

**Village of Commercial Point  
Committee of the Whole Minutes  
May 15, 2017**

Mr. Sadler called the meeting to order. Administrative Assistant Baldwin took roll call with the following members present: Mr. Sadler, Mr. Townsend, Mr. O'Neil, Ms. Blevins, and Mr. Laxton. Mr. Geiger was absent. Mayor Joiner was also present.

Mr. Sadler asked if there were any changes or corrections to the April 17, 2017 Council of the Whole Meeting Minutes. No changes or corrections requested. Mr. Townsend motioned for approval, seconded by Mr. Laxton. All in favor, motion passed.

Mayors Report: Mayor Joiner said the police department continues to distribute the Nana & Pap's coupons to kids wearing their bicycle helmets. He said they have two new members of the police department who have been out. He said information was brought to his attention in regard to the Officer killed in Kirkersville. He said one of our police officers made comments to a local newspaper because he was friends with the Chief. He said that issue has been taken care of between himself, Chief Jordan and the Officer. He said another issue that was brought to his issue, someone from council posted comments about having dinner at a local establishment and posted comments regarding the food not being good. He said as direct representation of the leadership in this community, you must be careful of anything posted on Facebook. Mr. Sadler asked if we are sending our officers to bicycle training. Mayor Joiner said yes, however, there are currently no classes available. He said Chief Jordan completed a few training classes. Last week he completed a leadership class and attended the Ohio Police Chief Meeting. He said the block watch meeting went well, approximately 12 people attended. Ms. Blevins said there was also a PTO meeting that night, a few people asked her about it. Mayor Joiner said there is a young man in the village who has some unfortunate circumstances. He said with permission of his mother, the police officers took this young man out for a haircut and purchased him new clothes. Mayor Joiner said they were introduced to him through the juvenile diversion program. He said if we have someone in our area, they will send them to the village to work.

Engineer's Report: Engineer Grosse was not present. Utility Superintendent Thompson was present. He said the waste water plant expansion is out for bid. He said it ends the middle of June. Mr. Sadler asked if there is a price estimate. Utility Superintendent Thomson said no, he does not have a number. He said they received engineering estimates for bringing the line from the new well to the plant. He said they have been interviewing for the position of an additional utility operator. Mr. Sadler asked if it was a FT or PT position. Utility Superintendent Thompson said it was FT.

Additional Items:

- A) Nathan Davis from the Rural Community Assistance Program (RCAP), distributed his report of the water rate analysis. A copy will be attached to approved minutes. He discussed his findings. He said Village Administrator Crego will receive an electronic copy. He complimented Fiscal Officer Hastings and Village Administrator Crego and how easy they were to work with. He said he took a look 3 years back at our expenditures and revenue and came up with a typical year. He said he then forecasted forward what future expenses we need to take into consideration. He said some

**Village of Commercial Point  
Committee of the Whole Minutes  
May 15, 2017**

examples of future cost is the new water tower, aggressive meter replacing, future expansion of water treatment plant, etc. He also included the predicted increase of the customer base. He suggests a 3 ½ % increase each year. He said most of the increase will occur in 2019 and a lot is attributed to the fact that we will take approximately 600 customers that are now being charged the out of corporation rate which is higher, they will be charged the incorporation rate which is lower. He said up until now he did not see we needed an increase, we have done well. He reconfirmed these are just recommendations, it is up to council. Mr. Davis said on the bottom, he gave us a different scale. He said we have a lot of different rates we are charging customers based on meter size and based on them being in the village or out of the village. He said he looked to see if we charged everyone the same for the first 2000 gallons then charge a per thousand-gallon rate after that, what would it need to be for us to produce revenue to cover our expenses. He said we would need to charge \$25 for the first 2000 gallons then charge \$5.80 per thousand-gallon after that. He said it means a typical customer with a ¾ inch tap monthly billed customer using 5000 gallons would be billed \$42.40 water only. He said if you compare this to today and the typical customer is paying \$27.00 water only, that is a significant increase, but everyone will be paying the same amount. He said most communities have one minimum and per thousand rate. He said he recommends if we move forward with the rate recommendation, starting in 2022 we start a 3-3 ½ increase each January. Mr. Sadler asked if most of our residential customers are ¾ inch tap. Utility Superintendent Thompson said correct. Mr. Sadler asked if it is just the business's that need larger. Utility Superintendent Thompson said most of our are 2 inch. He said those taps are made for availability of water, they do not use an excess amount of water. He said in his personal opinion, having all of the meters bill the same, is a horrible idea. Mr. Sadler asked him to share his opinion as to why he feels that way. Utility Superintendent Thompson said, as an example, if we had a lot of large scale meters, we are building the on the capacity of the availability of the water. He said they may have that tap because of something one time of the year or that is how their engineers designed it. He said although we built for the capacity, we would only bill for a minimum amount of water. He said we would not be able to pay for the capacity. Mayor Joiner said the 0-2000 is a good measure for residential strictly. He said it would help the retirees or empty nesters who do not use 5000 gallons. Utility Superintendent Thompson said his opinion is the way we have it laid out with the different size meters is well thought out. Mr. Davis said he does not completely disagree, he just wanted to give an alternative picture. Mr. Sadler asked if we have stats on what % of our users that are using 2000 gallons a month. Mr. Davis said it is not broken down in his document. He said as far as how many have a % of how many use gallons per month, no he does not have that but Fiscal Officer Hastings could be able to produce that. He said he gets the impression that based on the software program, it has a lot of good data but may not have the capacity to generate it into reports that are useful. He said he does not want for speak for Fiscal Officer Hastings. He said he knows the village is going to a new billing software that should be able to. Mr. O'Neil said he does not see the need to have a senior billing rate when it will only save them \$2.00. He said we will lose 3000 gallons and if they happen to use 2001 gallons, it will cost them more than they would have paid if we left it alone. Mr. Davis said every community has a vision of what they want to promote and to develop for the

