

A special meeting of the Leslie City Council was held at 7:00 pm on Tuesday, March 31, 2015 at Leslie City Hall, 107 E. Bellevue Street, with Mayor Zamora presiding.

PRESENT: Councilmembers Pamela Beegle, Derek Flory, Randy Fox, Alison Morrison, Shelly Motes, Jennifer Shuster, and Mayor Pete Zamora.

ABSENT: None.

ALSO PRESENT: City Manager Brian Reed, City Clerk Denae Davenport, Deputy Clerk/Treasurer Carrie Fancher-Howe and Tom Traciak with H.J. Umbaugh & Assoc.

Mayor Zamora led those present in the Pledge of Allegiance.

**PURPOSE OF THIS MEETING: Conduct a Water Rates Workshop
 City Manager Discussion**

WATER RATES WORKSHOP

Tom Traciak began by explaining the current REU (residential equivalent unit) rate system for water and sewer. REU rates are based on many different averages National, Statewide, and sometimes local averages are used. It is an imperfect way to set rates. Without meters REU's are the best guess at an average household rate. Traciak provided a sample rate sheet with the proposed RTS fee and commodity rates and provided some comparisons based on current charges and the proposed rates. Traciak has been collecting data on the city's system for more than a year and has presented rates based on this study.

Charging customers by volume is widely perceived as fair and equitable. It is standard in the industry to charge a base fee or RTS (ready to serve) fee which covers the fixed costs to the system. If there is no water used by anyone in the system for months on end, there will still be costs to maintain the system. There will be a RTS fee plus a commodity charge. Multi residential units will have for each unit a RTS fee plus the overall commodity charge for the structure rather than 1 RTS for each tap in. example: a multi residential apartment building with 14 apartments will be charged 14 RTS with 1 commodity charge all on one bill. The owner will have to decide how to divide the costs and pass it along to the tenants.

Traciak suggested to review the rates again in 3-5 years. Shuster stated that she would like to look at the rates again in one year. Reed responded that they will be reviewed each year at budget time with a more formal look at it in 3-5 years.

Traciak agrees with the idea of sending out an educational piece about the process in combination with the sample bill that will be sent to customers.

CITY MANAGER DISCUSSION

Councilmembers received earlier notice from Manager Reed of his intention to leave the employment of the City of Leslie as he has accepted the Manager's position with Delta Township, Michigan. Manager Reed stated that his last day with the city will be May 22, 2015. Reed provided options for search groups to assist with hiring and the option of hiring an interim manager. Shuster expressed that she would like to post the position and see what type of response we receive and hold off on using a service for now. Flory asked if we will post this to Michigan Works site. Zamora would like to see the posting in the Jackson and Lansing newspapers.

Reed reported that he has put together a transition plan.

ADJOURN

Motion Fox, second Motes to adjourn meeting. All ayes. Motion carried. Meeting adjourned at 8:50 PM.

Respectfully submitted,

Denae Davenport
Leslie City Clerk