

GROVE CITY PUBLIC HEARING

OCTOBER 7, 2015

ALL MEMBERS PRESENT

The Mayor called the meeting to order. Brian Bollig with Bollig Engineering talked about the proposed infrastructure improvements the City is planning on implementing. He started by explaining to those in attendance that the current mechanical plant is about 60 years old and vastly deteriorating. They did many samples of the soil around the sewer plant and there is waste water seeping into the soil around the oxidation ditch. There are more than 60 cracks within the oxidation structure as well. It needs replacement and can't be repaired. Our wastewater permit needs renewal and with the renewal there are new standards that need to be met. The current plant is incapable of treating the sewage.

Brian explained to the visitors the four options they had to look at in order to meet the requirements to obtain funding from Rural Development. One option is to build a brand new mechanical plant, the second is to engage in regionalization (pump the sewage) with the City of Litchfield (pumping to Atwater was looked into as well), the third is to build stabilization ponds (a three cell system) and the fourth is to do nothing.

Rural Development will fund up to a certain dollar amount and require that the City sets a certain dollar amount aside for operation and maintenance costs along with keeping a reserve fund for short-lived assets that will be needed over time and some dollars left over to pay down the debt. The stabilization ponds will require the most capital up front (about \$6.4M) but over time the operation and maintenance of this system is significantly less per year (about \$55K) than any of the other options. Besides needing a new sanitary sewer system, Bollig looked at what other needs the City of Grove City has as far as its wastewater collections, drinking water distribution and streets.

There is excessive inflow of water into the system. Within the city, 70% of the sanitary sewer pipes are poor and 50% of its drinking water pipes are poor. Moving the water mains from highway 12 into the alley behind the businesses was part of the upcoming sanitary sewer project. About 80% of the streets in town are in very poor condition. The total cost for the project will be around \$12.7M (\$9.9M for wastewater, \$1.6M for drinking water and \$1.2M for non-eligible streets).

The funding package from Rural Development which includes grant money from the federal gov't, state gov't and a small cities grant is broken out in the following: Wastewater cost of \$9.9M (of which \$5.9M will come from grants), drinking water cost of \$1.6M (of which \$.08M will come from grants) and streets of \$1.2M (of which nothing will come from grants). The remaining balance will require a \$4.8M loan through Rural Development and the \$1.2M for additional street work could come from special assessments.

David Drown, the financial advisor hired by the City Council, talked about the three ways the loan regarding the new sanitary sewer and street project will get funded; increases to utility rates, increase in property taxes and through special assessments. In order to determine what the affordability rate is for households in Grove City, they use the median household income which is \$42,400. This amount times 1.5% calculates out to what people should be paying for their water and sewer. The average bill for sewer per month right now is around \$39 and the average bill for water per month right now is \$42. The proposed bill for sewer is \$53 which will mean an increase of around \$14 per month and for water

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the proposed bill will be \$54 which will mean an increase of around \$12 per month. The City will be looking into how to phase in these increases over the next several years starting in January of 2016.

The plan is to start the project in the spring of 2016 and finish in the fall of 2017. The special assessments will not go on the property tax statements until 2018. Everyone will be assessed \$1,000 for the sanitary sewer portion of the project. The residents who live on the street where the solid magenta lines are on the map will pay a \$4,000 assessment per parcel because the street will be fully reconstructed. There are several areas around the town which are bubbled and labeled by a letter where there is a bad sewer pipe and the road will only have a ten foot section repair to it unless the people living in that area can get more than half of their neighbors to agree to a \$4,000 assessment and then the street will be full-reconstructed. If the people living on a street within the bubbled areas are willing to have just a ten foot section patch repair done on their road, they will have no assessment.

Options for paying the special assessments are: In the fall of 2017 you will have 30 days to pay in full or in 2018 it can be collected along with your property tax over 15-20 years. This assessment will be \$4,000 plus interest at a rate of usually around 1% more than what the City will have to pay. The rate might be around 4.5%.

If you have a corner lot, you will only be assessed one time. The areas in magenta on the map will have new curb and gutter along with the fully reconstructed street. The areas within the bubbles will not have curb and gutter because the current curb and gutter is in good condition (this will save money). If a street does not have curb and gutter at this time it will not be included in the street repair. Vacant lots can have their assessments deferred until the lot is sold or something is built on the lot. Councilmember Peterka informed people with empty lots that had no water or sewer hook-up, if the lot was unbuildable, there would be no assessment.

The extremely poor condition that Axel Avenue West off of Highway 4 up to 4th Street was discussed and people were told that the Council is looking into options on how to fix that street. There are no pipes underneath to be replaced. The road should not need a full reconstruction. Brian from Bollig told the crowd that one option would be to chew up the existing road and reuse the material for base and then do an overlay.

People who are run their sump pumps into their basements which accounts for thousands of gallons of water being treated that should not be treated it costing the City money. There is a City ordinance which does not allow for this but the ordinance has not been enforced. The Council told people that it was going to be enforced. The City employees will be doing inspections.

Section C of the map contains most of Second Street north and south. This section of town has a good water line but the sewer line needs to be replaced. Rural Development will only replace a ten foot section of this street down the middle. The question posed to people who live on Second Street is whether or not they want to have the entire street reconstructed. If they are willing to pay the additional \$4,000 special assessment costs, they too will have a fully reconstructed street. There will be a petition form at the City Clerk's office for people to sign. If more than half of the people living within this section sign the petition, then the street will get fully reconstructed.

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The City Council has the right to change the project or make changes to the project. If they do, regardless of petitions coming in with more than have of the people signing, a notice will go out to the people living within the section of change and a notice will go out in the paper.

Some people may be allowed to defer their special assessments. Whether or not the deferred assessment will accrue with interest or not is a decision the Council will need to make.

A motion was made by adjourn the meeting by Councilmember Peterka and seconded by Councilmember Walthers. Motion carried.

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