**Village of Commercial Point  
Committee of the Whole Minutes  
May 15, 2017**

future. He said our water rates is a tool for that. He said RCAP does not recommend having senior citizen discounts because if you charge someone less, someone else if paying more. He said however, that is up to the community rule. Ms. Blevins said looking at the 2000-gallon structure, a family of 3-4 kids is going to be paying considerably more. Mr. Davis said correct. He said as an example a 5000 gallon customer now with a ¾ inch meter, in the village, they pay \$27.00 per month. He said if we go to the new structure, it would be \$42.40. Ms. Blevins confirmed that we would then double for sewer. Village Administrator Crego answered correct. Mr. Sadler asked what is the MHI affordability ? Mr. Davis said they take the typical monthly bill and see what % is the medium of the community household income. He said given the fact that Commercial Point has a medium household income of \$80,000, he provides a % of what they pay towards the water bill. He said the reason they put that in there is, the EPA and funding agencies want to see that if we go for loans or grants, etc. for low interest rate. Mr. O'Neil asked if in all the data, if we go along with the increase he is suggesting, does it show how much additional we would make. Mr. Davis said yes, on the last page of the data he provided, it has a breakdown. Mr. Davis said this does not take into account tap fees. He said it is not an operation revenue. Mr. O'Neil said with the increase he projected, we would only make \$400 additional for the year. Mr. Davis said no, the total revenue in 2016 was \$674,000. In 2017, projected to have revenue from the water rates along of \$679,000.00 and 2018 it goes up to \$714,000.00, ETC. He said this is assuming a 3 ½ % inflation on expenses each year. Mr. Sadler asked if best practices to have an average of the rate for the next five years broken out and assessed, or is it best practice to increase it each year? Mr. Davis said your rates are simply the tool to use to meet your budget and every year you do a budget. It is a forecast of what you will need to maintain the service each year. He said they have done this for us, for the next 5 years. Mr. Sadler asked if he is saying we need to raise the rate each year. Mr. Davis said regardless of his findings, he would still do a 3 ½ % increase each year because of inflation. He said most communities do this. He said a lot of communities who pass this ordinance, if there is a year that comes up where they really don't need the increase, they can waive the ordinance for that year. Mr. O'Neil asked if this study takes into account other areas with a water system. Mr. Davis said he does not do that because everybody's water system and debt situation is different. Mr. O'Neil said he has no doubt about that but that is what this community is going to come back and ask. Mr. Davis said he would be happy to come back and explain it. Mr. O'Neil said this is what they will be asked. Mr. Davis said we are in a situation now where last year we paid out \$95,493.00 in loan payment. He said this next year it is going down to \$54,000.00. He said we must base our revenue on our budget and future expectations. Mr. O'Neil said from what he has seen and knows he does not see a need to raise the water rate. He said if we were having problems and spending a lot of money he could understand it. He said Johnathan does well and he thinks with the money we have we can cover what we need. Village Administrator Crego said we have a relatively new system but the downside is until John Thompson got here it had not had regular maintenance and now we are spending money on tower maintenance for the next 9 years. Mr. Davis said he understands his concern but on page 3 of his finding for the recommendation should answer the questions. He said before Mr. O'Neil takes the stance of no increase, look at the items on the findings. Mr. O'Neil said if we take his

