

Regular Council Meeting  
February 9<sup>th</sup>, 2011

The meeting of the February 9<sup>th</sup>, 2011 Regular Council Meeting was called to order with the Pledge of Allegiance by Mayor Robert C. Bickley.

Roll call: present- Dickman, Fox, Jenkins, Maloney, and Wolf. Kovesdi-absent. Also present- Administrator Bruce Bowie, Fiscal Officer Mary Bruno and Solicitor Vickie Ruffing.

Motion by Fox, seconded by Jenkins to approve the Minutes of the January 26<sup>th</sup>, 2011 Council Meeting. Vote-all yeas, motion carried.

Motion by Dickman, seconded by Fox to approve the Council Bills for February 9<sup>th</sup>, 2011 in the amount of \$ 2,028.35. Vote-all yeas, motion carried.

Motion by Dickman, seconded by Fox to approve the Utility Bills for February 9<sup>th</sup>, 2011 in the amount of \$ 4,256.41. Vote-all yeas, motion carried.

**Citizens Participation** – Randy Rospert was in attendance to inquire about the electric loss, asking also about the purchase of a bucket truck.

Motion by Fox, seconded by Jenkins to approve the updated letter to Village of Milan residents detailing the issues of the electric fund, with semantics' and formatting issues corrected. Vote-all yeas, motion carried. The letter will be attached permanently to the February 9<sup>th</sup>, 2011 minutes.

Victor Mooney spoke to Council saying someone needs to be held accountable.

Mary Basterash stated she attended the January 12<sup>th</sup> meeting and heard about the gross errors that led to the electric department decrease. She said she heard the Fiscal Officer had gone to Council at least 2 times and then took it upon herself to figure where the loss may have been. The Fiscal Officer had never done the PPC before, and went to the basement to look through old files to find the basic formula as done in 1997 to learn how to figure the PPC. She asked the Fiscal Officer if that was a true statement and the Fiscal Office said it was. Basterash then asked Council President Fox hypothetically what would have happened to the Fiscal Officer had she lost only \$50,000.00 and told Council she had lost that sum of money. Council President Fox said she would have been relieved of her job.

Sue Mills asked Council how residents on fixed incomes would be able to afford their bills, including those with health issues. She also said she is being run out of Milan.

Lee Jennings said his increase this month was 26% total kWh use.

Shirley Jennings asked why this went on for 31 months. The Fiscal Officer said she has an e-mail from August 2009 sent to then- Council President Jenkins about the electric consumption, and would have at that time also spoken to the Mayor and Administrator. She continued by telling the audience her work is audited by the State of Ohio and her work was all correct. Because it was money that was not collect, she had no indication what the problems would have been, therefore, it was hard to find the cause(s). The Fiscal Officer stated she found a large error in November 2009, and thought she had found the problem, and reported it. In February 2010, the Administrator sent her an e-mail stating he was sending her the latest version of his PPC spreadsheet, but he didn't know what she was looking for now. She said she went through the 10 pages spreadsheet cell by cell and found all the errors, and contacted John Courtney to help with the PPC. She also said Council Person Maloney was aware of the declining balance and the Fiscal Officer told him many times she was looking for the problem, but knew definitely it was not in her work. Jennings asked who was responsible for using the correct PPC on the computer and was told it was the Administrator. Jennings asked why someone who made such large mistakes is still on the payroll, and the residents are paying the price. The Fiscal Officer stated while beginning to look at the PPC spreadsheet, she was not even sure that was where the problem(s) were.

Mark Crumrine wondered how long it would take to recover with this new formula. The Fiscal Officer said it was not a new formula; it was now a correct one. She said she felt it could be 5 years before the fund was comfortable again. She said due to the new bucket truck appropriated, the first two years of surplus would mainly be for the truck.

Darrell Maines asked about the multiplier and where it came from. The Fiscal Officer explained it was a 4-month average of power bills to Amp, with the operating margin, which is the appropriations less the purchase power cost, divided by 12 months, minus the income received divided by the kWh. He stated it didn't make sense for him to subsidize the Village while being in the township, when he could go to Ohio Edison. The Administrator stated it goes to the rate structure.

Jack Wahl from Milan Township said he has been analyzing his bills for 3 years, and wanted to know how the Village could come up with such low numbers in 2010. He asked how much the rates were going to fluctuate.

Fernando Ybarra asked if Err and Omission Insurance would cover the errors, and was told since the Village will be rebuilding the fund, then money isn't actually lost. He also asked about the default on the covenant agreements to AMP. It was stressed the Village defaulted on loan covenants, not the actual loans. This will affect the Village's ability to participate in other projects that AMP may be involved with, hypothetically, and cheaper power. Coverage was not met in 2008 and 2009, and more likely than not, won't meet the requirements for 2010. A waiver letter can be signed asking permission of other AMP participants to allow the Village to not meet the requirements. On the third year, the Village will not be permitted to participate in future projects until coverage is back to the 110%.

Tom and Nancy Gfell were at the meeting as concerned citizens.

Linda Burch also expressed concern about residents on a limited income. She said her main question was why no one is being held accountable for the errors. She directed her questions to the Administrator. Bowie stated the Administrator prior to himself, cancelled the contract with John Courtney. When Bowie started the job he developed a spreadsheet. He said the J Arons was the first error he made. He said when Bruno found the \$8,000.00 a month error; it was corrected, but incorrectly corrected. Bowie said the bottom line is when Bruno found the errors he had made they were corrected. Bowie said he did the spreadsheet every month and taught the utility clerks to do it. He said that was his checks and balances, but they were using his spreadsheet, therefore all errors carried through.

