

Wilmington City Council met on Thursday, August 2, 2012, with President Scott Kirchner presiding.

Call to Order

Roll Call: Jaehnig, present; Wells, present; Stuckert, present; Wallace, present; Mead, present; Siebenaller, present; McKay, present.

Assistant Chief Weyand was also present.

Pledge of Allegiance

Council gave the Pledge of Allegiance to the flag.

President of Council asked cell phones to be set to silent mode.

President of Council

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last regular meeting, July 19, as received.

Motion passed.

Minutes approved as received.

President Kirchner: Second item tonight is the first of two public hearings on the electric power aggregation plan for Wilmington City. And as many of you have read in the paper, we are moving forward with aggregation based on legislation that was passed in 2003, a benefit that we think we can bring to the public. So, at this time, I will open the public hearing on the City of Wilmington's – let me say it right – Electric Power Aggregation Plan of Operation and Governance.

President of Council opened the public hearing on energy aggregation.

With us tonight, we have Bill Bradish from Palmer Energy, who is working with the County Commissioner's Association of Ohio. And I will invite him up here to give a brief overview of electric aggregation just as a basis for the discussion. Bill, if you would like to come up to the podium, state your name address for the record, please.

Bill Bradish: I'm Bill Bradish with Palmer Energy from Toledo, Ohio. And Palmer Energy is a consulting company. We are not a supplier of energy. We are the consultants for the County Commissioner's Association for the entire State of Ohio. This is the program that we're putting forth here is under the auspices of the County Commissioner's Association program. It's a means of putting you together with other entities, municipalities, and counties to obtain the best electric rates for the residents of the City of Wilmington. This can be done through Ohio Code. It's been in existence for a little over ten years, and it involves any reduced rates on what is called the generation portion of our electric bills. The electric bills basically have two basic sections. They are generation, which is the actual electricity, and the other side is the distribution and transportation, which is in simple terms the lines and poles. We're talking about the generation side, which normally represents about 50 percent of our bills. What has happened, you've already passed this on the ballot to your community. The next process is to hold public hearings to discuss it, and then the county will become certified to conduct the aggregation and we will go through an opt out process. An opt out process is simply a supplier will be selected through a proposal process, and once the supplier is selected and the county certified, then the supplier will send letters to every eligible meter in the city, and it will explain what the rates and terms are, and it will tell you that you are automatically in. You need not do anything. If you would rather not be in, which you're perfectly welcome to do so, there's a box to mark, I opt out and I do not wish to participate. So, the bottom line is it's something that's available to achieve reduced rates. You don't have to participate. You don't have to sign up, but it's there for your choosing. That's the basic outline. I'd like to open it up to questions. Yes, sir.

Paul Fear: Will you define eligible?

Bill Bradish: Sure. Eligible would be defined as... everyone is eligible as long as you're being supplied in this area by Dayton Power and Light. Whether you receive a mailing or not is dictated on a couple things. You may not receive a mailing if you have signed up under contract with anyone at the current time. The database will show you're under contract. You will not receive a letter. It does not mean you can't participate. When you know that the letters are out, you can call and ask to opt in at that time. But I would caution you to take a look at whatever your cancellation fees are for your current contract compared against the savings that you may achieve, and make sure it makes sense for you. If it may not make sense, you may wait until your current contract expires, and then you can opt in. You can opt in free of charge at any time. Yes, ma'am.

Carole Erdman: I assume you've done this in other communities.

Bill Bradish: Yes.

Carole Erdman: And just earlier, you have mentioned that there would be a savings.

Bill Bradish: Uh-huh.

Carole Erdman: Very likely would be a savings...right?

Bill Bradish: Uh-huh.

Carole Erdman: Can you tell me in these other communities, what percentage of savings do they really see on their bills?

Bill Bradish: We have seen recently in members in similar communities that passed last fall, they're realizing 30 percent savings on their generation costs.

Paul Hunter: And what portion of that is the bill?

Bill Bradish: About 50 percent, as I explained, about 50 percent of your bill.

Paul Hunter: Thirty percent of 50 percent?

Bill Bradish: Yes, 30 percent of 50 percent. Yes, sir.

Keith Gerritz: When would this – assuming it passed, when would this go into effect at its earliest?

Bill Bradish: It has passed. So, it will proceed.

Keith Gerritz: No question?

Bill Bradish: That's correct.

Keith Gerritz: Okay.

Bill Bradish: That's correct. It passed in 2003, okay. The reason it's taken this long, really up until recently, the competitive activity wasn't there. There wasn't a lot of savings to be had, if you will. That's why the city and the county has started the proceedings now because there are savings out there, and it makes sense. To answer your question, this is even from now, it's still about a four to five-month process. The letters in my estimation on the time frame right now, the letters for opting out probably would come out in October in my estimation. And if everything goes right, I expect that the savings flow could be by December is what we're looking at right now. Yes, sir.

Dick Unger: Level billing?

Bill Bradish: Level billing is the other issue. It is not – level billing cannot happen on this program, and that's a yes and no answer. Level billing for your entire bill cannot

happen. It can continue to happen for the portion of your bill that is transportation and distribution. A little confusing, but if you want to be in the program and have some degree of level billing, you can have that level billing on the distribution and transportation side. The other side would be billed as used. If you want to continue level billing for your entire bill, and that's an issue, I understand that, you would want to opt out of the program.

Dick Unger: What about power outages? Does this affect any type of power outages?

Bill Bradish: No matter what happens, DP&L will be responsible for your service outages. They stay on the lines and poles in the area. They would still do that. And no matter what happens, you would still receive only one bill from DP&L. The generation portion of the bill would show you a savings from whomever was providing that savings.

Dick Unger: So, just one bill –

Bill Bradish: Yes, sir.

Dick Unger: – whether you're on or off?

Bill Bradish: Yes, sir.

Keith Gerritz: Automatic bill pay from your checking account or debit account is possible?

Bill Bradish: Yes, yes. If that's available now, it would continue to be available.

Keith Gerritz: What isn't level, it still could be paid automatically?

Bill Bradish: That's right.

Paul Fear: I hear you say that on power outages, but that isn't always the case. If the supplier has power distribution problems, what do we do?

Bill Bradish: That's not going to be an issue.

Paul Fear: It has in other states. So, what do we do?

Bill Bradish: Well, it will still be a responsibility –

Paul Fear: Of them that buy it from someplace else?

Bill Bradish: That's correct. It will still be their responsibility to distribute it to you. Too good to be true? There really, you know, there's no catches. This is available. This is going on in entities in approximately 40 counties throughout the state right now. And we'll be growing as of this November as more and more people are passing this. Yes, sir.

Paul Hunter: At this point in time, there's a lot of phone calls from individual contracting companies. They're even knocking on doors, sign up with us individually. You have to consider if this thing is going to happen in October, you may want to delay the decision to go into that individual contract because you're stuck for a year or two with them, and you might have to pay –

Bill Bradish: That's a choice you have to make. I mean, the things that are coming to you in the mail or door-to-door right now, there are some savings.

Paul Hunter: But not much.

Bill Bradish: But they're not going to be as great as what you're going to see because of the hold that we have to bid on this business, if you will. And so, that's, you know, your choice. Take a look at it. I mean, for me as a consumer, if I could get a reduced rate not right now and not be tied to a contract that would be the best of both worlds. Yes, sir.

John Schum: Are we still going to have to suffer the use of demand meters?

Bill Brandish: If you have them now.

John Schum: I have a small retail shop here in town, and it runs lights and soldering irons and stuff like that, and I have a demand meter on –

Bill Bradish: Okay. Well, let me clarify this a little bit. Small business is eligible for this program also, and received the letters. And small business is defined as using under 700,000 kilowatt hours a year. So, if you're under 700,000 a year, you're eligible to participate in this. If you have an on demand meter now, you would just continue to use it. I don't anticipate putting in additional ones. Yes, ma'am.

Connie Hardie: How often have you raised your rates in the last three years in the other communities?

Bill Bradish: What happens is when this goes in effect, it will be a contract for – well, it will vary. The contracts that are in place right now are for six years, with every two years renewable. So, the rate is guaranteed for those two years. And it gets renegotiated at the two-year period. And it could continue, but it does get renegotiated. The beauty of this also is, and the County Commissioner's Association insisted we do this and it makes sense, even within that two-year period, if better numbers hit the street, we have the ability to renegotiate and continue to get you the lowest rate that's on the street. Great question.

Mark McKay: Is there an opt out at the end of that two-year period if you choose –

Bill Bradish: Yeah.

Mark McKay: – with no penalty?

Bill Bradish: That's correct. The opt out process is free at the beginning to opt out. It's every three years unless there's a renegotiation. So, at a time of renegotiation, yes, you can opt out for free. If you choose to opt out in between those time periods, you can still do that. We've been able to negotiate a simple \$25 cancellation fee so far in what we've seen. Some of the cancellation fees on other contracts are in excess of \$100. Yes.

David Hockaday: For those of us who thought this would never happen and got locked into another contract, we will not be blocked from opting in when our other contracts runs –

Bill Bradish: No, sir.

David Hockaday: – or when this comes into effect?

Bill Bradish: That's correct. That's correct.

Councilman Siebenaller: You said rates could be negotiated lower at the two-year mark, but could they also go up if –

Bill Bradish: They could. They could. It's going to depend on the market, you know. It could. But remember all the time that we're negotiating that we're pooling you with a great – a larger pool of people. So, could it be a higher rate? Yes. Is it going to be better than what you could get individually? Yes. Yes.

Dick Unger: Who reads the meters?

Bill Bradish: Same as doing right now.

Dick Unger: Same as before?

Bill Bradish: Uh-huh.

Dick Unger: Everything the same as before with Dayton Power and Light with the exception of your program; is that correct?

Bill Brandish: That's correct.

Dick Unger: And Dayton Power and Light does all the – divide the – you're on the program, you're not on the program?

Bill Bradish: Well, yeah. The database gets shared. And please understand, yes, it could be any number of suppliers that win that business, and it could be Dayton Power and Light too. And they've done a very good job –

Dick Unger: – when you get the telephone bill, you get AT&T, Verizon.

Bill Bradish: The telephone companies have given this program a bad name.

Dick Unger: But that's just the way it is.

Bill Bradish: Yeah, I understand.

Paul Hunter: I can give an example. I signed up for the individual contract last January. And my DP&L bill, it shows that portion that goes to that contract company. That's the only thing that – I pay the bill like I always did, only I'm paying less because I got a better deal than DP&L offered. But that – I've shown on the bill that amount of money goes to the supplier of the –

Bill Bradish: That's correct.

Paul Hunter: – of the electricity or the generator in your case. So, nothing changes except the source.

Bill Bradish: That's correct. It's really painless. Yes, sir.

Don Smith: Have any of your people had DP&L raise their rates for generation just because – well, for distribution?

Bill Bradish: The negotiation of rates for distribution and transportation by the suppliers is an ongoing process, and it's ongoing with the PUCO all the time, and that's irregardless with what we're doing with aggregation. Is that a fair statement, Bob?

Bob Stallman: That's – yeah. I mean, I can't speak on behalf of Dayton Power and Light.

Bill Bradish: Yeah. But that – we do know that. I mean, that's – this is – that was entirely separate from aggregation and what goes on, okay, but it goes on every day. But that has to go in front of the PUCO, Public Utilities. Could it go up? Sure. But it could go up tomorrow.