**Village of Commercial Point  
Committee of the Whole Minutes  
May 15, 2017**

recommendation and raise the rates, we might as well light a fire under their chairs because they will make people mad. He said this is his job to question why we are trying to get more money from people. Mayor Joiner said things increase each year. He said they are being a good steward of what they have by doing what is asked of RCAP. He said they are the experts advising the village. Mr. O'Neil said RCAP is the experts on the money, but the council is the experts on the town. Mr. Sadler said someone needs to pay for this. Utility Superintendent John Thompson said he respects the position but before he takes the stance to sit down with the Utility crew to see what needs are on a daily basis. He said looking into the future there is a ton of items that a large amount of money needs to be invested in. He invited anyone who would like to come out and discuss the projects. Mr. O'Neil said he has no problem talking with anyone and his mind is not made up, but no one has come to them and said there is an issue or they are out of money. Mayor Joiner said we are entering into major expansions in the water plant. Mr. O'Neil said looking at some of the numbers, if we raise it a \$1 a month, it will be an additional \$1500 a month and it doesn't seem like we will make a windfall amount of money. Mr. Davis said we are in the fortunate situation now that we are looking at a minimal and gradual increase. He said if we go a few years and not charge them, then 10 years down the road we will have to gauge them with a large increase. He said then everyone will be upset and asking why it wasn't planned early. He said the recommendation now is very minimal, the standard in corporation village customer going from \$27 a month for 5000 gallons to \$28.00 to 2019 \$31.85 then up another \$ .15 in 2020, this is the exact situation we want to be in because it is an increase that isn't noticeable and will help us keep up with inflation. He said if we do nothing we will fall further behind and have to charge them more money. Mr. Sadler said by 2018 our expenses will exceed our revenue if we do not make changes. Mr. O'Neil said he does not see any expenses exceeding our revenue. Mr. Sadler said if we do not make changes we will. Mr. O'Neil said that is not taking into account new customers. Mr. Davis said yes, that is taking into account new customers. Mayor Joiner said that is new expenses and debt. Mr. Davis discussed the numbers in his report regarding projected new customers. Village Administrator Crego said his report is conservative input. He said we expect there will be more but you cannot guarantee it until the customers are online. Mr. Sadler said then there will be a big jump when southern point converts. Village Administrator Crego said if we end up with annexation of Southern Point becoming a part of the village, we will lose approx. 25% of their billing. He said they pay a 35% surcharge and that is revenue lost to the sewer and water department. Mr. Davis said that was taken into account in the recommendation. Village Administrator Crego said it will be a loss of hundreds of thousands of dollars. Mr. O'Neil said that is assuming we will annex Southern Point into the village. Utility Superintendent Thompson said they have to. Village Administrator Crego said they have to, he pulled the plat last week and it says they will annex. Mr. O'Neil said if we want them. Utility Superintendent Thompson said no, they shall sign an annexation petition agreement. Mr. O'Neil asked who signed it. Utility Superintendent Thompson said every person on that plat. Mr. Sadler asked the significance in 2019 of that happening. Mayor Joiner said a lot of things that are centering around 2018-2019 is the completion of the hospital, full maturity for Chestnut Commons, and there are rumors Westport is looking to purchase land adjacent to southern point for additional housing.