The Fiscal Officer stated again she did go the former Council President in August 2009, and although she knew it wasn't her error or her job, she knew she needed to find what was wrong and she stated she would have suffered the consequence.

Burch asked what will happen to the residents that are unable to pay. She said residents weren't given the option to cut back as they were not warned what was coming. She again stated there needs to be some accountability. Burch said she understood if the bucket truck doesn't pass inspection the Village cannot use it, but if it does pass, why would the Village need to budget for another truck? The Administrator said during a break in Columbus today he was talking to Mr. Courtney and someone else, that Courtney or someone else stated at that point, Bowie then stated he took that back he was with the electric superintendent and the superintendent of Clyde in the car on the way to Columbus and the truck came up. Bowie said he believed it was Dennis from Clyde who mentioned that once the truck is 25 years old and is inspected and passes it is still viable to use. It is only when it doesn't pass it can't be used. Bowie continued, in theory, the Village could go past 2012 if it passes inspection.

Burch wanted to know what could be done to those who cannot pay. The Administrator told the audience of the current policy Burch asked who was on the Utility Committee and was told Kovesdi and Dickman.

Dan Rood, who owns the property that Tranquility Spa is in, said he has a very good tenant who he reduced rent so she could make ends meet, it now going to be back in the same situation, and he will lose a good tenant. He also said with the electric the way it is, no one will want to come to the Village to live.

Barb Barone expressed concern over prices for the next 5 years.

The Fiscal Officer and Solicitor explained the Village is not rebilling residents for past months. A component has been adjusted to collect the necessary revenue. The current expenses were not being met before due to the miscalculation, and the residents are not being re-billed.

It was again clarified the Village is not going back to collect the \$500,000.00 loss due to under billings due to the calculations errors by the Administrator.

Dick Adams said his bill went up 50%, and is on limited income. He said before he purchased his home in Milan, he did his homework, checking for insulation to plan ahead.

Dan Imus also asked how residents on a fixed income will handle this.

Many residents inquired if the Village was locked into AMP or if there were other options available. Some felt it was time to give another supplier a shot.

Mary Basterash asked Bowie how he was doing the PPC the entire 5 years he has been here and was told on the computer as a spreadsheet. The Fiscal Office said she had never seen a spreadsheet until she asked for one to see if that's where the problem(s) were.

David Berckmueller asked if public utilities would purchase the Village electric.

Wolf told the audience Council has not had time to review what needs to be done. She said she would give her salary from Council for the rest of the year if that is what the residents want. Wolf stated it took the Fiscal Officer months to figure out what was wrong, there was no way to figure out was going on. She asked the residents what they wanted Council to do.

Fernando Ybarra stated Council should have been better prepared for tonight.

Ybarra asked Council if any progress has been made on the petitions that were turned into Council at the last meeting. Erie Regional Planning has a mediator available for private property owners, free of charge. Ybarra informed Council the garbage will now be on the front sidewalk of the Front Street on the Square property owners, due to no access in the back. The Mayor stated there is an option but it is a civil thing and Ybarra has not replied to the request that was sent as an alternative. Ybarra stated Council he was not here for any civil matter, only the access problem.

## **OLD COMMITTEE BUSINESS**

**Streets, Sidewalks and Storms Sewers-**The damage due to the weather on Swan Street will be looked at by Richland Engineering.

There are many small repairs that will need to be done to Village streets this year.

**Safety-**None

**Finance-**None

**Regional Planning, Building Codes & Inspection-** Alex MacNichol, director of Erie Regional Planning retired last month.

The Invention Restaurant approached the Zoning Inspector about placing a large banner on an exterior wall. It was felt it should be handled like a wall sign.

**Utilities-**The Village will receive \$35,000.00 from the sale of REC's.

**Civic Contact and Historical Preservation-**Richard Maloney will now be on the Finance Committee in place of Lois Wolf, while Wolf will be on Civic Contact and Historic Preservation.

**Parks and Trees**-None

**NEW COMMITTEE BUSINESS**

**Streets, Sidewalks and Storm Sewers**-None

**Finance**-None

**Regional Planning, Building Codes & Inspection**-None

**Utilities**- Motion by Wolf, seconded by Fox to invite AMP and John Courtney to a special meeting to discuss electric. Vote-all yeas, motion carried.

It was discussed, even if the Village chose to look at another source for electric, the debts to AMP would still be the Village's responsibility.

It was recommended if the Village chooses to not go with another supplier, it would be necessary to explain the reasons why.

The Waste Plant ordered a replacement 10" valve and mechanical operator for the #4 filter drain line.

The Fiscal Officer does not feel at this time a budget in the electric department would work. She felt it wouldn't work with the expenses higher than revenues.

**Civic Contact and Historical Preservation**-None

**Parks and Trees**- None

**UNFINISHED BUSINESS**

A telephone conference with Johns Manville was held for a potential temporary power supply to the factory during electric system renovations. The tax abatement will be discussed with Johns Manville's new Director of Finance.

Motion by Jenkins, seconded by Fox to excuse Kovesdi from tonight's Council Meeting. Vote-all yeas, motion carried.

Motion by Dickman, seconded by Fox to adjourn. Vote-all yeas, motion carried.

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Mayor Robert C. Bickley

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Fiscal Officer Mary Bruno