Paul Hunter: And it will go up whether you're in the program or not?

Bill Bradish: Yeah, it's going to – that's going to happen. Yes, sir.

Councilman Stuckert: Bill, the reason maybe one of those questions comes up is there was a widely publicized problem with a supplier, I think AE somebody.

Paul Hunter: AEP.

Councilman Stuckert: AEP. And that was widely publicized around here. It was – was I correct in understanding that was on the not the gas supply side, that was a problem between PUCO and the like DP&L?

Bill Bradish: Well, no. It was with specifically AEP –

Councilman Stuckert: So, it wasn't on this part that we're aggregating?

Bill Bradish: No, sure.

Councilman Stuckert: That needs to be clear –

Bill Bradish: There was some litigation that could have affected this, but it turned out it's not going to. Any further questions? Do you have anything to add?

President Kirchner: I would add the Ad Hoc Committee is the committee that has been working on this, and just a little bit of understanding of why we have moved to go to the County Commissioners as the city's aggregator. With the County Commissioners placing the issue on the ballot for unincorporated township areas and with several other municipalities, if this issue gets passed by those entities, the city would combine their buying pool with those entities that so choose to work through the County Commissioners. Basically, this offers us access to a bigger pool discount because more buyers of electricity are brought together. The city had the option of moving on its own and using just its own buying base, but this made sense from a bigger pool, better negotiating power. The other thing that I would also let everyone know is that there is an additional benefit on the other side of this for those county residents or other municipalities that do pass aggregation. By the City of Wilmington moving to have the county be their aggregator, the process of getting certified to be an aggregator will be complete. That process takes approximately 30 days once the application is filed.

Bill Bradish: Correct.

President Kirchner: We, the city, would have to wait on that at any rate to accomplish it. By having the county commissioners be our aggregator, they will accomplish that in the same timeframe we would have with any other aggregator, and the county citizens will be able to enjoy savings 30 days – approximately 30 days sooner for those who do pass it. So, what this does is this offers a savings to not just our city, but a quicker savings to any of those county residents and keeps the money in the households here locally, freeing up money for people to use for other bills and potentially for spending at our local vendors. It just seemed like a win/win, and I'll throw it open to Councilman Jaehnig and Councilman Stuckert, who are on the Ad Hoc Committee to add anything they thought about it. But we just believe this was a highly effective way to bring financial relief to a small amount, granted, but financial relief to all the households in Wilmington, and hopefully households out in the county and other villages.

Councilman Jaehnig: I'd have to agree with President Kirchner. In fact, I'm very pleased that he came back at this, you know, twice and really is moving this along. The savings and the revenue that will come back into the committee – community instead of leaving the community, you know, is substantial even if it's only \$25 per resident. You times that by 10,000, 12,000 residents, you know, it could be very, very substantial.

Paul Hunter: It's a million dollars a year for the city.

Councilman Jaehnig: A million dollars a year. You know, those type of revenues really at this point in time can really make or break some of the smaller businesses. And so, that works real well at buying local kind of keeping our revenues in our community as long as we can. And I've already signed one of those contracts, like Paul, you know, I'm already on one of those individual ones. And so, I have to figure out whether I'm going to pay or not to get out of my cancellation to take advantage of it. But it's still – the indications are that it's still going to offer up a lower rate than I was already able to negotiate myself, which I was pretty pleased with. So, yeah, it seems good because you still have the option of not participating. You can still opt out. You're not locked in. If you really want level billing, you can have level billing and just stay where you are and do your individual contracts and control your own future. But if you want to jump into the buying pool and get that little additional savings, you can.

Councilman Wells: If you're in a contract, which I am, like Rob, when it expires, what do we have to do to opt in?

Bill Bradish: As you're getting close to the expiration, you would have to call the selected supplier of the generation and say I want to participate in the aggregation program.

Councilman Wells: Approximately how far in advance?

Bill Bradish: You know, you can – a week.

Councilman Wells: That's all? Just a week?

Bill Bradish: Yeah, yeah.

Councilman Wells: Okay.

Bill Bradish: I would do it once you're – once you're entering your last billing cycle for your contract, that's when I would initiate it and let both parties know that the next billing cycle, I'd like to participate in that if you so choose.

Councilman Wells: Thank you.

Councilman Stuckert: Mr. President, I'd just say that I concur with everything that's been said. It's something to be excited about. Albeit on an individual basis, it may not seem that large, but for the community at large, it's quite a bit of money. And I think it's a win situation for us. I would again like to acknowledge the role that our pro bono advocate, Mr. Hunter, has played in this. He's been – maybe we could get that little thorn out of our side. He's –

[Laughter.]

Councilman Stuckert: – for a long time. And we appreciate it. We've moved as quickly as we've been able to, and he's been right there cheering us all along. So, we want to acknowledge that at this time.

Bill Bradish: I concur.

[Applause.]

President Kirchner: I would offer two notes. Number one, Gary, we want to be sure that the News Journal gets out that message loud and clear. For anyone that needs level billing, they can opt out of this program completely cost free. The intention is not to take away anyone's right to make decisions on their own. It is simply an effort to offer the best value on electric to the public. So, please be sure – we have committed as a committee that we want to do an excellent job of educating folks, helping them understand that process, make sure that no one is caught off guard by it so that we can do the best by everyone no matter what their needs. And the other thing that I would say tonight is that I would note that in the audience, we have former Councilman Hockaday, David Hockaday. And I believe that it should be noted that this legislation was passed under his leadership. And the reason that the opportunity exists for us to provide this to the community without having to go to the ballot is because they had the foresight in 2003 to put that through. And I would thank David Hockaday for the efforts as a councilman back then for giving us the opportunity to help our citizens now. If we have no other input on the public hearing – seeing none – I would close the public hearing on Wilmington's aggregation plan. Thank you, Bill.

Bill Bradish: Thank you, President.

Councilman Jaehnig: Thank you.

Councilman McKay: Thank you very much.

President Kirchner: And the last item under the President's portion of the agenda is a notice to the legislation authority, the Ohio Division of Liquor Control, of the transfer of ownership from Gas America Services, Inc. to Speedway, LLC, and this notice will be on file in the office of the Clerk of Council here in Wilmington. Let's take a look at the addresses.

Councilman Mead: It should be the one across from UDF.

President Kirchner: It is 393 East Locust Street will be the location, and it looks like it's staying there. I take it Speedway –

Councilman Mead: It's a name change.

President Kirchner: Is that – okay.

Councilman Wallace: So, it is just simply a name change.

President Kirchner: Very good. That will be on file with the Clerk's office if anyone has interest. And that will complete my portion of the agenda.

Mayor - In the absence of Mayor Randy Riley, there was no report.

Auditor - In the absence of Auditor David Hollingsworth, there was no report.

Asset, Acquisition and Use - Chairperson Mead had no report.

Finance Committee - Chairperson Mead had no report.

Water Committee - Chairperson Wallace had no report.

Streets - Chairperson McKay had no report.

Solid Waste/Recycling - Chairperson Wells: No report, Mr. President.

Wastewater Sewer - Chairperson Stuckert: Mr. President, we have one item. We got an updated – an updated revision from the EPA for amending some current legislation we have with wastewater/sewer. It's our Chapter 922. That rather lengthy chapter is attached. And basically, all we've done is the language that the EPA has added is in dark bold print, and those areas that have been amended or changed or eliminated are crossed out.

A motion was made by Stuckert and seconded by Wells to give the first reading on an ordinance Amending Chapter 922, Sewer Use Regulations, of the Codified Ordinances. President asked for discussion.

Councilman McKay: I wasn't able to make that meeting, Loren. And I just wondered is there any theme to this or what were they attempting to do with this legislation change?

Councilman Stuckert: I understand from our – Mr. McVey was that this was just changes that have been pending for a long period of time and sort of accumulated. No surprises for them at all. They're perfectly comfortable with everything that they received. And so, again, due to the length of it, I think that I'm comfortable accepting his view on it.

Councilman McKay: Okay. Thank you.

President of Council asked for other questions.

Seeing none, President called for a vote.

Motion passed.

Director of Law read the ordinance by title only.

Stuckert asked that the second reading be placed on the agenda for the next meeting.

Judiciary - Chairperson Stuckert: Mr. President, we have one item, and that we've already had the first reading on from last council. And so, I would like to move that we have the second reading on an ordinance to abolish some positions of Assistant Police Chief, Code Enforcement Official/Engineer, Human Resources Director/Workplace Safety Coordinator and Maintenance and Repair Superintendent and declare an emergency, please.

A motion was made by Stuckert and seconded by Wells to give the second reading only on the Ordinance to Abolish the Positions of Assistant Chief, Code Enforcement Official/Engineer, Human Resources Director/Workplace Safety Coordinator, and Maintenance and Repair Superintendent, and Declaring an Emergency.

President called for a vote.

Councilman McKay: Mr. President, I would ask for a roll call, please.

Councilman Jaehnig: I'm sorry. Are we opening for comments?

President Kirchner: We can. We had comments on it during the first reading. That was the only reason I was moving forward, but if you have comments, please.

Councilman Jaehnig: If I can just beg everybody's indulgence for one moment. And I do want to start off by offering up an apology to council and to the audience. Sometimes when your passion gets going, you go a little too far, let yourself go a little too far. I'd personally like to apologize to the President and Councilman Stuckert because there were a few specific statements that when looking back I wish I had not said. But I had asked some questions at the last reading in regards to this that we did not have answers for at the time. I've not been able to find all of my answers, but I have found some of the answers, and I wanted to just briefly review those. The savings that we're talking about of \$397,548 is these four salaries here totaling 397,000 or nearly \$400,000. Saving those type of funds is a great idea. It really is. The Code Enforcement Officer position I agree completely, it's a position that should be abolished. And I have to say that I'm embarrassed that I was one of the ones that voted it in in the first place. I have no complaints in regards to the abolishment of that position. Showing about 94,060. The position though has been empty since March. And so, the savings on this particular piece of legislation, that would not be additional savings. It's already an empty position. So, there are no savings in regards to that unless somehow the Mayor was allowed to refill that position, which I don't agree should happen. The savings then would be \$303,488. The Assistant Chief's position is another position that has also been sitting empty. That's \$110,996. That particular position has been empty since the very beginning of July – June. And so, there is no intentions to refill it. I do believe though that that's a position that I think we should hold on to because five, ten, 15, 20 years from now there may be a need for it. While yes, we could abolish it, the need if we ever had to bring it back, the current cost could be – or is somewhere between 800 and \$1400 to get a job certified with Civil Service and the job code approved. I don't feel that there's a need to automatically build a bill for the future. We do have another option. I don't feel that position should be filled. I am in agreement there. And we can freeze the position. Council has the ability to pass legislation freezing the position, meaning that it cannot be filled without Council's approval. And so, I would suggest that we do that instead of abolishing the position and costing us money down the road. The third position – or I'm sorry, the savings then once you remove that, we're down to \$192 – I'm sorry – \$192,492. That brings us down to the HR Manger's position. This is a very complicated position, and this is where I let my passions get the better of me the other night. With the HR position, there are a lot of costs that you could be facing. It's a very difficult thing. It's not like a salesperson or something where you know for sure that this is the cost that you're looking at. But I was able to determine a few things. First of all, I had a talk with Starr Martin. She is our representative with MVRMA and according to her figures that she sent me, since we have obtained an HR Manager, our numbers in 2006 in additional costs due to claims beyond our normal payments were \$140,000. In 2007, we brought it down to 131,000. In 2008, we made a huge step bringing it down to 33,000; 2009,