**Village of Commercial Point  
Committee of the Whole Minutes  
May 15, 2017**

Village Administrator Crego asked if that is contiguous to Lehman Farms. Mayor Joiner said yes, it is, which will place them in position for the annexation. He said if council sees fit, it will set us up for future endeavors. Mr. O'Neil said that opens a whole new thing, he said council needs to make some changes. He said if southern point is annexed in, we will have to look at money for plowing snow. Utility Superintendent Thompson when the Lehman Farm Annexation is finished, we are one empty field from being contiguous with Southern Point. Village Administrator Crego said it will be devastating to the water and sewer side. Utility Superintendent Thompson said on the general fund side they will receive the income tax. Mr. O'Neil said he believes the surcharge brings in more money than the income tax. Utility Superintendent Thompson said there is no comparison. Mr. Sadler asked how many meter properties we have. Utility Superintendent Thompson said 1504. Mr. Townsend said he heard if we provide them with service and water, they have to be annexed in. Mr. Townsend said what would prevent Westport from buying the land and we provide service to them and them not annexing so we don't touch Southern Point. Village Administrator Crego said we do not have to annex anyone. Mr. Townsend said that would be an easy solution so we would not have to annex Southern Point. Village Administrator Crego agreed we would just have to determine to not annex. Mr. Townsend said we are worried about losing the surcharge. Village Administrator Crego said we have anticipated this and therefore we are studying the rates. He said the general fund will increase to pay for additional officers, road works, etc. Utility Superintendent Thompson said this possible annexation is what drove the water study. Mr. Townsend asked if we do that and don't lose the surcharge, how does it affect the study. Mr. Davis said it will affect it, the study is based on if they do annexation. Utility Superintendent Thompson said we are gaining another water tower that will have to be added to the maintenance contract, and he is not sure of the cost of maintenance to the booster station. Mr. Townsend said he is not opposed to the rate increase, he said we are moving forward. He said but he also doesn't want people to just assume we must annex Southern Point. Village Administrator Crego said according to the plat, at the time it becomes contiguous to Commercial Point, it will be annexed. Mr. Sadler said but it is at councils discretion if we annex them in.

- B) Mr. Sadler said he forwarded the current tax property rates via email to council. He said Fiscal Officer Hastings emailed a sample CRA, which is modeled after Circleville's CRA and Solicitor Hess sent out a blank template modeled after Circleville. He said it is at our discretion but they are being asked to consider the CRA and put it on the property. He said it is then promoted that there are possible tax abatements available defined by the village. He said we stipulate the abatement and how long. Mr. Townsend said he is in favor of it to be competitive and for growth. Mr. O'Neil thinks as the bare minimum we should have in our tool kit. He said if we use it or not is a different story for each application. Mr. Sadler said it almost seems like if it is available its assumed you will get it. Mr. Townsend said that will be up to council. Mr. O'Neil said it may not even be them on council for that time. It would be there for future council. He said if you do not have it available in your toolbox it could hurt future Commercial Point. He said he thinks we should be able to examine each application on a case by case. Mr. Sadler asked if he is open to having the tax abatement and not property tax, assuming we do 100%. Mr. O'Neil verified they will pay it on the based property tax

**Village of Commercial Point  
Committee of the Whole Minutes  
May 15, 2017**

amount not the improvement. He said most of our land in that area is agriculture which pays a small amount of taxes vs industrial. Mr. Laxton asked what will happen is a property is agricultural and re zoned to industrial, what does it do to the property tax? He asked if it makes a big jump in taxes going from agricultural to industrial. Mayor Joiner said the partial of land where Petits is coming in has been zoned B1 since 2004 but has been taxed at agricultural because it hasn't been used. Mr. Laxton confirmed the tax doesn't increase until you put something on it. Mayor Joiner said yes. Village Administrator Crego said zoning and land use are not related. Mr. Townsend said if we do CRA we would still get the tax on the property just not the tax on the building. Mayor Joiner said we would still get the income tax and anything inside the 4 walls. Village Administrator Crego said what you are abating is any new tax. Ms. Blevins confirmed if the abatement is on the building only, we can still collect taxes on the inventory. Mayor Joiner said yes. Mr. Sadler said this is all the property tax, including Teays Valley school tax. Village Administrator Crego said the CRA material said anything involved more than 50% abatement requires school approval. Village Administrator Crego said you give an abatement to industrial, the school receives 0%. He said them not getting property taxes from factories is no big deal especially since the have 1.5% income tax. He said they will get that % on everyone who works there even though they do not live in the district. Mr. O'Neil confirmed, yes they will lose property tax, however they will receive 1.5% income tax off of every person there and they may not even attend the school. Mr. Sadler asked, what is in it for the village? Mr. O'Neil said we will get 1000 jobs. Village Administrator Crego said we ¾% income tax. Mr. Sadler asked if we need that. Mr. Townsend said if we want to grow. Mr. Sadler said he doesn't know if the goal of the government is to grow. Mayor Joiner said the goal of the government is to take care of our constituents that we serve. He said if an industry comes in there are services that have to be such as police, fire and road maintenance. Mr. Sadler said we do not have to do that now. Mayor Joiner said correct but the CRA needs to be in place for when that happens. Mr. Sadler said the CRA is for the benefit of the company. Mayor Joiner said if we do not have it in place, then they will not look at us as a possible venue. This goes into a packet that companies will look at with a check list. Utility Superintendent Thompson said it is basically a scorecard. Mayor Joiner said another part of government is creating an environment people want to come to and bring jobs to help the overall community. He said without the tools in place we are not doing a service to the community. Mr. Sadler asked why can't we do it on a case by case. Mr. Townsend said he understood we must have it in place then you can pick and choose. Mr. Sadler asked if some big company comes in and wants the equivalent of CRA abatement why can't we do it then? Village Administrator Crego said they will not do it that way. Mr. Sadler said we are making it more valuable for the developers. Mr. O'Neil said it makes it more valuable for us. Mr. Sadler asked if we need it. Mr. Townsend asked do we want to grow. Mr. Sadler said he does not know, is it the goal of government. Mr. O'Neil said obviously we want to grow or we would not be annexing Lehman Farms. Mr. Sadler asked if we did not put this in, will they still come. Mayor Joiner said no. Mr. Laxton said business would not, but people probably would so we will still grow. Mayor Joiner said not necessarily. Ms. Blevins said that is we have it in place and do not want to use it, then they won't. She said however if they have it in place and want to use it, then its ready to go. Mayor

