

Board of Municipal Utilities
Work Session Minutes
May 2, 2017
201 Miller Road
Avon Lake, Ohio

The work session was called to order at 6:01 PM.

Present: Mr. Dzwonczyk, Mr. Phillips, Mr. Rickey, and Mr. Rush.

Also present: CUE Danielson, WPCC Manager Baytos (arrived at 6:10 PM), Engineering Services Manager Gaydar, Mayor Zilka, Councilmember Fenderbosch, Finance Director Presley, and Anthony Abram.

Finance Director Steve Presley speaks with members about the reassessment of the bond ratings by Moody's, indicating it will not have an observable effect on the City. He stressed that Moody's looked at a snapshot in time (12/31/15—the last available audited financial information). Upon questioning by members, he indicated the change in rating would not affect either Avon Lake Regional Water or the City moving forward on the 45s' combined sewer separation so long as the low-interest state revolving loan is still available. The CUE noted that OEPA views us very favorably and wants to assist with funding projects.

The chairman noted that failing infrastructure is an un-booked liability that could lead to catastrophe; and the Board's approach is to address infrastructure liabilities, which is leading to prudent investments, especially when we are able to get such attractive interest rates. Our rate increases will help stabilize the bond rating, especially because it includes a sinking fund to help prepare us for future renewal and replacement projects.

Under "Other Business," Member Rush commented that Board pay had been increased a few years ago to equal the minimum pay that would be fully credited by OPERS. However, because OPERS minimums increased, Board pay had fallen behind again. The chairman commented that the intention was for Board pay to keep up with the OPERS minimums and asked the CUE to provide information to the Board by when would any requests to Council be made.

The work session adjourned at 6:31 PM.

Approved May 16, 2017

John G. Dzwonczyk, Chairman

Todd A. Danielson, Clerk