23,000; and 2010, 25,000, an additional savings of about \$115,000 because of the work of the HR Manager. Would we see an immediate return of that 115,000 immediately come right back on the bill? No, obviously not. But over time, instead of continuing to stay lower, going back up, we would see it continue to go back up. In addition to that is the Bureau of Workers' Comp. The Bureau of Workers' Comp has a program that we currently participate in in regards to employee safety. And through our participation in that program and on their Safety Council, we get rebates from the board – I'm sorry – from the Bureau of Workmans' Comp. In 2007, because of our participation, we were able to receive \$13,342 – I'm sorry. That's 06/07 year; 07/08 was \$5,359; 08/09, \$3,187; 09/10 was \$3,296. We're averaging then at that particular point – sorry – approximately \$4,320 in rebates that we're getting back because of the work that the HR Manager is doing each year. Then you throw on top of that the fact that we have two bargaining units that we have to negotiate with this year. According to the American Bar Association, when you have a bargaining going on, if there is no HR Manager or somebody trained in HR involved that for each individual meeting, there is usually an additional two hours of lawyers' time. At \$450 an hour, which is what we are currently paying for that particular type of service, that would be an additional \$900. \$900 times an average of between 12 and 15 meetings during the negotiating per bargaining unit then would mean that we would have an additional \$27,000 in lawyer's fees just in bargaining. You throw on top of that that due to employee discipline, communities and/or corporations on average that do not have a HR Director experience a 43 percent increase in calls to a lawyer on how do we handle this employee concern or complaint and/or discipline. How many hours that is, really I have no idea how much that could be. On the numbers that I was able to determine though, the cost of not having an HR Director is \$145,320 of the research that I was able to complete. That brings our savings now down to \$47,172. The last position that was mentioned was an M&R Manager, a Maintenance and Repair Manager in charge of streets. Current salary, and this is actually low because I don't think it included benefits on your sheet. I'm not –

President Kirchner: That's correct. It did not include benefits because it was not known whether or not the Mayor would reemploy that individual in another role.

Councilman Jaehnig: Okay.

President Kirchner: And intentionally, I left the benefits off knowing that if that individual was reemployed, the benefit cost would be there.

Councilman Jaehnig: Thank you. We showed \$81,924 in savings. I have not had as much time to look in that particular position, but the one aspect of that position that I do know is that that individual currently filling that position is the only certified individual employed by the city currently to work on traffic lights. Traffic lights require a special certification to be allowed to work on those. If we do not have an employee certified in that to work on those, we have to call the group out of Dayton to come in and service our lights. The average call starts at a little over \$1,000. Through the end of June, we've had 59 light calls. That would be \$59,000 for a half of a year. I'm not saying that all of these positions definitely have to be saved. All I'm saying is we need to do our homework completely to determine which ones we need to do and which ones we don't. Lumping them all together into one piece of legislation concerns me because we may not necessarily be saving money. If you take into consideration that \$59,000, we're down to zero savings. And that's not what any of us, you know, want to accomplish. I agree that there needs to be savings. If we can combine services with the county on HR positions, I'm all for it. If that's a possibility and we need to look into that, that's fine. But I don't want to move to eliminate the position until we know whether we can do that or not. And so, I'm just asking that Council please reconsider this particular piece of legislation, and again apologizing. Thank you for your indulgence. I appreciate it. Thank you, Mr. Chairman.

[Applause.]

Sherry Stuckert: – questions?

Councilman Jaehnig: Yes.

Sherry Stuckert: Councilman Jaehnig, do you have any figures as far as what we paid for consultant fees in human resources? Along with what the savings is, have we paid any consultant fees?

Councilman Jaehnig: Oh, yes. I'm sure that we have paid quite a bit in consultant fees –

Sherry Stuckert: – that figure?

Councilman Jaehnig: I do not have that figure, but I would be happy to get for you. Yes, we are definitely paying lawyers and consultants beyond the HR Director.

Sherry Stuckert: Right.

Councilman Jaehnig: It has not saved us completely.

Sherry Stuckert: What would it cost to get someone certified to do the traffic lights?

Councilman Jaehnig: Don't know yet.

Sherry Stuckert: Okay.

Councilman Jaehnig: Don't know yet. Like I said, I haven't been able to do all the research. You know, working a job and owning a couple of companies, I too ran short on time and was able to just present what I have tonight. But those are very good questions and exactly the questions I think we need to know.

Councilman Stuckert: I must be talking in my sleep or something. She's come up with some pretty good questions.

[Laughter.]

Sherry Stuckert: You are talking in your sleep. I absorb it.

President Kirchner: I saw two other hands. Paul?

Paul Hunter: I did a little looking at other cities, which I like to do to see what's going on. Hillsboro an example has no HR Director or Urbana, the two cities I looked at. Urbana has a HR Director at \$50,000, and that lady does a double duty as a finance and payroll officer for whatever that's worth.

Paul Fear: I was going to ask the question because I thought John Taylor of the Streets Committee was the trained traffic light person. He got trained I think 12 years ago.

Denny Gherman: John is a level one.

Paul Fear: Okay.

Denny Gherman: John is a level one. I'm the only level two.

Paul Fear: Okay. So, he would assist or –

President Kirchner: Denny, in times when you're on vacation or perhaps out ill, there is someone here that fills in for you; is that correct?

Denny Gherman: It depends on what the problem is. The level one can do certain items. Otherwise, they'd have to call somebody in from Dayton.

President Kirchner: Okay. And he could be certified to a level two if we so chose to train him that way.

Denny Gherman: It would take four more years to get him trained.

President Kirchner: Okay. Thank you.

Connie Hardie: Yes. Who would handle the civil servants law if you abolished the HR, and would you abolish the commission and who would the workers of the city be working under? Would they be working under the county or would they be working under the city Civil Service?

President Kirchner: There's a lot of questions in there, Connie. But let me say that the Civil Service Commission cannot be abolished for a statutory city. So, that is not affected by this legislation.

Connie Hardie: But doesn't that fall under the HR domain?

President Kirchner: No. We didn't have an HR Director prior to 2005. This position didn't exist, but Civil Service did. And it has to as a statutory city. So, that is not at all part of this issue.

Connie Hardie: And the workers would not be with the county [inaudible for transcription].

President Kirchner: The function – historically it's been a combined function. As Mr. Hunter talked about another city having HR Director and what was the other role?

Paul Hunter: Payroll.

President Kirchner: And payroll. Historically it's been centered with an administrative assistant or executive administrative assistant prior to this. And the function was combined. You basically wore two hats on the job. And that would be the idea of this would be going back to. The question with working with the HR professional at the county level, there are a number of issues that we would have to work through to understand whether or not that would be an opportunity. But in that case, that individual that performed that part time function of HR Director for the city over city employees would be the concept. Now again, let me make sure that this is clear especially for the News Journal, those discussions with the county have not taken place to understand any details that would be associated with investigating that potential cost savings. But basically, the idea would be that you split the cost of the individual across the two entities, and they would perform the function that way. The City of Wilmington has had an HR secretary and will continue to have that position available. We actually do still have an HR Department I guess you would call it. It's just the Executive Director position that we would be getting rid of.

Councilman Jaehnig: That position though does currently wear multiple hats, multiple positions similar – not necessarily HR and finance like Mr. Hunter was talking about, but we have combined HR and safety.

President Kirchner: Safety Coordinator is a hat that in my mind could easily be worn and should have been worn and in fact did not exist again prior to 2005 when they created it by our City Service Director who is over all of the services. Safety should come from the top down into those organizations. So, it's a role that again didn't exist. And in fact, I believe that was added, correct me if I'm wrong, the original approval was an HR Director; is that correct, Mr. McKay?

Councilman McKay: Yes.

President Kirchner: I believe we – and then the Safety Coordinator role was added later and an increase in classification level I think came along with that. Yes.

Carole Erdman: Why was such a vital position even picked to be put out there? I mean, I honestly believe that the city needs an HR person. There are just too many ins and too many details that lead into HR that we could trip up, have to keep going to a lawyer, have to be going to this, you know, and that seems to be real expensive, but maybe I'm

wrong. I want to know what was the rationale other than oh, gee, here's another position where we can take it and we can keep that money and it would help our budget. I mean, what was the rationale? How deeply was it looked into? I mean, Mr. Jaehnig seemed to have a lot of information on it now, but why wasn't that done even before this whole thing happened? I mean, I'm not clear on the process. I don't really understand. If you didn't research all of this before and you put it out there as abolishing these positions, it seems to me that was a little backwards, and maybe somebody can help me.

President Kirchner: I can let you know why I made the proposal.

Carole Erdman: Oh, all right.

President Kirchner: As I indicated, the position of HR Director did not exist prior to 2005. It was a completely created position in that year. The Safety Coordinator was added later. Both of the functions were being done by the city for its entire existence. Safety Coordinator as a formal role I think is something that has come on more lately in the past several decades as workers' compensation has realized the value of specific safety programs. But the position didn't exist. It was performed by other people in the administration. Specifically one of the reasons that I felt that we could move that back to being a part-time position is that we now have a full-time Mayor, and a full-time Mayor who had experience in managing a department out at the hospital and obviously in leading as a former County Commissioner. With that kind of level of experience, the fact that this position had not been done prior to 2005 as an independent position and the current status of the city's finances, it just seemed like something that was a luxury. Having an independent position that only worked on that function was something we couldn't afford as we face a \$1.3 million deficit this year. And without any structural changes to how we operate from a personnel standpoint, we would presumably face the same deficit next year and potentially one even bigger depending on what the projected revenues are. Making the assumption that our projected revenue for this year does actually come in at the level we are anticipating, we know what our planned expenditures were and that was the \$1.3 million deficit. So, I specifically looked at this position from –

Carole Erdman: – think ahead. You probably had to, you know, try and figure out why this was happening. I guess the question that I have is, are there other towns this large that have the Mayor doing HR?

