will email an updated version of the rate finding to Robert "M" Ferguson Jr. and he will then forward those to each one of the Council Members.

Adjournment

Susan Floor made a motion to adjourn. **James Francis** adjourned the meeting at **9:05 pm.**

Minutes respectfully submitted by:


Robert "M" Ferguson Jr. Clerk/Treasurer

Minutes approved by:


James Francis Board President