



🏠 Location: 1 Benjamin Franklin Way
📅 Date: Thursday, October 21, 2021
🕒 Time: 5:00 PM

PUBLIC WORKS & UTILITIES COMMITTEE CLERK'S JOURNAL

PUBLIC WORKS & UTILITIES COMMITTEE

Matt Wilcher, Chairman
Denny Centers
Paul Ruppert

CITY STAFF

Jonathan Westendorf, City Manager
Karisa Steed, Assistant to the City Manager
Barry Conway, City Engineer
Cindy Ryan, Finance Director
Steve Inman, Public Works Director
Ben Yoder, Law Director
Khristi Dunn, Clerk of Council

Members of the Franklin City Council Public Works & Utilities Committee met in regular session on Thursday, October 21, 2021 at 5:00 PM at the City Building located at 1 Benjamin Franklin Way, Franklin, Ohio 45005.

- 1. Call to Order.** Chairman Wilcher called the meeting to order at 5:00 PM.
- 2. Roll Call.** Chairman Wilcher, Mr. Centers and Mr. Ruppert were in attendance as well as Mr. Westendorf, Mr. Inman, Mr. Conway and Ms. Ryan.
- 3. Sewer Fund Discussion.** Staff updated the Committee on challenges occurring with the sewer fund. There is an industrial user who has not paid since February 2021. The company is facing challenges from the pandemic and post pandemic recovery in international shipping. Staff met with company and are actively working with them to provide resources to help keep them in business. While they recover, staff is formulating a plan moving forward that does not rely on their back payments being made. Mr. Inman reported that the sewer fund has been struggling since 2018. Long term, the City needs to prepare for a sewer plant expansion at the cost of six to seven million dollars and possibly operation costs of said plant.
Franklin Wastewater Treatment Corporation is composed of Warren County, Franklin, Carlisle, and Germantown. Franklin owns the facility, but it is ran by a private contractor who is making a profit. Franklin pays the FWTC for their services. Expansion by private contractor is not as cost effective compared to government funding available.
The sewer fund has lost \$498,000 since 2018. The loss is mainly two fold; the City lost a company because FWTC reported they could not handle the type/volume of waste. This was a loss of \$250,000 year. Another \$150,000 was lost due to a closed business. The amount being paid to FWTC has increased \$480,000 since 2018.
The City paid 2.17 million to FWTC in 2021 which is 95% of the sewer fund budget. The labor cost was spread over other funds to help alleviate the burden. The sewer fund is consistently operating at a loss.

Mr. Inman reported that the City is paying more to FWTC while income and flow is going down. This is due to a set operating cost of the plant. Entities pay by percentage of usage, not actual usage. The current contract with FWTC is through 2026.

Mr. Centers asked about a sewer rate increase that was passed and set to take place in January. Mr. Inman confirmed that a 7% increase was scheduled for January 2022.

Mr. Centers serves on the FWTC board and reported that the Wastewater plant is operating well but is planning for an expansion soon due to increased subdivisions in the service areas. The FWTC is considering changing back to a government entity with the option of Franklin or Warren County taking control of operations. Current operations are approximately 70% capacity.

Mr. Wilcher asked what the advantages would be for the City to operate the plant versus allowing Warren County to take over. Mr. Inman replied that there would be some profit for the City to operate the system.

Mr. Westendorf wanted the committee to understand the status of the fund and understand the upcoming issues. He also wanted to make them aware of the default issue and share that another default could put the fund in serious jeopardy. An increase in the sewer rate may be necessary. Mr. Centers would like to ensure the City works with the company in default to help them stay in business as losing them would also be bad for the fund. Staff agrees.

The increase in sewer rates scheduled for January 2022 is \$1.11 and the COLA will increase the rate again in March. The Committee proposed adding a slight increase to avoid a large increase all at once. They decided to raise the rate \$1.50 in addition to the upcoming increases. Mr. Wilcher asked to see neighboring rates for comparison. He also asked if there was any aid available from the state or federal relief funds to help the company who has defaulted. Mr. Westendorf is looking into this already.

Mr. Centers made a motion to add a \$1.50 increase to the currently planned \$1.11 January increase for the sewer rate due to COVID issues, seconded by Mr. Ruppert. Mr. Wilcher called for a voice vote and by voice vote the motion passed 3-0.

4. Adjourn. Mr. Ruppert made the motion, seconded by Mr. Centers. The motion passed 3-0 and the meeting adjourned at approximately 5:58 PM.

Matt Wilcher, Chair