Councilman Stuckert: Mr. President, I would weigh in on that question. It's a very good question. I'd like to preface this by putting out the title of a program that's online that was initiated by the Governor of Ohio. It's a 58 – I think 58-page document entitled "Beyond Boundaries, a Shared Services Action Plan for Ohio Schools and Governments." And this came out this year, just this year. And it has a whole host of areas that are suggested the areas that ought to be looked at in terms of sharing costs. And this document is sort of the heartbeat behind all of this, the thinking. And I want to compliment Councilman Jaehnig. I believe that the introduction of this legislation and some of the concerns that that's raised has kind of broken a logjam that exists here in Wilmington and beyond exists just about in every governmental unit, every town and every municipality, and including the State of Ohio, and that is this resistance to actually take a look at something and start looking at how we can change our operations. And to answer your question, towns all over Ohio are studying this document. They are making changes. But it doesn't even just stop with government entities. This is something that is happening across industry, private industry, private companies. And as I looked into this, one of the things that was sort of remarkable to me was one of the areas that is being moved on and acted upon in a like fashion among private companies is the HR position. There are a lot of inefficiencies in HR as was pointed out during our discussion last week, there are so many changes that go on constantly with federal regulations and all that stuff that it has caused inefficiencies in the HR functions that tend to become bigger and bigger when you are trying to hold on to the whole HR system in a small entity, not the least of which is the software changes that have to be made. They are very costly, and things like that. And what the large companies and the small companies are discovering is that with HR, if they spread – if they share this across entities, they mitigate some of those rising costs in HR. Firms as large as Proctor and Gamble are

outsourcing HR functions to outfits that are able to make them more efficient in their overall operation. The legislation that we put forth was in this spirit and it was in part also due to a desire to break this logjam and get this thing going. And I think we've got it going now. I think that part is good. I want to emphasize that we in no way are suggesting that we will be doing away with HR functions. All the HR functions have to be present here as they would be at any entity, and it's very very important. And I think that this committee would agree that in our final resolution of this, we would want to see something that's not going to take away from doing a good job with HR. We're just simply trying to push – break the logjam and push this discussion along so that we can explore all the ways that can be available to us to spread our costs across entities and save money because that brings me to the second reason why we're doing this. We're in a crisis situation. We've got a \$1.3 million deficit. We've done it one year, two year, we're into the third year. We're coming up on our budget for the next year. Our carryover is going away, and we do not want to wait until that day when, you know, we are up against the wall because then our room for deciding what we're going to do and how we're going to do it is going to become so limited, it will just be a – it will be a very big mess. And so, yes, this HR is big. A lot of the towns and villages are getting the HR functions handled without having an exclusive HR department with a Director. I have been looking at other cities, particularly cities close to our size and our demographics, and I'm coming up with cities that even have the Service Director directing HR with people in place much like they were prior to 2005 carrying out a lot of the functions. So, there's a whole multitude of things that we can look at to get the HR function done without the position. And I do appreciate the desire to get it done right. However, I think that in the interest of keeping the pressure on and moving forward in a way that will just keep us all going I think that moving this legislation forward is vital and very important. So, that's why we brought it up. And there are plenty of other areas that we want to look at too, we need to look at. But I would urge everybody, all the council members, people in the community, to look at this document. I'll read one little paragraph from it. It says, "The magnitude of fragmented nature of Ohio's government structure – It creates inherent inefficiencies in service delivery for back office functions as well as direct services to citizens. These inefficiencies add an additional burden of local taxes and make it more difficult for citizens and businesses to interact with government. In a state with a very high tax burden and just recently recovering from a \$7.7 billion dollar shortfall now is not the time to raise taxes. Rather it time for state and local leaders to think creatively, challenge the status quo, and find new ways to deliver services." That's the spirit in which this legislation is being put forth, and I think it's important to continue to move along and obviously as we've discussed in the past on this particular piece of legislation, the Mayor has veto power. And if that's what he chooses to do, fine, if he's not satisfied with where we are at that point in time. But I certainly would urge that we continue to move forward and we continue to look at all these items with a view to not having to face, you know, having to – don't ask for more taxes or – and/or sacrifice the services.

Carole Erdman: So, you recommend this and no revenue?

Councilman Stuckert: I beg your pardon?

Carole Erdman: You're recommending this type of an approach, but no new revenue, no new taxes; is that what you're saying?

Councilman Stuckert: The purpose of this is to avoid any new taxes, get the job done with the revenue that we have coming into us right now. That's the spirit in which this legislation is being offered and recommended at this time.

Connie Hardie: Can you pinpoint where – where is excess money here that could be cut? Can you point out specifically in this study that you want to be done where you're going to get the –

Councilman Stuckert: That will depend on where it takes us. For instance, if we ended up being able to share HR – some HR functions with the county, then that would provide efficiencies that would provide savings right there for probably both them and us.

Connie Hardie: So, you feel that the HR is inefficient right now in Wilmington?

Councilman Stuckert: I think it's inefficient right now, and I believe it gets more inefficient by the day due to the pressures that come to bear with the continuing changes made in HR functions, yes. I definitely think that's an area –

Connie Hardie: But you're never going to be able to stop the outside forces of HR functions just like we can control our taxes in some way if the government chooses to raise our taxes.

Councilman Stuckert: I'm not sure I follow you.

Connie Hardie: Well, you're not truly grasping what's being done I don't feel in my opinion because you cannot control what the future is going to bring.

Councilman Stuckert: Well, we know this much, in terms of the specific subject of HR, every time our congress meets up in Washington, we get another stack of regulations that has to be incorporated into software, and the software companies bill us, and we have our own exclusive unit, we're going to bear all those costs. And that would be one area that if you are –

Connie Hardie: And as a school teacher, you know this, I mean do we get everything –

Councilman Stuckert: Well, and the schools are actually much farther along in following the spirit of this than our government entities are, and the private sector is ahead of everybody. So, you know, it's a process, and it's a thinking outside the box activity that we've got to get moving on.

Connie Hardie: I would just caution slow down, just don't be – just don't go so fast.

Councilman Stuckert: And I appreciate that. But when I hear that, I think about the voices that were here to start moving this logjam as early as 2010, and it just wasn't moved, 2011, it just wasn't moved, 2012, it hasn't been moved, 2013 is probably the last chance we have to solve the problem. And so, from that perspective, you have to understand that's why this committee wants to push and promote and bring about any kind of action that's positive that we possibly can. We don't want to let up now. I don't think it's time to back off and start a six-month study or something like that. We've got to study as we're going. That's what we're going to have to do.

Councilman McKay: Councilman Stuckert?

Councilman Stuckert: Yes.

Councilman McKay: Do you – does your committee have other plans to bring forward additional cost saving ideas that would amount to 1.3 million?

Councilman Stuckert: Again, we haven't had a committee where we've had a broad discussion on that, but I do know that individual members and certainly myself have looked – have and are continuing to look every day at a whole bunch of things. And from my perspective, from what I see, I am more convinced now than I was in January or even last July, I'm more convinced now that we can live within our budget in this city. We can find ways because I'm seeing things that I'm not prepared to talk about right now. I'm seeing things that are being done including, you know, one of the problems for instance that we have with this sharing just as one example was a lot of red tape between governmental units. You couldn't do, you know, there were so many questions to be asked. The legislature passed a brand new law that is designed, and I've been looking at it, I'm not sure I understand it perfectly, but this law is designed to enable us to cut through red tape and get some shared responsibilities between governmental units that we could not get done before. So, if we're getting help from the state house, if we're getting help up and down the line, and I really do believe that the ball is moving, and I'm confident – yes, I'm confident that in 2013, we can have a budget that matches our revenue without asking for additional taxes from people. And

you couple that with the fact that I honestly believe that when you have tied your revenue to our citizens' incomes and you've tied your revenue to the value of our citizens' property that you have to be prepared for your revenue to go down when their income goes down and the values of their homes go down, and you have to also understand that someday in the future incomes are going to go up and property values are going to go up and our revenue will go up. So, we have to be able to do as a governmental unit much what every business in this entire country has to do, and that is you've got to go with – you've have to go with the waves that come and go. We cannot sit here and be intransigent and say well your incomes went down, I know, value on your home down I know, but we don't have enough to run the government so we're going to have to raise the rates on your income and put more property taxes on your property. To me, that just doesn't make sense and I don't believe it makes sense to the people that are voting. As I said last week, and I'll say it over and over, many times we get stuck with saying all we need is this little bit more, it's just \$300 for every \$100,000 value on your home. Well, to a property owner, it's not just \$300, it's in addition to all the other things that we pay. You know, we are put – we are in the margins, and if you're a business person you know that you can't just keep pushing the margins even by a dollar or two. And I think that's what we're up against. That's the spirit in which we offer this. I know that there's been a lot of voices raised at this and there's been some perception that this is just something that's been dropped in there like a bombshell with no preparation, no thought. Believe me, I'm talking in my sleep and that's probably right. I mean, I assume I have a teacher in the crowd, and you know, if we have some time in the summer time and I spent all day long for day after day after day examining things online and printing out what I can trying to understand this. I know that members of this Council have too. I know in particular that our President has, and this is not something that's just being – where we're just throwing things up against the wall. We're thinking this through, and we're not trying to, you know, blow our city out of the water. We want to keep our services the same. We want to be able to keep our government as close to the same as we possibly can. But the only way realistic that we were going to be able to do that is if we find creative ways outside the box to resolve some of these financial issues and still keep getting the job done. So, that's the spirit in which all this is offered.

Paul Hunter: Just a couple items, Loren. It's \$35 a year per mil, not 300.

Councilman Stuckert: Okay.

Paul Hunter: And the state hasn't done us any favors in the sense that they balanced their budget. They shove the costs down to the cities and they're not done doing that yet. So, there's a revenue problem. The estate tax is gone, personal property taxes are gone. The local state funds are gone or reducing. So, we've taken a pretty good hit from the revenue stream from that. That's why my personal position is to give the voters, as you know, I've told you this, give the voters a voice in this dilemma by allowing them to vote yes or no on a tax. You can't impose a tax on the citizens. They choose to yes, I want pot holes filled or whatever – you may be or I'll live with them to have a balanced budget. So, as you know, that's my position.

Councilman Stuckert: Right. Yeah, I understand. I appreciate that, Paul. I think to explain my position is is that I am a true believer in the idea that we can make this thing work. So, that's why I'm being resolute this way on that particular item. So, you know, when all is said and done, somebody's going to be right, somebody's going to be wrong. But from my perspective as representing the committee on this piece of legislation right now, I want to keep moving, and that's why.

Keith Gerritz: Mr. Jaehnig, I assume your figures on salaries included benefits except for the last one?

Councilman Jaehnig: Except for the last one, that is correct.

Keith Gerritz: And your point is that we could deem the positions empty and achieve the same results financially as abolishing them for all time in the future.

Councilman Jaehnig: Of the first two, that is correct.

Keith Gerritz: Yes, okay.

Councilman Jaehnig: Yes.

Keith Gerritz: I'm a little concerned that it's so much easier to measure effectiveness – I'm sorry – so much easier to measure efficiency as compared to effectiveness. And I wonder if there isn't a full-time job for the human relations person in terms of the added expenditures and perhaps the software could be shared between – the cost could be shared between the county and the city without having to thin things out so much. I just don't know. But I'm reminded that effectiveness is, you know, how fast you do it. It's so much easier to measure it with a stopwatch than is it being done right. And I hope the committee pays equal attention to both.

Councilman Stuckert: Duly noted and a very important item, yes.

Duane Weyand: Can I point out something? What software do they use in their office other than Microsoft Word?

Danny Mongold: My software is connected to CMI, which is a payroll firm. So, that's what we – we use a combination of payroll and HR. No, I don't have a separate HR system in my mind.

Duane Weyand: – because all the stuff I do as a department head I have to do on paper. So, just clarifying so we know there is no software associated with HR.

Councilman Stuckert: Well, I'm not suggesting that we've analyzed the software costs here.

[Multiple speakers – inaudible for transcription.]

Carole Erdman: He just said it was a huge expense and that it would have to be – that's why we'd have to share.