**Village of Commercial Point  
Committee of the Whole Minutes  
May 15, 2017**

Joiner said correct. Mr. O'Neil said he was not sure how Grove City worked it but several years ago when you get off at the free way they had on the sign that stated 25-year tax abatement, etc. right on the sign and now there are hundreds of jobs there. Utility Superintendent Thompson said his understanding is all the warehouses at Rickenbacker have the tax abatement. Mr. O'Neil said it would not benefit the village directly but fiber internet could be taken and be another checkmark of the checklist. He said he thinks we should have the ability to do it if we chose. Utility Superintendent Thompson said it doesn't have to be 100%. Mayor Joiner said they have to apply for it. Village Administrator Crego said it must go to a board to review. Mr. O'Neil said if we don't do it we one of few towns who do not. Trustee Struckman said they still need to look at the money the fire department is losing and the number of people they will be taking on. He said we are doubling the size of the village and they are at the bare bones. He said we are asking our residents to subsidize these businesses if they want the fire department to be here and take care of them as they have in the past. He said he has always been against things like this, he feels if someone is coming in they should pay their way. Utility Superintendent Thompson asked how Harrison Township subsidized. Trustee Struckman said they only have about 30 people in the warehouse, but they are talking about a business that could have 1000 people. Mr. O'Neil said he just used that as an example, they do not know how many people yet. Mayor Joiner said from his standpoint and working with council and the township, he would like to sit down and look at the budgets and see how we can help with the fire department and work as a team. Trustee Struckman said they have not found anyone that finds any waste at the fire department. He said we took 147 home which means there are probably 450 additional people to service with no additional income. He said the people of Commercial Point are subsidizing those people. He said he wants to see the fire department stay and people of Scioto Township receive the services they are used to getting. Mayor Joiner said he does not think the Fire Department will go away. Trustee Struckman said there was a time not too long ago it was a possibility. Utility Superintendent Thompson asked what their plan is if nothing happens with the property? Mike said if someone wants to come to the county, the taxes and property is cheaper than across the county line, we have great access to highways. Mayor Joiner said without these things in place we do not have the ability to compete with those places or bring jobs. He said experts are telling us this is what we need. Trustee Struckman said in a sense if we are not giving everyone a tax abatement then we are picking and choosing. Mayor Joiner said that is the beauty of government. Trustee Struckman said that is how the communist do it. Mr. O'Neil, it is one thing to consider because the fire department is important, however, it was stated no one can find waste in the fire department. He said we cannot say this entirely, in his opinion. He said you have the fire chief with a new Tahoe take home car. He said there are things that could be done to save money. He said he isn't suggesting by doing this the township will find an extra million in their budget, but we can't say we can't find a way to do it because we do not have money. Trustee Struckman said it is in his contract, they either provide him the money or a vehicle and the vehicle was cheaper. Mr. Sadler asked if there was any other discussion on the CRA. He said Solicitor Hess has put together a draft to review.

Village of Commercial Point  
Committee of the Whole Minutes  
May 15, 2017

Ms. Blevins motioned to adjourn, Mr. Townsend seconded. All in favor. Meeting adjourned.



David Sadler, President of Council



Wendy Hastings, Fiscal Officer

\*Minutes provided by Paula Baldwin, Administrative Assistant