

City of Elk Run Heights
Regular Council Meeting
Located at Eddis Winstead Council Chambers
March 30, 2021 - 6:00 p.m.

Mayor Lundy called the meeting to order at 6:00 pm. All present recited the Pledge of Allegiance. Roll call of Council Members: Present–Ratchford, Wilson, Bass, Sallis, and Smock. Quorum present.

Wilson/Ratchford to approve of the March 30, 2021 Agenda. Ayes-Five. Motion carried.

Discussion: Sewer and Garbage rate increases: City Clerk Eastman began with the garbage rate increase stating this fund has been in a deficit for many years and needs to be raised to cover the expenses. Eastman explained by taking the budgeted amount expended verses the budgeted amount received and there was a difference of (\$2,063.00) plus the required reserve amount of \$8,000.00 equaling a shortage of (\$10,063.00). By dividing this amount by 12 and then dividing it by the number of billed residences of 476 there will be an increase of \$1.77 per month; thus, raising the rate from \$11.48 per month to \$13.25 per month. Mayor Lundy verified with Eastman there was funds transferred for this fiscal year to cover any deficits. Eastman stated yes.

Mayor Lundy mentioned the Rescue Act and the potential of receiving funds. Council spoke of potential uses of the monies mentioning possibly putting toward the deficit in the sewer fund. City Clerk Eastman stated the way the Act read to her was that the funds needed to be applied to the infrastructure of the water, sewer or broadband and not just to cover over expenditures. Councilor Ratchford disagreed and added it would be beneficial to the residents to add the funds to the Sewer Fund, which could possibly prevent an increase in rates. Eastman stated it could possibly hold off a rate increase for a year or two, but it would still need to be done. Ratchford responded by doing this they may only have to raise the rates half the amount this year and the other half next year. Councilor Wilson countered by stating that could confuse the residents more. Wilson added there should be something in the upcoming newsletter to give everyone advanced notice of the rate increases and why. Councilor Smock pointed out the utility funds are all supposed to be self-funded. Which means they are supported by the utility payments and as of date they are not. Eastman added it is recommended to have a 3% increase yearly.

As conversations continued it was agreed the rates should only be based off of the fixed expenses, and this could possibly make a difference in the rate increase as well. City Clerk Eastman was asked to provide Council with the exact amount budgeted in FY22 for projects. In addition, Eastman stated there will be a presentation at the next meeting from an associate at Midwest Assistance Program to go over the results of a rate study done on the water and sewer accounts. At that time there will be options provided for rate increases and billing possibilities. The option of billing monthly was discussed as an option to break up the payments to possibly make the transition easier for some residents. Mayor Lundy stated this would help get us the funds sooner, helping keep accounts balanced more accurately.

Ratchford/Wilson to adjourn at 6:45 p.m. Ayes-Five. Motion carried.

Attest:

Kristi Lundy, Mayor

Julie Eastman, City Clerk