Councilman Stuckert: As an example of why there are outfits like – there are companies and other governmental units are doing it. That's part of the reasoning behind it. I use that as an example only. There could be – there are dozens of things that we likely bring forth to use as an example. Anyone of them may or may not apply in our particular case. But I assure you that the heart behind this is there are efficiencies to be found. And I do agree with the gentleman that we don't want to give up effectiveness, but I just like I said, I'm struck by as I look at this the speed with which the people who have to watch the bottom line every day analyze these things and make changes. Compared to the governmental units, which have a tendency – we have inertia in government. We don't want to give up – we have a lot of little centers there, and I'm not pointing fingers. I'm just saying it's a fact of life. We have a lot of little centers of power and things like that that create inertia, and they stifle creative thinking and they don't encourage outside the box thinking. And I will take it another level, what we face in this country is not your normal down turn. What we face in this world is not your normal downturn. Everything that I hear from the so-called experts are we – this thing could go on for an extended period of time. We don't have – these are not normal times, and our back is to the wall financially. So, I think we have to push maybe harder than we ever would have normally with ideas and things like that.

Councilman Jaehnig: I would agree with you, Councilman Stuckert. You've mentioned businesses multiple times. Coming from the corporate world, there's one fact of business that I know that exists is that the business will always check their numbers before they jump. So, they're not going to jump off the ship into the water and then try to get the lifeboat out. They're going to throw that lifeboat in first and then abandon the ship.

Councilman Stuckert: Right.

Councilman Jaehnig: And all I'm asking, all I've ever asked is that we need to go back and we need to make sure that we look at each of these things individually and make sure that they really are going to accomplish what we want them to. That's all I've ever asked. I am fearful –

Sherry Stuckert: There has to be a sense of urgency. I mean, in my –

Councilman Jaehnig: I don't –

Sherry Stuckert: It's every quote. It's every –

Councilman Jaehnig: I don't argue with you. I don't argue with you. But you don't make a decision and then hope it will work out.

Sherry Stuckert: No.

Councilman Jaehnig: You use your mind every day to make the best choice that you can. You don't make the decision first and then go do the homework.

Councilman Stuckert: Your point is well taken, Councilman.

Sherry Stuckert: I mean, I keep hearing why can't we give it more time –

Councilman Jaehnig: I'm not asking for more time. I'm just asking us to do the due diligence.

Sherry Stuckert: I think everybody's –

[Multiple speakers]

Councilman Jaehnig: That's all I'm asking.

Councilman Stuckert: Yeah. And I think with what the work you're doing, this work this committee's doing, the work I think going to flow from this, I think we're going to see that. I really do.

Phillip Hale: I'm sorry, I'm Phillip Hale. I've come into this a little late. I'm wondering – and I don't know what's come before really. But I'm wondering if you can pick a date, say by such and such a date, we're going to figure out how to take care of this \$1.3 million.

Dick Unger: They've already picked that date.

Phillip Hale: What is the date?

[Multiple speakers]

Councilman Stuckert: This is one legislative act that's going to have to be among a lot of legislative acts.

Phillip Hale: I guess my question is, going with Mr. Jaehnig's thinking, instead of putting together acts to a final point, why not deliberate and coordinate and then come up with a plan at this final point.

Councilman Stuckert: I think we can do both. I think we can move legislation and moving the legislation will foster and energize the suggestion you're making. I think the reality of a governmental entity is that we need to have all the effort that you can possibly can, and this is a small part of it.

Paul Hunter: Or do you have a Plan B because the obvious end of this is going to be a veto that can't be – that will be sustained, and which means we're going to have to have a Plan B.

Councilman Stuckert: Right.

Paul Hunter: And I assume you guys are working toward that –

Councilman Stuckert: Plan B is much of what we've been talking about here because, you know, the Mayor can veto, but the Mayor can't veto and sit down and say job done. He will no longer be able to do that. We will no longer be able to do that. No reflection on the Mayor, no reflection on us. But the reality is that this Council sat for three years and did nothing but take what was presented to them and stamp it. That has to change. That's what this is all about. That's this part. It's one small part.

Paul Hunter: We're sending a message basically.

Councilman Stuckert: We're sending messages. We're creating energy, and we're breaking this inertia and we'll get this thing moving. I'm very optimistic. I feel like it will get things going in the right direction. I'm well aware of the fact that the whole thing may not – when all is said and done, there may be things here that are not going to become reality. I'm well aware of that. But if they aren't reality, it's going to be because someone came up with a better idea and everybody put their minds together and worked. And so, that's the spirit – we can only do this committee as one little act, and that's what we've chosen to do. Did you want to say something?

Councilman Siebenaller: To your point, sir, I think in the last meeting, it was mentioned during the discussion that basically the drop dead date as far as when we're at zero dollars in our city's coffers is sometimes next year or at least by the end of next year. So, in my mind, the bottom line is yeah, have something done about it before then. It was said in the last meeting that well, you know, the state will come in before that happen, you don't actually go broke, the state will come in and tell you what you can and can't do. I really do not want to be on a Council that lets it get to that point. I believe one of the reason I was voted into this position was to help the city live within its means. It was said in the last meeting that a vote to Mr. Hunter's point to let the citizens have their voice, I don't have to like putting a tax proposal on the ballot. I don't have to endorse putting a tax proposal on the ballot. But I believe a vote to put it on the ballot is an endorsement of that. I believe this ordinance will help save money. We'll look continuously at the numbers to Mr. Jaehnig's point. That's why we do have three meetings, and we have another two weeks to continually look at it, and I look very forward to sitting down and looking at the numbers with Mr. Jaehnig. But the \$1.3 million shortfall is what's playing biggest in my mind right now. I believe this is something we can do as I've said before, and so that's why I continue to support it.

Tammy McKay: Mr. President, Loren, I would like to say that I don't think that the past Council meetings have simply rubber stamped the budgets. I think they've gone through a lot of pain to get to them also. And that's one point I wanted to make. The other one is I feel that this ordinance was brought forth in a hurry to – well, not to, but without waiting for the suggestions from the Blue Ribbon Committee, and they were not taken into account before you prepared your ordinance. And number three, I'm sorry I don't speak in public very often, I feel that moving ahead with this ordinance without listening to the committee that President of Council committed – created for the tax study is also, you know, too soon. I think your ordinance does not take into account those important ideas that are available to you now. So, I think the ordinance should be stepped down from until you have looked at those and taken all that into consideration because I feel that they deserve the respect of the committees that have created them, and I feel that they are critical to running an efficient city and bringing an ordinance that is totally studied to people.

President Kirchner: I would offer the thought that this conversation occurring tonight on this legislation did not occur in the Blue Ribbon Panel. None of you were invited – were allowed to the conversations held by the Mayor's Blue Ribbon Panel. There was no record. There was no sunshine. There was not public input to the Blue Ribbon Panel. And it was not an advisory committee as I stated at time the Mayor laid it out for this Council. These gentlemen are the elected representatives of the citizens of this city. And

this body has responsibility and requirements to sunshine laws to allow for public input, to debate in open public meetings those issues like this one. Your own Council members were not even invited nor informed of the schedule of the Blue Ribbon meetings. And I believe that that process was incredibly inappropriate for that reason. If the Mayor wants to have an advisory cabinet that he meets with privately, that is his prerogative. But this Council will always meet its responsibility to hold its meetings in public, in sunshine, and encourage all input from the citizens. I would also add speed is an indication here, a haste it seems. We are in our third year of over a million dollar deficit. There is not a great deal of speed in my mind waiting two and a half years of deficit spending, three and a half years past the point of knowing it was coming. I would also note that these changes, if implemented, will not be fully recognized until 2015 potentially based on the laws surrounding unemployment. We have insurance costs in there that will not be recoupable in this year and in portions of next year. And the full savings of those position eliminations will take up to three years, two and a half.

Tammy McKay: If this is true, and I believe you, I believe that you studied that, where is the million and a half coming from or the 1.3 million coming from that you're talking about right now? Because if you do that –

President Kirchner: It's coming from actions like this where we make tough decisions that will add up over time. If the indication is that because this action doesn't save the whole 1.3 we shouldn't do it, I don't believe that that is correct. I offered a proposal to Council to consider for a significant portion of the deficit, which as I said, we won't recognize the complete savings of for years to come. But these decisions need to be made, and quite frankly if we don't make these decisions, it will be the loss of our firefighters and our street officers and police, the loss of the people that plow our streets when it snows. We need to make decisions that keep the service people on the payroll and providing service to our citizens. These are not easy decisions, and I did not make the proposal lightly. I also did not make it prior to six months of an opportunity for the Mayor to present a different plan. And throughout this process, I have heard this Council consistently indicate that if there are other ideas that can save \$400,000, we are willing to listen to and consider them. I hear wait on these options, but I don't hear other ideas that actually save money. And I will note that in the Mayor's Blue Ribbon Panel report, there are no specific numbers about savings. There is one number that was clear, \$2 million in new taxes, and I do not believe that the citizens who have suffered the economic downturn this town has or the businesses, and let me make that clear, the proposal made would increase taxes by 50 percent on 100 percent of the businesses in Wilmington. I do not believe they can afford it. And this Council has to make tough decisions.

Tammy McKay: – a 50 percent increase in taxes?

President Kirchner: Yes.

Tammy McKay: A 50 percent increase in taxes.

President Kirchner: If we're one percent now and we go to 1.5 percent, it's a 50 percent increase in taxes. So, I believe that the Mayor also has the complete right and ability to bring before any Council committee that he wishes, he can bring to me any legislation he proposes out of his Blue Ribbon Panel. This Council will be more than happy to debate any legislation forwarded by this Mayor. But to date, he has forwarded none.

Tammy McKay: I believe that he created the panel to come up with ideas to present to the entire Council for their consideration.

President Kirchner: And he can bring them forward.

Multiple Speakers Simultaneously: He did.

President Kirchner: There is no legislation, folks. There are no dollar savings.

[Multiple speakers – inaudible for transcription]

Carole Erdman: They're ideas that you said you needed to have in order to make some –

President Kirchner: This –

Carole Erdman: If this doesn't work, you want other ideas that will work. When other ideas that will bring forward, get out of the box, look around. That's what this is about. Look at those ideas, you know. Don't reject them just because they weren't put in the right process. Look at them. I know there weren't any numbers attached to it, but maybe somebody can take it, attach numbers and see maybe it's failure. Maybe it won't work.

President Kirchner: No one is rejecting –

[Multiple speakers – inaudible for transcription.]

Sherry Stuckert: – with unity though. Why can't the Blue panel committee meet with the rest of the Council –

Tammy McKay: You know, I'm sure – I don't see why not either. And I think that that would be –

[Multiple speakers – inaudible for transcription]

President Kirchner: Ladies, if I could ask, please, to keep the discussion to one person at a time. Let me say this clearly, the ideas that the Mayor would like to bring forward are the Mayor's ideas. He can bring them forward. This is a legislative body. It needs legislation to act on. I proposed specific legislation to act on, and the Mayor can do so himself. If he would like to add a tax, bring forward a tax, and we do have the Income and Levy Tax Committee. They've been studying the issue as well. If they feel so incline, can bring that forward. The ideas need to be proposed in a legislative format for consideration by a legislative body.

Tammy McKay: You had asked that Mayor bring ideas, and that's what he did. He created a committee to bring ideas. They are not empowered to do an ordinance. They want to bring ideas to this Council to create something from that perhaps. And the other thing is the Tax Committee was created by you, and if that information was not allowed to be presented prior to the ordinance or be thought of in that ordinance, and I think that's wrong because the ordinance itself is eliminating positions, okay. The Tax Committee was created to look at that idea, and they are not working together because the ordinance that you had proposed through Loren's – through Mr. Stuckert's committee is – did not take into account these other ideas. It was this idea, period. It was this ordinance, period. You see what I'm saying.

President Kirchner: I offered a very specific –

Tammy McKay: Right.

President Kirchner: – proposal to Council with specific numbers attached to it. You are correct. All is they considered is specifically what I propose they actually look at. The Mayor has the ability to propose the same things. He's had six months prior to my proposal to bring any number of those things forward. And in fact, this Council under the Finance Chair held multiple work sessions where ideas were encouraged, brainstorming sessions were held where we talked about bringing ideas forward. To date, we still have the deficit we have.

Sherry Stuckert: And that's what's she's saying. Okay, the ordinance was set. The Blue panel committee got together. They came up with different ideas. And so, I think what you're saying when you say give it time is now take the committee's recommendations and the ordinance recommendations and take time to sit down and talk civilly and take all of those suggestions and come up with a plan that benefits everyone.

Tammy McKay: And something that is not as controversial as the ordinance –

[Multiple speaker – inaudible for transcription.]

Sherry Stuckert: And then have the people – give the people the chance to vote on it. If it involves their income, if it involves their – give them a chance to vote on it.

[Multiple speakers – inaudible for transcription.]

Dick Unger: We already have a motion on the floor. Let's get on with it.

Councilman Stuckert: I would make one more note, and that is –

Dick Unger: Time is wasting here. They had three and a half years, and it's still wasting away. Let's move along.

Councilman Stuckert: Also, we need to note that the Judiciary Committee only handles certain matters. You can have 50 proposals for tax increases, and the Judiciary Committee will not act on any of them because that is not our committee. We have multiple committees. What he's trying to say is if somebody has – wants legislation on taxes, they've got to formulate the legislation and take it to the appropriate committee and have it acted on out of that committee. This is not the only committee on Council. This is the committee that handles the specific positions and things like that. And so, that's why we're acting on that. So, you know, I think there's some confusion on, you know, how you approach this from a legislative standpoint. Ideas have to be put into legislation. Legislation has to be considered by committees and these are forwarded to full Council and voted on or not. So, that's the –

Tammy McKay: But there has been a lot of input from the city residents and a lot of questioning about trying to put this ordinance through as it reads without taking the other information into consideration. And that's all I'm stating, Loren.

Councilman Stuckert: Yeah. I understand that. But I would suggest that that's just the nature of a legislative body. You can only do things one piece at a time, one committee at a time. There's not going to be any such thing as we wait and we formulate an entire plan and bring it out all at one time. That doesn't happen in Columbus, it doesn't happen in Washington –

Tammy McKay: But why can't it happen here. It's seven men.

Councilman Stuckert: Yeah. It won't happen –

President Kirchner: It is happening here, and it's happening right here in front of your eyes on the record. It's happening right here amongst the elected representatives of the people. And the process will continue through as it is supposed to and we will all be accountable for everything that we have said and done to the electorate just as the process is supposed to work, and that's the point of this. At some point, we have to balance this budget because if we don't, the state will, and the citizens will suffer for that is what I believe. Inaction is not acceptable.

Tammy McKay: Wrong action is not acceptable either.

President Kirchner: Is a deficit budget a wrong action? Have we passed up opportunities to save money previous to now? I mean, there are many actions that we can question. If this is the one that the people choose to question us over, I am willing to accept that responsibility, and I believe that we need to make those tough decisions. At this point, we do need to move forward in the agenda. I have a first and a second for the second reading.

President called for a vote.

Roll call: Jaehnig, no; Wells, yes; Stuckert, yes; Wallace, no; Mead, yes; Siebenaller, yes; McKay, no.

Director of Law read the ordinance by title only.

Stuckert requested that the third reading be on the agenda for the next council meeting.
Councilman Stuckert: We'll need to have that on agenda for next Council, please.

Councilman Wells: Mr. President, may I just make a statement before we leave this committee. The Blue Ribbon Panel's report says the ideas with the most potential, the first one earnings tax increase on the ballot. The second one, gambling permit licensing fees. And the third, landfill lease option. That's it.

Carole Erdman: Those are the three top items –

Councilman Wells: Right. Okay, other items generated, consolidations of fire stations, leasing of unused fire equipment, IT coordination, review of EMS billing and centralized dispatch. None of these ideas are going to save \$1.3 million.

Carole Erdman: But yours doesn't either.

Councilman Wells: No, but we're starting with something that makes sense.

Carole Erdman: So are they.

President Kirchner: Chairman Stuckert, anything else from your committee this evening?

Chairman Stuckert: That's all we have.

Safety - Chairman Wells had no report.

Downtown Revitalization Committee – Convener McKay: I do have a bit of good news, Mr. President, about our downtown. The Little Red Hen will open its doors for business downtown at 61 East Main Street next to the Mediterranean Restaurant on Friday, August 3rd, that would be tomorrow from six to eight p.m., and Saturday from ten to eight p.m. This will be their grand opening and this is a lot of the artisans that made up Janet's art store out on the east side of town. We're very fortunate to have these folks band together and create a new atmosphere – new store here in our downtown. It's further described as an eclectic mix of local artisans. Artisan made items include, not limited to jewelry, glassware, wooden items, candles, aprons, primitives, hair accessories, tie dye, purses, baskets and – no, they're not open tonight. We can't go tonight, but tomorrow six to eight. In a bonded spirit of creativity, a group of 22 area artisans have come together to offer Wilmington gifts made with true talent and quality. Regular business hours will be Tuesday through Thursday from ten to six, and Friday and Saturday ten to eight. So, this is a good thing for our downtown. Thank you. That's all I have, Mr. President.

Parks and Recreation Committee - Chairperson Rob Jaehnig had no report.

Income and Levy Tax Committee - Chairperson Jaehnig: Our committee is pleased tonight to come back with our initial findings. The committee's been meeting for some time now, and while this will be something that will always be a work in progress, this will give you a good idea of where the committee feels we currently are, and it will give some suggestions on how to move forward and what options may be available to the city, to the Mayor, to President of Council, to the Finance Committee if some deemed necessary. The Income and Levy Tax Committee was created by the President of Council on May 24, 2012. The committee's mission is to perform current and ongoing review of the city's existing tax revenue structure, and from that review investigate opportunities for tax reduction or increases as deemed necessary to maintain functional budget meeting. The need – I'm sorry – maintain a functional budget – balanced budget meeting the needs and wishes of the citizens. The committee will present recommendations for consideration of the full Council and the public. We have the following items. First in review of the city income tax, this tax was initiated in the mid-1970s when the state of Ohio permitted a personal income tax to be imposed by municipalities without necessary voter approval of up to one percent. We – Wilmington imposed a .5 percent tax effective September the 1st, 1977, increased that tax to .80

effective July 1, 1986, and then took it to a full percentage point January the 1st, 1991. It has been 20 years since the last tax increase. Earnings tax versus income tax. In reviewing the possible change in the definition, it is clear that there appeared to be no substantial advantage to making this change. While if we change our tax structure, we would see an increase in individuals paying tax, we would not necessarily see an increase in revenues. In making a change, we would then be required to allow all of the federal deductions that we currently do not allow. So, it is possible that a change in the structure could actually reduce the overall revenue created from the tax. In addition, that particular change would affect those least likely to be able to afford it, and that being many of our seniors. Credit for taxes paid in other cities. A City of Wilmington resident who pays city taxes to another municipality is given full credit up to our entire one percent level. The total waived in 2011 is calculated to be approximately \$85,000. A change in this policy would create some funds, but would impact the City of Wilmington residents only if modified. This is an option that should be discussed further in a public meeting. Number of days worked in the City of Wilmington. Currently temporary workers do not pay any city income tax until they have exceeded 12 working days in the city. Those do not have to be 12 consecutive days, 12 days in a given year, and then they're required to pay income tax. Could that be shortened? It could. The gain is minimal and the enforcement is substantially difficult. Revenues produced by an increase in the income tax. A .25 percent increase in the income tax would generate approximately \$1 million. As the Blue Ribbon Committee had pointed out, a .5 percent increase would produce approximately a \$2 million increase in revenues. Who's affected? An income tax has an effect or lack of effect on the following: a city resident working within the City of Wilmington would be fully affected by any increase. Currently, and this is a clarification of what was said with the Blue Ribbon Committee. Currently 21 percent of our withholding revenue is from city residents. That does not mean that 21 percent of the city tax is from city residents. So, there is a slight difference between the two definitions. A city resident working outside the City of Wilmington could be affected if the new tax exceeds the rate they are currently paying to another municipality. They will continue to get their 100 percent credit up to our tax level for taxes paid to other municipalities. So, for example, if we did raise our tax to 1.5 percent and they were working in a community that had a 1.25 percent tax, we would gain .25 percent from them as they would still get full credit for the tax that they were already paid in another municipality. A retired resident of the city without earned income does not presently pay city taxes and would not be affected by any increase. A non-city resident working in the City of Wilmington will be affected in full by the increase. Presently 79 percent of all withholding tax revenue is collected from this particular group. City property tax levies. Current tax levies, a property owner in the City of Wilmington currently pays approximately \$1,438 on a \$100,000 home. Targeted income. If a new levy was passed, it could be established to fund a specific service or need, i.e., police, fire, EMS, streets, et cetera. Revenues produced by the creation or an increase of a tax levy. A one mil levy currently would generate – or would generate an additional tax on a \$100,000 home of \$31.50 based on current market values in the City of Wilmington. That would return an expected revenue increase of \$210,000 on a one mil levy. To generate \$1.3 million, which is our current projected budget deficit at the beginning of this year, it would take six mils or an additional \$189 per household based on a home value of \$100,000. Who is affected? An additional levy would affect all kinds -- I'm sorry – would affect all residents living in the City of Wilmington. Property owners and investors in our community would be required to pay an increase in taxes. Residents living in rentals most likely would experience an increase in their rent to compensate for the additional increase in taxes. Unlike the income tax, the levy tax would affect the retired and seniors living on a fixed income living in a home that they may have paid off years ago. There would be no effect on non-residents using city services while working in the city. Alternative taxes. Currently, the only alternative tax that exists in the City of Wilmington is the hotel bed tax. Currently three percent of the hotel fee is charged by the City of Wilmington. An additional three percent charge is charged by the county. These funds are designated for the Convention and Visitor's Bureau with a small amount taken out for administrative costs. Potential alternative taxes. Games of skill permitting fee. As proposed in a previous Judiciary Committee meetings, we recommended that we institute this immediately. Currently, there are 130 machines in the City of Wilmington. This is as of noon on Tuesday when the second skilled gaming facility opened in the city. Based on 130 machines in the two

facilities, that would generate \$18,000 in revenue immediately. Amusement tax. Upon further review and discussion, it became onerous and was proved to be unfeasible. A grocery tax was determined to be just a bad idea. Gasoline tax, not sure we can accomplish it based on the current state and county laws, and so it was deemed unfeasible. A city tax on cigarettes or liquor, possible, but our committee feels it is not our responsibility to tax in order to make social statements or judgments. Sugar or soda tax on pop that is sold in stores or vending machines, possible, but inappropriate. Job recovery. Jobs needed to balance the budget based on current taxes. We discussed the job market of the DHL, tax revenue, and the number of new employees working in the City of Wilmington that would be necessary to recover from that loss. It is estimated to be approximately 2600 workers – I’m sorry – earning an average salary of \$50,000. To generate funds of \$1.3 million deficit – I’m sorry – to generate the funds of the \$1.3 million deficit or 4300 workers using an average salary of \$30,000 to generate those same funds. There are some promising signs. The upcoming Clinton County Port Authority jump hanger, 259 jobs; a Cap May expansion, 37 jobs; the Family Dollar just recently opening, 11 jobs; Ahresty estimating 70 jobs – a 70 employee increase for the year of 2012; Sapling Learning currently added four employees at the beginning of the year, they’re looking for an additional 15; Little Caesar’s is estimated to be nine jobs; Old School Truck Sales, which is not quite open yet, unknown how many employees; Heavy Duty Truck and Trailer Sales, also not open yet, unknown number of employees; Lucky For You, the new skilled gaming place, four jobs to start. This totals 400 plus jobs already in the process and progress in the short term. In conclusion, we agree that all ideas need to be considered in order to cut and stabilize the City of Wilmington’s expenses before any new tax revenues should be pursued. Services should not be cut, nor taxes raised unless discussed with the city residents. We recommend the following steps be considered before taking action on a tax increase. Number one, Council and the Mayor need a current state of the city by the auditor. Games of Skill permitting fee implemented immediately. A committee should be tasked with assisting the administration in identifying possible opportunities to share services with the county. All suggestions made by the Mayor, President of Council, Council members individually, and even the Blue Ribbon Committee should be pursued and reviewed as possible solutions. Public discussions should be held to gain citizen feedback. The County Commissioners should be approached about the sharing of the casino tax funds with other governmental entities within the county. That first casino payout will be happening this month. And so, that’s something we would like to see action on from the Mayor or Council immediately. A discussion with Council and the Economic Development Director, Brett Dixon, needs to occur to discuss current interest. Obviously there’s a lot of things he can’t talk about, but he can talk about general interest, how must interest, how much is promising and what it could possibly lead to and ways Council may help to attract new jobs. It has been a true honor to work with this committee and all of those that participate in helping gather the information presented tonight. We would like to publicly thank the following people: City Treasurer, Paul Fear; Tax Commissioner, Mark Jones; County Auditor, Terry Habermehl; Citizen Paul Hunter who gave up and left on me; City Auditor, David Hollingsworth, and I’m sorry, I don’t know her title, but Logan Bailey with the County Auditor’s office. We look forward to working with the rest of Council and administration as we move forward solving the city’s budget issues. Rob Jaehnig, Mark McKay, and Mike Wallace. Thank you, Mr. President.

President Kirchner: Thank you, Rob.

Councilman Jaehnig: Oh, and I do have copies for all of Council and anybody that would like that.

Service Director – In the absence of Service Director Larry Reinsmith, there was no report.

Safety Director – In the absence of Safety Director Russ Burton, there was no report.

Reports -

A motion was made by Wells and seconded by Stuckert to accept the Income Tax Report – July 2012, as presented.

Motion passed.

Reports accepted as received.

Open to Public

President Kirchner opened the meeting up to the general public and/or members of council to address council while in session.

Daniel Gordon: Daniel Gordon 2611 33rd Street, Santa Monica, California. I wasn't planning to speak today and I don't have anything specific to say about, you know, questioning the legislation that was brought forth again. I was just noticing a lot of frustration from those of us who came here today both at the specific legislation, some people at the Mayor, and some people at the President and, you know, both sides. And I think that frustration stems from everyone saying that they're trying to do something and they're getting the ball rolling and especially Councilman Stuckert getting the ball rolling by putting this forward. But – and I won't speak for everyone, but my frustration I guess is that I just got here and it took one sentence to find out this isn't going to go through because it will be vetoed, and you only four, and you need five votes to override the veto. So, if you were really – if everyone really wanted to get the ball rolling, then I think something would be proposed that you knew that you could get through or if because you know this can't get through, everybody getting together maybe – I know in government, that's a wild proposition, maybe even the Mayor with everyone and the President sit down together and talk about different ideas, creative ideas to help reduce the deficit. Especially if you're doing it without any revenue, then you can't go through this, you know, however many times it takes to get to that 1.3 million. That would be – you're going to tear the city apart if you try and bring that many things that are this contentious up. So, I guess have there been conversations with all of you sitting down together to see if you can get the five votes you need or even a unanimous vote on some legislation that would reduce the deficit?; because I think that would mean a lot both for morale up here with you guys. Maybe Stuckert could be joined by everyone in thinking that this deficit could be reduced all the way to a balanced budget. But also for the people from the city to see some real progress forward instead of just some nudges that we know really aren't going to reduce the deficit after all the voting and vetoing goes through. So, have those conversations occurred? Have those occurred? And I know they're difficult, but –

President Kirchner: I'll answer your question.

Daniel Gordon: Sure.

President Kirchner: Yes. As I alluded to earlier, we held several special Council meetings, which were specifically budget work sessions in which we as a Council with the Mayor and invited the – the chairs sat down and opened it up for brainstorming and conversation. And it seemed that revenue generation was the main focus of that push. At this point, we haven't seen any major savings ideas come forward. So, yes, we've made that effort. I would also note that no specific information regarding numbers around or legislation that could be moved forward came out of those meetings. But we have made the effort to hold them and entertain the conversation. So, that's the answer to your question.

Daniel Gordon: I guess that's the issue then. If those meetings weren't putting forth any meaningful legislation to reduce the deficit, then what is going to do that?

President Kirchner: Well –

Daniel Gordon: If the Blue Ribbon Panel's suggestions are kind of moot and are – they're unacceptable and not going to raise the appropriate funds and Councilman Stuckert's obviously not going to pass. The Mayor is not even here. So, if that – with everyone getting together is not going to do it, then what will do it? I guess I'm leaving in a few weeks, and I'm worried that it's not ever going to happen.

Councilman Stuckert: You're making me feel kind of lonely up here. I do want to point out that I have four votes. So, one more vote and it passes. So, this is the legislative

process. So, we keep meeting and we keep debating and we keep pushing and people start checking all of the statistics and the figures and, you know, I hope you don't remain really pessimistic. If you follow legislative bodies, a majority vote is a nice start. The President has veto power too, doesn't he? I mean, we see this at every level of government.

Daniel Gordon: I think that's a very good point.

Councilman Stuckert: We keep bringing our ideas. And perhaps if there's a veto, perhaps there will be ideas come back at that time. So, you know, and we're a pretty tough group here. We've had some pretty good arguments and still go out and get coffee and donuts and feel pretty good about each other. If you're around town here, you'll have to notice that this community is pretty tight. We stick together. You know, we're a family. Family has arguments. We have differences. But I don't share the pessimism. I can understand how the snapshot you have might leave you feeling that way. But I would encourage you to stay in touch with us. You might be surprised what happens. And I also say that I appreciate that you as a young person coming in here and being bold enough to come in and participate and stand up and speak. I think that's remarkable. And maybe if we can solve something here, you might be able to take some ideas back to California.

[Laughter.]

Daniel Gordon: I just imagine, you know, maybe not the next meeting, maybe not the meeting after that but at some point seeing you guys present something as a body because I know – I understand the legislative process. But part of that is also talking before we get in here and get in front of all these people.

Councilman Stuckert: Well, you have to understand the sunshine laws for one thing.

Councilman Jaehnig: And Mr. Stuckert is exactly correct. One of the difficulties is in a Council meeting is the only time that all of us can speak at once. And so, there are some difficulties in regards to that. So, you do get to see some of the dirty laundry aired on occasion, and it is perfectly okay that we disagree, you know, on specific, you know, pieces of legislation. And we do come together. I mean, a perfect example is the aggregation, you know, that is coming forward. You know, everybody is in complete agreement because we can see immediate relief, you know, for the citizens of Wilmington. And so, while we may for lack of a better term argue to our death on certain items, on other items it's very easy to come, you know, quickly together. And so, I appreciate what you say, but there are plenty of things we do come together on.

Councilman Wells: Pardon me, and what was your name again?

Daniel Gordon: Daniel Gordon.

Councilman Wells: Daniel. Okay, I have a friend who was a Mayor a city that went bankrupt. And the state will intervene when that happens. And the first thing they do is disband your police force, and your county sheriff takes over patrolling. In our situation, if they disbanded our police force, I believe that would be \$2.4 million –

Councilman Jaehnig: Well, that's what comes out of the city general fund.

Councilman Wells: But the state will do things, and then you don't have any say in that when that happens. So, we're just trying to prevent that day from coming, and we know it's coming. We have to do something.

Daniel Gordon: I understand, and I appreciate that. And my investment in this community is obviously not as great as yours because I won't feel the effects if anything happens that far down the road. I would say that knowing this legislation is not going to go through without another vote, we're not really any closer to reducing the deficit, and I think it's beyond most importance that is reduced. I think the HR, looking at the HR Director's position, consolidation, those are all really good points. If you can consolidate

and keep your same level of services while getting rid of the position here, that saves a lot of money, and that I think would be the right thing to do. But I would urge that you let the talks with the county go further so you can bring this legislation forward and say we already have a plan when this legislation is passed, the HR position will be combined instead of, you know, we may – we will talk to them because that way you do have a plan going forward. You have your lifeboat out before you jump ship, and you can make sure that you're prepared for that. Anyway, thank you guys –

President Kirchner: Thank you, Daniel. And by the way, we do hope that after being here and visiting, when you complete your studies, you'll consider coming back and seeing how this goes. We love all people that want to be a member of our community.

Daniel Gordon: I certainly will do that.

President Kirchner: Please do. I had seen another hand I thought over here. Mr. Unger.

Dick Unger: Dick Unger, 1036 North Lincoln Street. Just a couple quick comments. Discussion about the Blue Ribbon Committee all is I hear is, stop, you got to take more time, you got to take – we've been here three and a half years. We're still on dead center. Somebody needs to kick the flywheel off so we can get going again. And that's what Councilman Stuckert and this issue is. It's time to move along. If the Mayor wants to do his – work his magic on it, that's legislation in progress. We're moving forward. We're not just setting there going, gee, I got more time, gee, more time. We have to move forward. Taxes, if there's a tax increase, I would hope that the tax increase would be paid to pay down the deficit, not somebody saying hey I can go hire that clerk now, we can get new football, we just got more taxes. So, I hope if there is a tax increase, it is applied to the deficit. And Rob, got a pond question about the park due to the hot weather and all the fowl, duck type fowl, at the pond, is there any water testing? I know there's –

Councilman Jaehnig: Yes. Actually, the water was just recently tested about two weeks ago. They are looking at some runoff issues to be addressed. They're not quite sure if it's runoff coming from the Kroger's complex or somewhere else to review some of that. They've also worked with the OD&R and had some of the ducks relocated so that it would reduce some of that particular problem. So, yeah, they are aggressively because they truly wish to restock the pond and, you know, have it be safe for kids to fish in and things of that nature. And so, yeah, the Director –

Dick Unger: I was over at Caesar's Creek over the weekend, they had signs up advising you basically that it doesn't meet EPA for old people or if you've got a disease, handicapped, small children, enter at your own risk basically. And I didn't see any signs of that nature of it is was even to that point yet. So, that's –

Councilman Jaehnig: It has not – the items that they're picking up have more to do with the healthy life of the pond than danger to humans.

Dick Unger: Okay. That's all I've got.

President Kirchner: Thank you, Dick.

Bill Liermann: Bill Liermann, 1069 Linhof Road, former member of City Council. I empathize with you because, of course, as some of you know, being on the school board what we've had to deal with with our budget cuts and things like that. Just a couple things I would like to mention. I appreciate all the work there's been on the taxes. I would like to clarify just a couple things because I remember sitting up there – if I remember this correctly, we raised the earnings tax from 0.5 to 0.8 solely because we had an issue with our police and fire, and that revenue went into police and fire if I remember correctly. And then, when we raised it to one percent, that helped finance construction of City Hall.

President Kirchner: That's correct.

Bill Liermann: Just a point of order. The question I would ask because here again I'm just relating to what we went through with the schools, and I just related from the – city also, departments heads giving back. Has there been any discussion or any thought of going to the department heads, asking them to give back five percent or ten percent, temporary pay cut to help put money back in the city coffers. Is that a possibility? Has that been asked? Also, your revenue streams, I know we've gone through it on the school aspect, and I'm sure you have too, but I think the people need to know the state funding may be lost. I think the local government funds, I think that's all dried up. I know federal revenue sharing – these were sources of income you used to be able to rely on. But I think people need to understand out here in the public that, you know, those were some of your revenue streams. Those revenue streams are gone. No one likes a tax. No one likes any kind of tax, no matter what it is. But I think this is the reality that we're dealing with, and that's why I think that some of the proposals were put up. Put it before the voters and let them tell you what they want. I mean, it's tough call when you have to go and ask for taxes. It's not a popular thing right now. But I would just say from the standpoint if you don't look at everything top to bottom, left to right, all the different department heads, look at everything. Parks and Recreation, you know, possibly are we over staffed there from an administrative standpoint? I sat on the Parks Board for a few years too. I think you just have to look at everything top to bottom with all the different department heads that we have, maybe there's a way that they can do more with less as well. Just a few points of order.

Paul Fear: One second on that. You're correct that up to .8 was the police and fire. I believe that – and in '91 –

Bill Liermann: It was earmarked. It had to go for police and fire.

Paul Fear: That never went to general operating. And in '91 is where the 2.1 is for this building,

Bill Liermann: 0.2.

Paul Fear: It went up by 0.2, and then that was refinanced for 3.4 million – for the fire trucks.

Bill Liermann: Correct.

Paul Fear: So, neither of those last two taxes went into general operating.

Bill Liermann: I'd just like the people to understand where the money went because people are wonder it went from 0.5 to 0.8, then to one percent, where did all the money go? I'm just trying to relate here's where the money was intended to go. Thank you.

President Kirchner: Anybody else? Mr. Gerritz?

Keith Gerritz: I have some questions. Should I be asking the Mayor or –

President Kirchner: Come on up, please. It's open to the public. State your name and address for the record.

Keith Gerritz: Keith Gerritz, 290 High Street – I was struck by Councilman Siebenaller's comments in putting a levy on the ballot is kind of its approval. As a long-time resident, I would feel deprived of the choice of what we're going to keep and what we're not going to. I wouldn't see it as approval at all, but denial of community – citizens' rights to decide how they're going to live. And so, I don't think agreeing to something you don't like constitutes endorsement. But Councilman Jaehnig's comments raised a question in my mind, and it goes something like this. We all need the services that the President talked about from plowing streets, and so on. And I'm wondering how many owned homes – owned households we have in Wilmington and the cost of basic services per household so-to-speak. And if there are people who live in Wilmington, but we pay taxes to other cities, and thus get excused from our taxes, they get fire protection, city water, garbage protection. I'm wondering if there isn't a loophole there that if I

understand what you were saying, I wonder if there isn't a loophole there that isn't quite fair. Sure, the city that pays an employee wants some of it back in income taxes. But I'm struck by the observation of somebody's name I can't remember, I'm getting old, who says we Americans are very good at taxing wages, again efficiency, but misguided in terms of taxing wealth. And that speaks to your point there. We have only property taxes and income taxes to finance the city, right?

Councilman Jaehnig: Well, no. There are other governmental funds, dwindling as they may be. There are other governmental funds. There are grants, you know, that occur.

Keith Gerritz: Right, those that we produce to support our own community.

Councilman Jaehnig: Correct.

Keith Gerritz: Do you understand my question about people who live here and get city services, but work elsewhere and so all of their taxes go to another city?

Councilman Jaehnig: I agree with you 100 percent.

Councilman Wells: Can I say something to that? If I go over to that city, and I pay their income tax and I get forgiveness here, there's people in that city that come here and work and pay city income tax here and get forgiveness. It's sort of an exchange.

Keith Gerritz: But my point is that we ought to be getting enough income to finance those essential services, and I don't know what the tradeoff is there. I wonder what the –

Councilman Jaehnig: Paul, I know you'd answered this question before, but in the state of Ohio, I thought we had asked, you know, are there a lot of communities that do give 100 percent, you know, credit. Is that the norm or are we unusual in that?

Councilman McKay: As I recall, it would not make a huge difference if we changed that.

Paul Fear: \$85,000.

Councilman McKay: Yeah, \$85,000. So, you know, the issue is that it doesn't really – it really wouldn't make a lot of difference if we changed that.

Paul Fear: And Rob pointed out on two occasions from \$4 million in income tax revenue that we budget for, \$3.2 million comes from withholding taxes.

There's 300 or so coming from business, and there's 300 from private individuals that aren't getting withheld already. And so, what his comment was is 79 percent of that \$3.2 million comes from non-city residents. So, his response for the Income and Tax Revenue Committee is 79 percent of \$3.2 million, which is whatever percent of our total \$4 million comes from people that aren't living here that we would gain additional taxes from to pay for the services that we as citizens are enjoying.

Keith Gerritz: And they're not getting it.

Councilman Jaehnig: Well, they get – not just to the same extent. They do work in the community. They do get to use the services while they're working here, but they may not have a home in this community that would, you know, get those additional services.

Councilman Wallace: An addition piece, we want them to live in our community even if they work outside because they do live here. They do come. They support our businesses. They support our schools, they support community in many many ways, they bring revenue into our community that's not here already along with being super individuals and people we want to have in our community as well. And we earn ten times fold.

Councilman Jaehnig: Well, and hopefully they're property owners. So, they'll be paying property levy taxes also –

Councilman Wallace: Property taxes.

Keith Gerritz: Do property taxes cover all the services we get as property owners?

Councilman Jaehnig: There are – it depends on the levy. I mean, fire and EMS is very close while police is woefully short. You know, so it really depends on the particular levy.

Keith Gerritz: The question that came to my mind is perhaps giving them credit for one percent of what they pay, but if we have a tax levy that the citizens decided, you know, we don't want to do without these services, we'll pay additional taxes to support them. I see the News Journal is having a role in helping us get clear about what those tradeoffs will be. You know, maybe we don't need to excuse the full percent and a half that another city is taking from their taxes, but only one percent and we would gain some additional revenue, but it may not be enough, as Councilman McKay points out, to be worth the trouble.

Councilman Jaehnig: Just following up on the other question, Paul, the other side of it is the one percent tax that we are currently paying, is that the norm for a city our size in the state?

Paul Fear: I went out to the website for the Ohio Municipal League, yesterday and I don't know that I brought the paper work with me, and I pulled up Washington Courthouse, Xenia, and Hillsboro, and Yellow Springs and all the rest of them. Yellow Springs is 1.5; Xenia is 2.25; Washington Courthouse is 1.75; Hillsboro – there's one of them that's at one percent where we are. Everyone else is 1.65, 1.75 to 2.25. In 2009, the city of Xenia did a survey because they had – they put it on the ballot and had it defeated. So, they put a survey and put it out in their community to get a response to find out what services they want and they had laid off police and fire and closed a fire station. They then promised that when the surveys came in and everything, everybody wanted to take about the police and fire protection. They said that the half percent increase would go exclusively to rehire those people, and it passed overwhelmingly to get it to 2.25. And there are – I heard people talking about [inaudible for transcription] up there, they're 2.5% – they're different depending whether they're on a bedroom community or whether they have some business like ours. Like I said, \$300,000 it was on today's report shows comes from businesses. And I know Scott's comment that he'd hate to see a 50 percent increase on businesses, but the thing you've got to remember as a business owner, we have a five-year loss carry forward. So, if we've got the money, we're not getting taxes from this people anyways for five years, and if you're buying equipment and depreciating it every five years. So, I'm not sure that ten percent of our total tax revenue, I'm not sure there's a big number to be afraid that the businesses would close down and move out. So, I'm not saying I'm supporting a tax increase, but the – we're the lowest of anybody around.

President Kirchner: Paul, did you investigate what the budgets are for those individual cities?

Paul Fear: I didn't look at the size of any of the budgets.

President Kirchner: Did you look at the property taxes?

Paul Fear: All I can get from the Ohio Municipal League is income tax.

Paul Kirchner: And my point being that if you want to look at one number, you can look at one number. It's a system. You have to look at budgets, you have to look at personnel, you have to look at services provided, you have to look at all the tax picture. I think that this community needs fiscal responsibility in its Council. It needs to live within its means just as its citizens have had to adjust to live within theirs.

Paul Fear: Loren Stuckert made a comment a while back I think maybe in his committee about employees. You haven't had an employee raise here by city employees since 2007.

So, anybody that's on the school board that you guys have been passing your two to three, five percent, they've had a zero increase since 2007. I'm not sure that –

Councilman Stuckert: Paul, we're in our third year of no increase.

Paul Fear: No raise, but... So, they have done their share over the years.

President Kirchner: All right, anybody else?

Jason Besser: I have an idea, and I put mine in writing. Take this home and read it. I know you guys have been here a long time. Jason Besser, 1225 Warren Drive. I've heard a lot of ideas from both sides, and we're kind of at a philosophical impasse here. So, I kind of found this idea out there, a little bit of an island, kind of between the two. And I've seen its effectiveness in action. I was hoping Paul Hunter would stay here because he's a person that actually benefitted from an employee suggestion program. A long time ago, different system, but still an employee suggestion program where he saved the US Government a lot of money and he in turn received a lot of money. But like you said, he got tired and took off. What I put in front in you is basically this, a program where employees, you know, the experts, the eyes, you know, they're down in the weeds on this stuff, if they can come up with a savings to the government through a process, improve a system, whatever you're talking about, a software, any idea like that, it basically gives them ten percent of the savings, even 25 percent of the savings, whatever, the first year of savings of long-term benefits for the city. So, I have – take all that home and read it. I also have model legislation – and I can send it over Brian. If there's any interest – and it would be an easy thing to put together and put on the ballot.

President Kirchner: Thank you, Jason.

Jason Besser: Any questions?

President Kirchner: At this point, no. But I'll read it and I'm sure the other Council members will and we'll give you a –

Jason Besser: Thank you all for being here two hours plus now.

President Kirchner: I thought I was breezing through as we hit the no reports at the beginning. But we definitely hit the critical issues, and I'm glad that everybody has been supportive of discussing them.

President Kirchner again asked if anybody else from the public or the council wished to address council while in session.

Seeing no one else who wished to speak, President Kirchner asked for a motion to adjourn.

Adjournment

A motion was made by McKay and seconded by Jaehnig to adjourn.

Motion passed.

Meeting adjourned

ATTEST:

President of Council

Clerk